

07-20-2006



103277942

To the Honorable Commissioner of Patents and ...

documents or copy thereof

1. Name and address of conveying party(ies)

Sterling Medivations, Inc.
4955 Avalon Ridge Parkway, Suite 300
Norcross, GA 30071

- Individual
- Limited Partnership
- Association
- General Partnership
- Corporation
- Other

Citizenship/State of Incorporation/Organization: Delaware

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):

Easton Hunt Capital Partners, L.P.
767 Third Avenue, 7th Floor
New York, NY 10017

- Individual
- Limited Partnership
- Association
- General Partnership
- Corporation
- Other

Additional name(s) & addresses attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- License
- Other
- Merger
- Change of Name
- Nunc Pro Tunc Assignment

Execution Date: 28 June 2006

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

A. Trademark Application Number(s)
78/602733
78/602716

Trademark Registration Number(s)
2688667

Additional numbers attached? Yes No

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

Name: Michael B. Lasky
Address: Altera Law Group
6500 City West Parkway - Suite 100
Minneapolis, Minnesota 55344-7704

6. Total number of applications and registrations involved:

3

- 7. Total fee (37 C.F.R. §3.41) \$90.00
- Enclosed - Any excess or insufficiency should be credited or debited to deposit account
- Authorized to charged to deposit account

8. Deposit Account number: 50-1038

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 copy of the original document.

Michael B. Lasky
Name of Person Signing

Signature

17 July 2006
Date

Total number of pages including cover sheet, attachments, and documents: 40

OFFICE OF PUBLIC RECORDS
2006 JUL 19 PM 2:13
FINANCE SECTION

40.00 OP
50.00 OP
0000005 78602733

CERTIFICATE UNDER 37 C.F.R. 1.8: The undersigned hereby certifies that this Transmittal Letter and the paper, as described herein, are being deposited in the United States Postal Service, as first class mail, with sufficient postage, in an envelope addressed to: Mail Stop Assignment Recordation Services, Director of the U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450 on _____

Jennifer Armstrong

Signature

07/20/2006 NJHWA
01 FC:8521
02 FC:8522

7/19/06

Name and address of receiving party(ies):

ProMed Offshore Fund II, Ltd.
125 Cambridgepark Drive
Cambridge, MA 01240

Mark Samuels
4400 Missendell Lane
Norcross, GA 30092

Richard L. Fowler
2561 Floa Valley Drive
Dacula, GA 30019

William Arthur III
2010 Tavistock Court
Alpharetta, GA 30022

SECURITY AGREEMENT

This Security Agreement (this "Security Agreement") is made as of June 28, 2006, by and among Sterling Medivations, Inc., a Delaware corporation ("Debtor"), in favor of lenders identified and listed on Schedule 1 attached hereto (each referred to herein as a "Lender" and collectively as the "Lenders") and ProMed Management Inc. as agent on behalf of the Lenders (together with its successors and assigns, the "Agent").

Recitals

A. Pursuant to the Bridge Loan Agreement between SpectRx, Inc. ("SpectRx"), the Lenders and the Agent dated as of the date of this Security Agreement (as that Bridge Loan Agreement may hereafter be amended, the "Loan Agreement"), the Lenders have agreed to make certain loans to SpectRx (the "Loans"), as evidenced by promissory notes (as amended or modified from time to time, and including any instruments evidencing any extensions, renewals or replacements, the "Notes").

B. Debtor is a wholly-owned subsidiary of SpectRx. Debtor has agreed to guaranty SpectRx's obligations under the Loan Agreement, the Notes and related agreements pursuant to a guaranty dated as of the date of the Loan Agreement (the "Guaranty"). The Debtor's guaranty is secured by a pledge of all its assets as set forth in this Security agreement.

B. It is a condition to the Lenders' willingness to make the Loans that Debtor enter into this Security Agreement.

NOW THEREFORE, to induce the Lenders to make the Loans, and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Debtor and the Lenders hereby agree as follows:

1. Definitions. Capitalized terms used in this Security Agreement and not otherwise defined have the meanings those terms have in the Loan Agreement. For the purposes of this Security Agreement, the following terms shall have the following meanings:

1.1. "Books and Records" means all of Debtor's books and records pertaining to the Collateral or to the rights granted to the Lender in this Agreement, including but not limited to records indicating, summarizing, or evidencing the Collateral, the Liabilities, and Debtor's property, business operations, or financial condition, computer runs, invoices, disks, CD-ROMs, tapes, processing software, processing contracts (such as contracts for computer time and services) and any computer prepared information, disks, CD-ROMs, tapes, or data of every kind and description, whether in the possession of Debtor or in the possession of third parties.

1.2. "Collateral" means all of the following owned by Debtor or in which Debtor has an interest, whether now owned or hereafter acquired:

1.2.1. Accounts, which means any “account,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: accounts, accounts receivable, contract rights, bills, acceptances, and other forms of obligations arising out of the sale, lease or consignment of goods or the rendition of services by Debtor; together with any property evidencing or relating to the Accounts (such as guaranties, credit insurance, Letters of Credit), any security for the Accounts, all Books and Records relating thereto.

1.2.2. Chattel Paper, which means any “chattel paper,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all presently owned and hereafter acquired chattel paper, whether electronic or tangible, including but not limited to any writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods.

1.2.3. Deposit Accounts, which means any “deposit account,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor.

1.2.4. Documents, which means any “documents,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all presently owned and hereafter acquired documents, including but not limited to documents of title (as that term is presently or hereafter defined in the UCC) and any and all receipts, including but not limited to receipts of the kind described in Article 7 of the UCC.

1.2.5. Equipment, which means any “equipment,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all presently owned and hereafter acquired equipment, whether or not affixed to realty, including, without limitation, machines, computers, trucks, trailers, goods, accessories, handling and delivery equipment, fixtures, improvements, office machines, restaurant equipment and furniture, together with all accessions, accessories, replacements and the rights of the Debtor under any manufacturer’s warranties relating to the foregoing.

1.2.6. General Intangibles means any “general intangible,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, including, without limitation, any software products, any personal property, choses in action, causes of action, designs, plans, goodwill, tax refunds, licenses, franchises, trade agreements, customer lists and all rights under license agreements for use of the same, any other payment intangibles and Intellectual Property.

1.2.7. Goods, which means any “goods,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all of the Debtor’s Inventory and Equipment.

1.2.8. Instruments, which means any “instruments,” as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all presently owned and hereafter acquired instruments, including, without limitation, bills of exchange, notes, and all negotiable instruments, all certificated securities, all certificates of deposit and any other writing that evidences a right to the payment of money and is not itself a security agreement or lease and is of a type that is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment.

