

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|-----------------------|-------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|--------------------------|----------|----------------|-----------------------|
| TissueLink Medical, Inc. | | 09/05/2006 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

| | |
|-------------------|-------------------------------------|
| Name: | RiverVest Venture Partners I, LLC |
| Street Address: | 7733 Forsyth Boulevard, Suite 1650 |
| Internal Address: | c/o RiverVest Venture Partners |
| City: | St. Louis |
| State/Country: | MISSOURI |
| Postal Code: | 63105 |
| Entity Type: | LIMITED LIABILITY COMPANY: DELAWARE |

PROPERTY NUMBERS Total: 8

| Property Type | Number | Word Mark |
|----------------------|----------|-----------------------|
| Registration Number: | 2772023 | TISSUELINK |
| Registration Number: | 2944941 | TISSUELINK |
| Registration Number: | 2772022 | |
| Registration Number: | 2782263 | TISSUELINK |
| Registration Number: | 2551314 | SIMPLY BETTER SURGERY |
| Registration Number: | 2772118 | FLOATING BALL |
| Serial Number: | 78612640 | HEMOSEALING |
| Serial Number: | 78718381 | AQUAMANTYS |

CORRESPONDENCE DATA

Fax Number: (612)339-4181
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 612-349-8297
 Email: plpeterson@rkmc.com
 Correspondent Name: RKM&C LLP - Paula L. Peterson

OP \$215.00 2772023

Address Line 1: 800 LaSalle Avenue
Address Line 2: 2800 LaSalle Plaza
Address Line 4: Minneapolis, MINNESOTA 55402

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|-------------------------|-------------------|
| ATTORNEY DOCKET NUMBER: | 124322.0000 |
| NAME OF SUBMITTER: | Kevin S. Spreng |
| Signature: | /Kevin S. Spreng/ |
| Date: | 09/06/2006 |

Total Attachments: 8
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SECURITY AGREEMENT

This Security Agreement, dated as of September 5, 2006, is between TissueLink Medical, Inc., a Delaware corporation (the "Company"), and RiverVest Venture Partners I, LLC, a Delaware limited liability company (the "Collateral Agent"), as Collateral Agent for the benefit of the Investors listed on Schedule I to the Purchase Agreement (hereinafter collectively called the "Secured Parities" and individually called a "Secured Party").

This Agreement is entered into in connection with that certain Secured Subordinated Convertible Promissory Note and Warrant Purchase Agreement (the "Purchase Agreement") dated as of the date hereof and as amended, supplemented or otherwise modified from time to time. In order to secure the payment of the principal of and interest accrued on those certain notes of the Company, issued to the Secured Parties pursuant to the Purchase Agreement, payable to the order of the Secured Parties in the aggregate face amount of up to \$5,000,000 (which notes, together with any note or notes issued in substitution therefor, are hereinafter collectively called the "Notes" and individually called a "Note"), and to secure the payment and performance of each and every other debt, liability and obligation relating to the Notes which the Company may now or at any time hereafter owe to the Secured Parties (the Notes, together with all such other debts, liabilities and obligations, being hereinafter collectively called the "Secured Obligations"), the parties hereto hereby agree as follows:

1. Security.

1.1. Grant of Security Interest. As security for the payment and performance