1.2.9. Intellectual Property means any and all patents, patent applications and related filings, trademarks, trademark applications and related filings, service marks, service mark applications and related filings, trade names, know how and trade secrets, copyrights, copyright applications and related filings, computer software and programs, and other intellectual property and proprietary rights, including all rights to license and to sue for any past, present and future infringement relating to the same, and shall include without limitation all of the Debtor’s right, title and interest in and to:

1.2.9.1. all of its now owned or existing or hereafter acquired or arising trademarks, service marks, trademark or service mark applications, whether the foregoing are domestic (state or federal) or foreign, (A) renewals thereof, (B) all income, royalties, damages and payments hereafter due and/or payable with respect thereto, including, without limitation, damages and payment for past, present or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, (D) all rights corresponding thereto throughout the world, (E) the Trademark License Rights, as hereinafter defined, (F) trade dress, (G) all customer and other lists related to any of the foregoing, (H) together in each case with the goodwill of Debtor’s business connected with the use of, and symbolized by any of the foregoing and (I) Debtor’s entire right, title and interest in, to and under all license agreements with any person or entity, whether Debtor is licensor or licensee under any such license agreement (all of which are collectively referred to as “Trademarks” and are individually listed on Schedule D);

1.2.9.2. all of its now owned or existing, or hereafter acquired or arising, patentable inventions, patents and patent applications, whether the foregoing be domestic or foreign, including without limitation the inventions and improvements described and claimed therein, and together with (A) the reissues, divisions, continuations, renewals, extensions and continuations in part thereof, (B) all income, royalties, damages and payments now or hereafter due and/or payable under with respect thereto, including without limitation damages and payments for past, present or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, (D) all rights corresponding thereto throughout the world, and (E) all rights as licensor or licensee with respect to any patents, patent applications and rights thereto and thereunder (all of which are collectively referred to as “Patents” and are individually listed on Schedule E); and

1.2.9.3. all of Debtor’s now owned or existing or hereafter acquired or arising copyright interests throughout the world, whether or not registered, including any registrations thereof or applications therefor, and (A) all renewals thereof, (B) all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto,

including, without limitation, damages and payments for past, present or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights under all license agreements with any person whether Debtor is licensor or licensee under any such license agreement (all of which are collectively referred to as "Copyrights") and are individually listed on Schedule F).

1.2.10. Inventory, which means any "inventory," as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation, all presently owned and hereafter acquired inventory of every nature, kind, and description, wherever located, including, without limitation, raw materials, goods, work in process, finished goods, parts or supplies; all goods and property held for sale or lease or to be furnished under contracts of service; equipment of a type sold or leased to customers or that is used for demonstration or testing at customer or Debtor's premises; and all goods and inventory returned, reclaimed or repossessed.

1.2.11. Investment Property, which means any "investment property," as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation, (a) all shares of stock or other equity interests of GT, Sterling and other subsidiaries of Debtor (if any) now owned or hereafter acquired by Debtor, and all dividends, cash, stock dividends, instruments and other investment property from time to time received, receivable by, or otherwise distributed to Debtor for its own account in respect of or in exchange for any or all of such shares, and the certificates representing such shares, and (b) all shares of stock or other equity interests of any other Person now owned or hereafter acquired by Debtor, and all dividends, cash, stock dividends, instruments, and other property from time to time received, receivable by, or otherwise distributed to Debtor for its own account in respect of or in exchange for any or all of such shares, and the certificates representing such shares.

1.2.12. Letters of Credit, which means any "letters of credit" or "letter-of-credit right," as such terms are presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, and in any event shall include, without limitation: all presently owned and hereafter acquired letters of credit, including but not limited to any written undertaking to pay money conditioned upon presentation of specified documents, and advances of letters of credit.

1.2.13. Proceeds, which means any "proceeds," as such term is presently or hereafter defined in Article 9 of the UCC, now owned or hereafter acquired by Debtor, of any of the Collateral, including, without limitation, whatever is received upon the use, lease, sale, exchange, collection, any other utilization or any disposition of any of the Collateral described in this Section 1.2, whether cash or non-cash, all rental or lease payments, accounts, chattel paper, instruments, documents, inventory, substitutions, additions, accessions, replacements, products, and renewals of, for, or to such property and all insurance therefor.

1.3. "Credit Documents" means the Loan Agreement, the Notes, the Guaranty and this Agreement, together with all amendments, modifications, renewals, or extensions thereof.

1.4. “Event of Default” means any Event of Default as defined in the Loan Agreement.

1.5. “Liabilities” means and includes any and all indebtedness, obligations and liabilities of any kind arising in any way of Debtor to the Lenders (including to the Agent as set forth hereunder), now existing or hereafter created, under the Credit Documents, and any future advances, whether obligatory or voluntary, under, or refinancings, renewals or extensions of or substitutions for, any existing or future debt thereunder and hereunder, as well as all costs, expenses, advances and liabilities that may be made or incurred by the Lenders and the Agent in any way in connection with any of the Liabilities or any collateral security therefor.

1.6. “UCC” means the Uniform Commercial Code as in effect from time to time in the State of Georgia and any other applicable state.

2. Security Interest. As security for the due and punctual payment and full and complete performance of each of the Liabilities, Debtor hereby grants to the Lenders a security interest in and general lien upon all of Debtor’s right, title and interest in and to all the Collateral and any part thereof. The Lender’s security interest shall be never less than second in priority and shall only be second to the security interest granted by Debtor in connection with its guaranty of the GT Loans (as defined in the Loan Agreement)..

3. Representations and Warranties. Debtor represents and warrants to the Lenders:

3.1. Locations. The chief place of business, chief executive offices and the office(s) where Debtor’s records are kept concerning accounts and the locations where its Inventory is kept, are as set forth on Schedule A attached hereto.

3.2. Trade names. It conducts business under and through its legal name as set forth on the signature page hereto, and no other names, except as set forth on Schedule B attached hereto.

3.3. No Consents Necessary. Except for the filing of UCC financing statements naming Debtor as “debtor” and the Lenders or the Agent on behalf of the Lenders as “secured party” in the appropriate filing offices, and the requisite filing requirements to perfect security interests in bank accounts and motor vehicles, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental, administrative or judicial authority or regulatory body is currently or is reasonably expected to be required either (A) for the grant by Debtor of the liens and security interests granted hereby or for the execution, delivery or performance of this Security Agreement by Debtor, or (B) for the perfection of or the exercise by the Lender of its rights and remedies hereunder.

3.4. Rights in Collateral. Debtor has the right to grant the security interests created by this Security Agreement. The Collateral is not subject to liens, claims or encumbrances, licenses or similar interests except the liens and encumbrances of the Lenders and Permitted Liens (as defined in the Loan Agreement).

3.5. Deposit Accounts. Schedule C lists each Deposit Account of Debtor, specifying the name and address of the bank, the account number, the type of account and the name and telephone and facsimile numbers and of the account officer.

3.6. Materially Misleading Statements. No representation, warranty or statement made herein, on any Schedule hereto or in any certificate or document furnished or to be furnished pursuant hereto contains or will contain any untrue statement of material fact or omits or will omit any fact necessary to make it not misleading in any material respect.

3.7. Intellectual Property. Schedule D contains a correct and complete list of all registered and pending U.S. and foreign Trademarks. Schedule E contains a correct and complete list of all registered and pending U.S. and foreign Patents. The Company has no registered or pending U.S. or foreign Copyrights.

4. Further Assurances; Filing.

4.1. Delivery of Documents; Inspection of Collateral. At any time and from time to time, upon the demand of the Majority Noteholders or the Agent, Debtor will, at Debtor's expense: (i) upon the occurrence of an Event of Default, immediately deliver and pledge to the Agent on behalf of the Lenders, properly endorsed to the Agent and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may reasonably request, any and all Instruments, documents, and/or Chattel Paper as the Agent may specify in its demand; (ii) give, execute, deliver, file, and/or record any notice, statement, instrument, assignment, document, agreement, or other papers that may be necessary or desirable, or that the Agent may reasonably request, in order to create, preserve, perfect, or validate any security interest granted pursuant hereto or intended to be granted hereunder or upon the occurrence of an Event of Default, to enable the Lenders or the Agent on their behalf to exercise or enforce their or its rights hereunder or with respect to such security interest; and/or (iii) keep, stamp, or otherwise mark any and all documents, Instruments, Chattel Paper, and its Books and Records relating to the Collateral in such manner as the Agent may reasonably require; and/or (iv) permit representatives and agents of the Agent access to its premises at any time reasonably requested by Majority Noteholders or the Agent to inspect the Collateral and the Books and Records and to audit and make abstracts from the Books and Records.

4.2. Filing of Financing Statements and Assignments and Termination of Collateral. At the sole option of the Agent on behalf of the Majority Noteholders, and without Debtor's consent, but subject to the last sentence of Section 5.11 of the Loan Agreement, the Agent may file a carbon, photographic or other reproduction of this Security Agreement or any financing statement executed pursuant hereto as a financing statement or any assignment of any of the Collateral that is necessary or appropriate to evidence the security interest granted pursuant hereto in any jurisdiction so permitting or as a registration of the Lenders' interest on behalf of the Lenders to any of the Collateral in any office so permitted. Debtor hereby grants the Agent power of attorney and authority to execute any such assignments on Debtor's behalf. Following indefeasible payment in full of all Liabilities, the Agent and the Lenders agree to cooperate and join, at Debtor's expense, in executing and delivering all documents, and taking all actions as are necessary to release and terminate the Lenders' security interests in and assignments of the Collateral and to terminate this Agreement.

4.3. Collateral Custody Duties. With respect to the Collateral, or any part thereof, which at any time may come into the possession, custody or under the control of the Agent, any Lender or any of its agents, associates or correspondents, Debtor hereby acknowledges and agrees that the sole duty of the Agent or the Lender with respect to the custody, safekeeping and physical preservation of such Collateral, whether pursuant to Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Lender deals with similar property for its own account. Neither the Agent, nor Lender, nor any of its partners, members, managers, directors, officers, employees, affiliates, agents, associates or correspondents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so.

4.4. Control Agreement. Upon the occurrence of an Event of Default, at the sole option of the Agent or Majority Noteholders, Debtor shall exercise its commercially reasonable efforts to cause the applicable bank to enter into a control agreement in a form reasonably acceptable to the Agent or Majority Noteholders with respect to each Deposit Account.

4.5. Investment Property. Immediately upon acquiring any Investment Property, Debtor shall deliver to the Agent that Investment Property, including all certificates evidencing that property, together with assignments in blank executed by Debtor with signature guaranteed with respect to that Investment Property (if reasonably requested by the Agent). Debtor will also notify the issuer of the Investment Property that all dividends and distributions with respect to the Investment Property shall be paid directly to the Lenders.

4.6. Deposit Accounts. Debtor will notify the Agent prior to opening any Deposit Account not listed on Schedule C. Upon the occurrence of an Event of Default, if the Agent or Majority Noteholders so request and as a condition precedent to the opening of any Deposit Account and the deposit of any funds therein, Debtor, the Agent on behalf of the Lenders and that bank will enter into a control agreement reasonably acceptable to the Agent or Majority Noteholders. After an Event of Default, Debtor agrees not to deposit, cause to be deposited or permit to be deposited investment securities or property evidenced by an instrument in any Deposit Account.

5. Covenants. Debtor hereby covenants and agrees that for as long as any Liabilities are outstanding:

5.1. Defense of Collateral. Debtor shall defend the Collateral against all claims and demands of all persons or entities at any time claiming any interest therein other than the Lenders.

5.2. Notice of Changes in State of Formation, Form of Entity, Location of Chief Executive Office, Residence, Books and Records, Collateral. Debtor shall provide the Agent with prior written notice of: (i) any intended change in the form of entity of Debtor, and/or the state of formation or organization, (ii) any intended change in the chief executive office or residence of Debtor, and/or the office where Debtor maintains its Books and Records; (iii) the location or change of location of any Collateral to or at an address other than as set forth on Schedule A; however, (A) without such notification Goods and Inventory may be sold by

Debtor in the ordinary course of its business and (B) with respect to Equipment, so long as no Event of Default is in existence, Debtor shall notify the Agent of its change of location not later than the fifteenth day of the next succeeding calendar month after the change of location, except that during the existence of an Event of Default Debtor shall notify the Agent prior to any change of location of the Equipment; and (iv) for each new Deposit Account, the name and address of the bank, the number and type of account and the name, telephone and facsimile numbers and e mail address of the account officer.

5.3. Prompt Payment of Taxes; Delivery to the Lenders of Proof of Payment.

Debtor shall promptly pay any and all taxes, assessments, and/or governmental charges upon the Collateral on the dates such taxes, assessments, and/or governmental charges are due and payable, except to the extent that such taxes, assessments, and/or charges are contested in good faith by Debtor by appropriate proceedings and for which Debtor is maintaining adequate reserves. Upon request of the Agent or Majority Noteholders, Debtor shall deliver to the Agent such receipts and other proofs of payment as the Agent may reasonably request.

5.4. Delivery of Instruments, Chattel Paper and Documents of Title. During the existence of an Event of Default, Debtor shall immediately deliver to the Agent any and all Instruments, Chattel Paper, and/or documents of title (including bills of lading and warehouse receipts), and shall execute any form of assignment or endorsement reasonably requested by the Agent with respect thereto.

5.5. Notice of Adverse Changes, Events of Default, Seizures and Institution of Litigation. Debtor shall immediately notify the Lenders and the Agent of: (i) the occurrence of any event or circumstance that is reasonably likely to result in a Material Adverse Effect (as defined in the Loan Agreement) on Debtor's business, property, or financial condition, including, without limitation, any loss of or damage to any Collateral; (ii) the occurrence of an Event of Default; (iii) any seizure of the Collateral; (iv) any claims or alleged claims of third parties to the Collateral that, either singly or in the aggregate, is reasonably likely to have a Material Adverse Effect on Debtor or the Collateral; and (v) the institution of any litigation, arbitration, governmental investigation or administrative proceedings against or affecting Debtor or any of the Collateral that, if adversely determined, is reasonably likely, either singly or in the aggregate, to result in an Event of Default or to have a Material Adverse Effect on Debtor, its business, property, or financial condition.

5.6. Insurance. Debtor shall maintain insurance at all times with respect to the Collateral (including all risk extended coverage) against the risks of fire, theft and such other risks, including, without limitation, liability, errors and omissions and business interruption, as Majority Noteholders may reasonably require, containing such terms, in such form and amounts, for such periods and written by such companies as are acceptable to the Agent in its reasonable discretion. The Lenders shall have the right (but shall be under no obligation) to pay any of the premiums on such insurance and all such payments shall become part of the Liabilities and be considered an advance at the highest rate of interest provided for in the Credit Documents. Debtor expressly authorizes its insurance carriers to pay proceeds of all insurance policies covering all or any part of the Collateral directly to the Agent on behalf of the Lenders. In the event Collateral is damaged or destroyed and no Event of Default has occurred, then

notwithstanding the other provisions of this Section 5.6, all proceeds of insurance covering such damage or loss shall be paid to Debtor.

5.7. Disposition of Collateral. Debtor shall not license, sell, offer to sell, otherwise assign or permit the involuntary transfer of, or disposition of the Collateral or any interest therein, without the prior written consent of the Agent or Majority Noteholders; provided, however, that unless an Event of Default has occurred Debtor may sell its Goods and Inventory in the ordinary course of business, sell and lease its Equipment in the ordinary course of business, license its Intellectual Property in the ordinary course of business, and conduct banking transactions in the ordinary course of business.

5.8. Security Interests in Collateral. Except for Permitted Liens (as defined in the Loan Agreement), Debtor shall keep the Collateral free from any lien, security interest or encumbrance except those in favor of the Lender, in good order and repair, reasonable wear and tear excepted, and will not waste or destroy the Collateral or any part thereof. If reasonably requested by Majority Noteholders, Debtor shall give notice of the Lenders' security interests in the Collateral to any third person with whom Debtor has any actual or prospective contractual relationship or other business dealings.

5.9. Collateral not to be used in Violation of Laws. Debtor shall not use the Collateral or any of its property in violation of any law, statute, regulation, or ordinance.

5.10. Compliance with Laws. Debtor shall continue to be in compliance in all material respects with all applicable laws, statutes, rules, and regulations.

5.11. Maintenance, Inspection of Books and Records. Debtor shall maintain complete and accurate Books and Records in accordance with generally accepted accounting principles in effect in the United States from time to time, and shall make all necessary entries therein to reflect the costs, values and locations of its Inventory and the transactions giving rise to its Accounts and all payments, credits and adjustments thereto. Debtor shall keep the Agent fully informed as to the location of all such Books and Records. The Lenders' rights hereunder shall be enforceable at law or in equity, and Debtor consents to the entry of judicial orders or injunctions enforcing specific performance of such obligations hereunder.

5.12. Assignment of United States Accounts. If any of the Accounts arise out of contracts with the Federal Government of the United States of America or any of its departments, agencies or instrumentalities, or with any other government, its department, agencies or instrumentalities, Debtor shall immediately notify and identify same to the Agent, and, if Agent so requests, shall promptly execute and deliver to the Agent an assignment of claims for such Accounts in a form reasonably acceptable to the Agent or Majority Noteholders, and shall take all steps reasonably deemed necessary or desirable by the Agent to protect the Lenders' interest therein under the Federal Assignment of Claims Act or any similar law or regulation.

5.13. Maintenance and Inspection of Equipment and Inventory. With respect to Equipment and Inventory, Debtor shall: (i) keep accurate books and records with respect thereto; (ii) upon request, deliver to the Agent all evidence of ownership in such Collateral, including certificates of title with the Lenders' interests appropriately noted on the certificate;

and (iii) preserve the Equipment and Inventory in good condition and repair, and pay the cost of all replacement parts, repairs to and maintenance of the Equipment.

5.14. Assignment of Accounts. Upon the occurrence of an Event of Default and upon request by the Agent or Majority Noteholders, Debtor shall promptly give to the Agent assignments, in a form acceptable to the Agent, of all Accounts, all original and other documents evidencing a right to payment of Accounts, financial statements, agings, reports, lists of account debtors, copies of purchase orders, invoices, contracts, shipping and delivery receipts and such other data concerning the Accounts as the Agent or Majority Noteholders may reasonably request.

5.15. Continuing of Perfected Status of Collateral. Debtor agrees to cooperate and join, at its expense, with the Agent and the Lenders in taking such steps as are necessary, in the reasonable judgment of the Agent or Majority Noteholders, to perfect or continue the perfected status of the security interests granted herein, including, without limitation, the execution and delivery of any financing statements, amendments thereto and continuation statements, the delivery of Chattel Paper, documents or Instruments to the Agent the notation of encumbrances in favor of the Lenders on certificates of title. The Agent and Majority Noteholders are expressly authorized to file financing statements without Debtor's signature.

5.16. Deposit Accounts. If for any reason any bank at which a Deposit Account is located elects to close a Deposit Account and a control agreement among the Lenders and/or the Agent on their behalf, Debtor and that bank is in effect, then Debtor shall require that bank to deposit directly any funds in that Deposit Account into another Deposit Account at a bank which has entered into a control agreement with Debtor and the Lenders and/or the Agent on their behalf with respect to such transferee Deposit Account.

5.17. Intellectual Property.

5.17.1. Notification. Debtor shall immediately notify the Agent in writing of any additions or changes in its ownership of or rights in Intellectual Property other than immaterial Intellectual Property and shall execute any and all agreements, assignments, documents and instruments that the Agent or Majority Noteholders reasonably requests in order to permit the Lenders to record and perfect their security interest and rights therein.

5.17.2. Perfection of Interest. Upon written request of Majority Noteholders, Debtor will take all commercially reasonable actions, including executing and recording at Debtor's expense, all documents, including, without limitation, notices of security interest for each relevant type of Intellectual Property in forms suitable for filing with applicable governmental authority, that the Agent or Majority Noteholders deem reasonably necessary to record, maintain, preserve, protect, or perfect the Lenders' security interest in the Intellectual Property other than with respect to immaterial Intellectual Property.

5.17.3. Maintenance. Except to the extent that the Agent or Majority Noteholders gives prior written consent:

(i) Debtor (either itself or through licenses) will continue to use all of Debtor's material trademarks in connection with each and every trademark class of

goods or services applicable to Debtor's current line of products or services and to maintain such trademarks in full force and effect and free from any claim of abandonment for non use, and Debtor will not (and will not permit any trademark licensee to) take any action or knowingly fail to take any action that could reasonably be expected to invalidate any material Debtor trademark;

(ii) Debtor will not take any action or knowingly fail to take any action that could reasonably be expected to result in any Debtor material patent applications or patents becoming abandoned or dedicated to the public domain or that could reasonably be expected to weaken the remedies available against potential infringers, and Debtor will notify the Agent promptly if Debtor becomes aware that any patent application or patent may become abandoned or dedicated to the public domain; and

(iii) Debtor will not take any action or knowingly fail to take any action that could reasonably be expected to result in any material copyrights becoming abandoned or dedicated to the public domain or that could reasonably be expected to weaken the remedies available against potential infringers, and Debtor will notify the Agent promptly if the Debtor becomes aware that any material copyright may become abandoned or dedicated to the public domain.

6. General Authority.

6.1. Lender as Attorney-in-Fact. Debtor hereby irrevocably appoints the Agent and each Lender (and any of its attorneys, officers, employees, or agents) as its true and lawful attorney-in-fact, said appointment being coupled with an interest, with full power of substitution, in the name of Debtor, the Lenders, the Agent or otherwise, for the sole use and benefit of the Lenders in the sole discretion of the Agent or Majority Noteholders, but at Debtor's expense, to exercise, to the extent permitted by law, in the Lenders' names or the Agent's on the Lenders' behalf or in the name of Debtor or otherwise, the powers set forth herein, whether or not any of the Liabilities are due, such powers, including but not limited to the powers at any time following demand for payment under the Loan Agreement or Note, or the occurrence of an Event of Default: (i) to endorse the name of Debtor upon any instruments of payment, invoice, freight, or express bill, bill of lading, storage, or warehouse receipt relating to the Collateral; (ii) to demand, collect, receive payment of, settle, compromise or adjust all or any of the Collateral; (iii) to correspond and negotiate directly with insurance carriers to the extent necessary to provide the Lenders with the benefit of the rights granted pursuant hereto; (iv) to sign and file one or more financing statements naming Debtor as debtor and the Lenders (or the Agent on their behalf, as secured party and indicating therein the types or describing the items of Collateral herein specified; (v) to correspond and negotiate directly with insurance carriers to the extent necessary to provide the Lenders with the benefit of the rights granted pursuant hereto; (vi) to sign and file one or more assignments of Intellectual Property or such other agreements, documents or instruments with respect to Intellectual Property that Majority Noteholders may require to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Lenders (or the Agent on their behalf) to exercise or enforce its rights hereunder or with respect to such security interest; and (vii) to execute any notice, statement, instrument, agreement, or other paper that the Agent or Majority Noteholders may require to create, preserve, perfect, or validate any security interest granted pursuant hereto or to enable the Lenders (or the Agent on their behalf) to exercise or enforce their rights hereunder or with

respect to such security interest; however, the provisions of this Section 6.1 shall only be operative during the existence of an Event of Default.

6.2. Liability of the Lenders as Attorney-in-Fact. Neither the Agent nor any Lender nor its attorneys, officers, employees or agents shall be liable for acts, omissions, any error in judgment or mistake in fact in its/their capacity as attorney-in-fact other than as a result of gross negligence or willful misconduct. Debtor hereby ratifies all acts of any Lender or the Agent as its attorney-in-fact other than as a result of the gross negligence or willful misconduct of the lender or the Agent. This power, being coupled with an interest, is irrevocable until the Liabilities have been fully satisfied. The Lenders (and the Agent acting on their behalf) shall not be required to take any steps necessary to preserve any rights against prior parties with respect to any of the Collateral.

6.3. Effect of Extensions and Modifications. During the existence of an Event of Default, Majority Noteholders may extend the time of payment, arrange for payment in installments or, through the Agent or otherwise, otherwise modify the terms of, or release, any of the Collateral, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, Debtor.

6.4. Grant of License to Use Collateral. During an existence of an Event of Default, in addition to the grant of a security interest herein, for the limited purpose of enabling the Lenders (or the Agent on their behalf) to exercise their rights and remedies hereunder at such time as the Lenders (or the Agent on their behalf) shall be lawfully entitled to exercise such rights and remedies, Debtor hereby grants to the Agent and Majority Noteholders an irrevocable, non exclusive license (exercisable without payment of royalty or other compensation to Debtor, provided that the actual proceeds received by the Lenders (or the Agent on their behalf) of any use or sale of the Lenders' rights under such license shall be applied to the Liabilities) to use, lease, sublease, assign, license or sublicense any of the Collateral, including General Intangibles and Intellectual Property, now owned or hereafter acquired by Debtor, and wherever the same may be located, including in such license (i) reasonable access to all media in which any of the licensed items may be recorded or stored, all computer software and programs and all source code and object code relating to such computer software and programs, (ii) rights to use and operate any Goods, Inventory and Equipment, and (iii) rights to use, process, make, market and sell materials and products. The license granted in this Section 6.4 shall terminate as provided in the last sentence of Section 4.2.

7. Remedies.

7.1. Acceleration of Liabilities; General Rights of the Lenders. During the existence of an Event of Default, at Majority Noteholders' sole option, all Liabilities shall immediately become due and payable in full, all without protest, presentment, demand or further notice of any kind to Debtor, all of which are expressly waived. During the existence of an Event of Default, the Agent or Majority Noteholders may, at its or their option, exercise any and all rights and remedies it has under this Security Agreement, any other Credit Document and/or applicable law, including, without limitation, the right to charge and collect interest on the principal portion of the Liabilities at a rate equal to the highest rate allowed by law or, if there is a rate specified in the agreement or instrument creating the Liability, at the rate set forth therein,

whichever is lower, such rate of interest to apply to the Liabilities, at Majority Noteholders' option, both before and after an Event of Default, maturity (whether by acceleration or otherwise) and entry of a judgment in favor of the Lenders with respect to any or all of the Liabilities.

7.2. Right of Set-off. During the existence of an Event of Default and to the extent permitted under applicable law, each Lender and the Agent shall have the right, without notice to Debtor and regardless of the adequacy of the Collateral for the Liabilities or other means of obtaining repayment of the Liabilities, and is specifically authorized hereby to apply toward and set off against and apply to the then unpaid balance of the Liabilities any items or funds held by the Lender or the Agent and any and all deposits (whether general or special, time or demand, matured or unmatured) or any other property of Debtor, including, without limitation, securities, now or hereafter maintained by Debtor for its own account with the Lender or the Agent and any other indebtedness at any time held or owing by the Lender or the Agent to or for the credit or the account of Debtor, even if effecting such set off results in a loss or reduction of interest or the imposition of a penalty applicable to the early withdrawal of time deposits. For such purpose, the Lender and the Agent on the Lender's behalf shall have, and Debtor hereby grants to the Lender and the Agent on the Lender's behalf, a first lien on and security interest in such deposits, property, funds and accounts and the proceeds thereof. Such right of set off shall exist whether or not the Lender or the Agent shall have made any demand under any Credit Document, or any other document executed in connection therewith, and whether or not the Liabilities are matured or unmatured.

7.3. Additional Rights and Remedies. In addition to the rights and remedies available to the Lenders and the Agent on their behalf as set forth above and any other rights or remedies available to the Lenders and the Agent on their behalf under applicable law, upon the occurrence of an Event of Default, or at any time thereafter, the Agent or the Majority Noteholders may at their option and to the extent permitted by applicable law, immediately and without notice, do any or all of the following, which rights and remedies are cumulative, may be exercised from time to time, and are in addition to any rights and remedies available to the Lenders and the Agent on their behalf under any other agreement or instrument by and between Debtor and the Lenders and/or the Agent on their behalf:

7.3.1. Exercise any and all of the rights and remedies of a secured party under the UCC, including, without limitation, the right to require Debtor to assemble the Collateral and make it available to the Lenders or the Agent on their behalf at a place reasonably convenient to the parties;

7.3.2. Operate, utilize, recondition and/or refurbish any of the Collateral for the purpose of enhancing or preserving the value thereof by any means deemed appropriate by the Agent or Majority Noteholders, in its reasonable discretion, including, without limitation, converting raw materials and/or work in process into finished goods;

7.3.3. Notify the account debtors for any of the Accounts to make payment directly to the Lenders or the Agent, or to such post office box as the Agent or Majority Noteholders may direct;

7.3.4. Demand, sue for, collect or retrieve any money or property at any time payable, receivable on account of or in exchange for, or make any compromise, or settlement deemed desirable with respect to any of the Collateral;

7.3.5. Notify the post office authorities to change the address for delivery of Debtor's mail to an address designated by the Agent or Majority Noteholders and to receive, open, and distribute all mail addressed to Debtor, retaining all mail relating to the Collateral and forwarding all other mail to Debtor;

7.3.6. Assign all Intellectual Property to the Lenders or the Agent on the their behalf; and/or

7.3.7. Upon ten (10) calendar days' prior written notice to Debtor (or one (1) day's notice by telephone with respect to Collateral that is perishable or threatens to decline rapidly in value), which Debtor hereby acknowledges to be sufficient, commercially reasonable and proper, Majority Noteholders or the Agent on their behalf may sell, lease, license or otherwise dispose of any or all of the Collateral at any time and from time to time at public or private sale, with or without advertisement thereof, and apply the proceeds of any such sale first to the Lenders' and Agent's expenses in preparing the Collateral for sale (including reasonable attorneys' fees) and second to the complete satisfaction of the Liabilities in any order deemed appropriate by Majority Noteholders in their sole discretion. Debtor waives the benefit of any marshaling doctrine with respect to the Lenders' and Agent's exercise of their rights hereunder. Any Lender, the Agent or anyone else may be the purchaser of any or all of the Collateral so sold and thereafter shall hold such Collateral absolutely, free from any claim or right of whatsoever kind, including any equity of redemption of Debtor (any such notice, right and/or equity of redemption being hereby expressly waived and released). Any Lender, the Agent or anyone else may be the lessee or licensee of any or all of the Collateral so leased or licensed and thereafter shall hold such Collateral absolutely free from any claim or right of any kind whatsoever, including equity of redemption of Debtor, but subject to the terms of the lease or license, as applicable. In the event that the Lenders (or the Agent on their behalf) receive from the proceeds of any sale, collection or realization of or upon the Collateral an amount in excess of the amount of all Liabilities and any other amounts to which the Lenders and the Agent are entitled under the Credit Documents, this Agreement and by law, then any such surplus shall be paid to Debtor unless otherwise provided by law.

8. Miscellaneous.

8.1. Notices. All notices and other communications hereunder shall be in writing and shall be delivered by facsimile where confirmation or receipt by the receiving party's receiver can be documented, or personally delivered by hand or by reputable overnight courier or mailed by first class certified or registered mail, postage prepaid, as follows:

If to the Debtor:

Sterling Medivations, Inc.
4955 Avalon Ridge Parkway, Suite 300
Norcross, GA 30071
Attn: President
Facsimile: 770-242-8639

with a copy to:

Jones Day
1420 Peachtree Street, N.E., Suite 800
Atlanta, GA 30309-3053
Attn: John E. Zamer, Esq.
Facsimile: 404-581-8266

If to a Lender:

to its address set forth on Schedule 1

with a copy to:

Pepper Hamilton LLP
100 Renaissance Center, 36th Floor
Detroit, MI 48243-1157
Attn: Hugh D. Camitta, Esq.
Facsimile: 313-259-7926

If to the Agent:

ProMed Management Inc.
125 Cambridgepark Drive
Cambridge, MA 02140
Attn: David Musket
Facsimile: 617-441-0855

with a copy to:

Pepper Hamilton LLP
100 Renaissance Center, 36th Floor
Detroit, MI 48243-1157
Attn: Hugh D. Camitta, Esq.
Facsimile: 313-259-7926

or to such other address or addresses as the party to whom such notice is directed may have designated in writing to the other parties hereto. A notice shall be deemed to have been given

upon receipt by the party to whom such notice is directed, or if receipt is refused, on the day on which delivery was attempted.

8.2. Costs and Expenses. Debtor shall promptly pay (or reimburse, as the Majority Noteholders or Agent on their behalf may elect) all reasonable costs and expenses that the Agent or Lenders may hereafter incur in connection with the perfection and enforcement of the Credit Documents, the collection of all amounts due under the Credit Documents, and all amendments, modifications, consents or waivers, if any, to the Credit Documents. Such costs and expenses shall include, without limitation, the reasonable fees and disbursements of counsel retained by the Agent for such perfection, enforcement and collection, the costs of appraisals, searches of public records, costs of filing and recording documents with public offices, internal and/or external audit and/or examination fees and costs, stamp, excise and other taxes, the reasonable fees of the Agent's accountants, consultants or other professionals, costs and expenses from any actual or attempted sale of all or any part of the Collateral, or any exchange, enforcement, collection, compromise, or settlement of any of the Collateral or receipt of the proceeds thereof, and for the care and preparation for sale of the Collateral (including insurance costs) and defending and asserting the rights and claims of the Lenders or the Agent on their behalf in respect thereof, by litigation or otherwise. Debtor's reimbursement obligations under this Section 8.1 shall survive any termination of the Credit Documents.

8.3. Governing Law. This Security Agreement shall be construed in accordance with and governed by the substantive laws of the State of Georgia without reference to conflict of laws principles.

8.4. Integration. This Security Agreement and the other Credit Documents constitute the sole agreement of the parties with respect to the subject matter hereof and thereof and supersede all oral negotiations and prior writings with respect to the subject matter hereof and thereof.

8.5. Amendment; Waiver; Consents. This Security Agreement may be amended and any provisions hereunder may be waived in accordance with Section 10.4 of the Loan Agreement. Each Lender hereby consents to any decision made on behalf of the Lenders by Majority Noteholders or the Agent. Each Lender shall indemnify and hold harmless each other Lender and the Agent for any actions or failures to act hereunder except for such other Lender's or the Agent's gross negligence or willful misconduct.

8.6. Successors and Assigns. This Security Agreement (i) shall be binding upon Debtor, the Agent and the Lenders and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns, and (ii) shall inure to the benefit of Debtor, the Agent and, the Lenders and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns; provided, however, that Debtor may not assign its rights hereunder or any interest herein without the prior written consent of Majority Noteholders in their sole discretion, and any such assignment or attempted assignment by Debtor shall be void and of no effect with respect to the Lenders.

8.7. Severability. The illegality or unenforceability of any provision of this Security Agreement or any instrument or agreement required hereunder shall not in any way

affect or impair the legality or enforceability of the remaining provisions of this Security Agreement or any instrument or agreement required hereunder. In lieu of any illegal or unenforceable provision in this Security Agreement, there shall be added automatically as a part of this Security Agreement a legal and enforceable provision as similar in terms to such illegal or unenforceable provision as may be possible.

8.8. Headings. The headings of sections and sections have been included herein for convenience only and shall not be considered in interpreting this Security Agreement.

8.9. Agent. To the extent not inconsistent with this Agreement, the provisions of the Loan Agreement with respect to the Agent are incorporated herein.

[Signature page follows.]

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

“Debtor”

Sterling Medivations, Inc.

By: Mark Smudis

Its: CEO

“Lenders”

(Print Name of Lender)

By: _____

Its: _____

“Agent”

ProMed Management Inc.

By: _____

Its: _____

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

“Debtor”

Sterling Medivations, Inc.

By: Mark A. Samuels

Its: CEO

“Lenders”

Mark A. Samuels

(Print Name of Lender)

By: Mark A. Samuels

Its: _____

“Agent”

ProMed Management Inc.

By: _____

Its: _____

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

“Debtor”

Sterling Medivations, Inc.

By: _____

Its: _____

“Lenders”

EASTON HUNT CAPITAL PARTNERS, L.P.

By: EHC GP, LP, its General Partner

By: EHC, Inc., its General Partner

By: *Robert P. Shively*

Its: Vice President and Secretary

“Agent”

ProMed Management Inc.

By: _____

Its: _____

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

"Debtor"

Sterling Medivations, Inc.

By: _____

Its: _____

"Lenders"

ProMed Offshore Fund II, LTD

(Print Name of Lender)

By: *David B. Musket*
DAVID B. MUSKET

Its: MANAGING MEMBER

"Agent"

ProMed Management Inc.

By: *David B. Musket*
DAVID B. MUSKET

Its: MANAGING DIRECTOR

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

“Debtor”

Sterling Medivations, Inc.

By: Mark A. Smuels

Its: CEO

“Lenders”

Rick Fowler
(Print Name of Lender)

By: Rick Fowler

Its: _____

“Agent”

ProMed Management Inc.

By: _____

Its: _____

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

“Debtor”

Sterling Medivations, Inc.

By: Mark Smud

Its: CEO

“Lenders”

William D. Arthur III
(Print Name of Lender)

By: William D. Arthur III

Its: _____

“Agent”

ProMed Management Inc.

By: _____

Its: _____

Schedule 1

LENDERS

Schedule 1

To Security Agreement dated June 28, 2006

Lender

Easton Hunt Capital Partners, L.P.
767 Third Avenue, 7th Floor
New York, NY 10017
Attn: Francisco Garcia and Richard P. Schneider
Facsimile: 212-702-0952

ProMed Offshore Fund II, Ltd.
125 Cambridgepark Drive
Cambridge, MA 01240
Facsimile: 617-441-0855

Mark Samuels
4400 Missendell Lane
Norcross, GA 30092
Facsimile: 770-242-8639

Richard L. Fowler
2561 Floa Valley Drive
Dacula, GA 30019

William Arthur III
2010 Tavistock Court
Alpharetta, GA 30022

Schedule A

LOCATIONS

Schedule A

To Security Agreement dated June 28, 2006

Chief place of business:

**4955 Avalon Ridge Pkwy
Suite 300
Norcross, GA 30071**

Chief executive offices:

**4955 Avalon Ridge Pkwy
Suite 300
Norcross, GA 30071**

Offices where records are kept:

**4955 Avalon Ridge Pkwy
Suite 300
Norcross, GA 30071**

Locations where Inventory is kept.

**4955 Avalon Ridge Pkwy
Suite 300
Norcross, GA 30071**

Schedule B

DEBTOR'S NAME(S)

Schedule B

To Security Agreement dated June 28, 2006

Names under which Sterling Medivations, Inc. conducts business other than its legal name:

Simple Choice

Schedule C

DEPOSIT ACCOUNTS

Schedule D

TRADEMARKS

Exhibit D

To Security Agreement dated June 28, 2006

U.S. Trademark Applications and Registration

Trademark	Serial No.	Registration No.	Status
SIMPLECHOICE TWIST	78/602,733		Filed 04/06/2005
TWIST	78/602,716		Filed 04/06/2005
SIMPLECHOICE	76/418273	2688667	Registered 02/18/2003

Schedule E

PATENTS

 SC IP Summary
 (US and International)
 Date of Report: July 14, 2006

Docket Number	Ctry	Types Status	Application	Application Number	Granted	Patent Number	Next Tax	Expiration
STERLING.001	USA	G	29SE2000	09/672103	19NO2002	6482186	19MY2010	29SE2020
Title: REUSABLE MEDICATION DELIVERY SYSTEM								

STERLING.001	GERM	F	28SE2000	10048220.1			30SE2006	
Title: REUSABLE MEDICATION DELIVERY SYSTEM								
STERLING.001	GERM	U	G	28SE2000	20016779.0	12AP2001	DE20016779U1	30SE2006
Title: REUSABLE MEDICATION DELIVERY SYSTEM								

STERLING.001	JAPA	P	F	29SE2000	526228/2001			
Title: REUSABLE MEDICATION DELIVERY SYSTEM								
STERLING.001CON	USA	C	G	24JE2002	10/176662	04NO2003	6641566	04MY2007
Title: REUSABLE MEDICATION DELIVERY SYSTEM								

STERLING.002	USA	G	29SE2000	09/675159	15JE2004	6749589	15DE2007	29SE2020
Title: SUBCUTANEOUS INJECTION SET FOR USE WITH A RESEVOIR THAT HAS A SEPTUM								
STERLING.002	JAPA	P	F	17JA2001	552689/2001			
Title: SUBCUTANEOUS INJECTION SET FOR USE WITH A RESEVOIR THAT HAS A SEPTUM								

STERLING.002CON	USA	C	F	14JA2004	10/756310			
Title: SUBCUTANEOUS INJECTION SET FOR USE WITH A RESEVOIR THAT HAS A SEPTUM								
STERLING.003	JAPA	P	F	17JA2001	552971/2001			
Title: PEN NEEDLE ASSEMBLY AND ADAPTER								

STERLING.005	USA	G	29SE2000	09/672456	07OC2003	6629949	07AP2007	29SE2020
Title: MICRO INFUSION DRUG DELIVERY DEVICE								
STERLING.005A	USA	G	01MY2001	09/845256	09DE2003	6659982	09JE2007	29SE2020
Title: MICRO INFUSION DRUG DELIVERY DEVICE								

STERLING.005A	EPC	X	G	08MY2001	01935184.0	30NO2005	EP1280574	08MY2021
Title: MICRO INFUSION DRUG DELIVERY DEVICE								
STERLING.005A	JAPA	P	F	08MY2001	581886/2001			
Title: MICRO INFUSION DRUG DELIVERY DEVICE								

 SC IP Summary
 (US and International)
 Date of Report: July 14, 2006

Docket Number	Ctry	Types	Status	Application	Application Number	Granted	Patent Number	Next Tax	Expiration
STERLING.005A/C	USA	C	F	18AU2003	10/642346				
Title: INFUSION DRUG DELIVERY DEVICE									
STERLING.008A	EPC	X	F	02SE2003	03749322.8			30SE2006	
Title: INJECTOR FOR A SUBCUTANEOUS INFUSION SET									
STERLING.011	USA	G		04MR2002	10/091123	03FE2004	6685674	03AU2007	04MR2022
Title: INFUSION HUB ASSEMBLY AND FLUID LINE DISCONNECT SYSTEM (aka Rotating Hub)									
STERLING.011	EPC	X	F	04MR2002	02713755.3			31MR2007	
Title: INFUSION HUB ASSEMBLY AND FLUID LINE DISCONNECT SYSTEM									
STERLING.011	ISRA	P	F	04MR2002	157561				
Title: INFUSION HUB ASSEMBLY AND FLUID LINE DISCONNECT SYSTEM									
STERLING.011	JAPA	P	F	04MR2002	569208/2002				
Title: INFUSION HUB ASSEMBLY AND FLUID LINE DISCONNECT SYSTEM									
STERLING.011CON	USA	C	F	22DE2003	10/744862				
Title: INFUSION HUB ASSEMBLY AND FLUID LINE DISCONNECT SYSTEM									
STERLING.012	EPC	X	F	14FE2002	02709355.8			28FE2007	
Title: SUBCUTANEOUS INJECTION SET WITH SECONDARY INJECTION SEPTUM									
STERLING.012	ISRA	P	F	14FE2002	157523				
Title: SUBCUTANEOUS INJECTION SET WITH SECONDARY INJECTION SEPTUM									
STERLING.013	USA	G		30AU2001	09/944229	06JA2004	6673440	06JL2007	30AU2021
Title: SUBCUTANEOUS INJECTION SET TUBING WITH SOLVENT BONDING									
STERLING.013	EPC	X	F	06NO2001	01990650.2			30NO2006	
Title: SUBCUTANEOUS INJECTION SET TUBING WITH SOLVENT BONDING									
STERLING.013	ISRA	P	F	06NO2001	155444				
Title: SUBCUTANEOUS INJECTION SET TUBING WITH SOLVENT BONDING									
STERLING.017DES	USA	D	G	02FE2002	29/156243	04MR2003	D471272		04MR2017
Title: RESEVOIR FOR A SUBCUTANEOUS INFUSION SET									

SC IP Summary
(US and International)

Date of Report: July 14, 2006

Docket Number	Ctry	Types	Status	Application	Application Number	Granted	Patent Number	Next Tax	Expiration
STERLING.017DES	GERM	D	G	12SE2002	40207753.9	24DE2002	40207753.9	30SE2007	12SE2027
Title: RESEVOIR FOR A SUBCUTANEOUS INFUSION SET									
STERLING.018	USA	P	G	26FE2003	10/505514	06JE2006	7056302	06DE2009	26FE2023
Title: INSERTION DEVICE FOR AN INSERTION SET AND METHOD OF USING THE SAME									
STERLING.018	EPC	X	F	26FE2003	03711322.2			28FE2007	
Title: INSERTION DEVICE FOR AN INSERTION SET AND METHOD OF USING THE SAME									
STERLING.018CON	USA	C	F	03MY2006	11/416638				
Title: INSERTION DEVICE FOR AN INSERTION SET AND METHOD OF USING THE SAME									
STERLING.019DES	USA	D	G	30AP2002	29/159821	25MR2003	D472316		25MR2017
Title: PEN NEEDLE CATHETER CONNECTOR									
STERLING.020DES	USA	D	G	30AP2002	29/159820	01AP2003	D472630		01AP2017
Title: PEN NEEDLE CATHETER CONNECTOR									
STERLING.020DES	GERM	D	G	150C2002	40208664.3	06JA2003	40208664	310C2007	150C2027
Title: PEN NEEDLE CATHETER CONNECTOR									
STERLING.021	USA	F	F	02SE2003	10/654272				
Title: ADAPTER FOR INFUSION SET FOR USE WITH AN INSERTER									
STERLING.021	EPC	X	F	02SE2003	03749304.6			30SE2006	
Title: ADAPTER FOR INFUSION SET FOR USE WITH AN INSERTER									
STERLING.025DES	USA	D	G	09AP2003	29/179283	06AP2004	D488230		06AP2018
Title: INFUSION SET ADHESIVE PATCH									
STERLING.026	USA	G	G	30MR2004	10/814950	02AU2005	6923791	02FE2009	30MR2024
Title: INFUSION DEVICE HAVING OFFSET FLOW									
STERLING.026	PCT	P	F	31MR2004	PCT/US2004/009700				
Title: DEVICE FOR SUBCUTANEOUS MEDICATION DELIVERY USING OFFSET FLOW PATH									
STERLING.026DIV	USA	D	F	27JL2005	11/190740				
Title: INFUSION DEVICE HAVING OFFSET FLOW									

TRADEMARK

Schedule F

COPYRIGHTS

Schedule F

To Security Agreement dated June 28, 2006

Sterling Medivations, Inc. has no registered copyrights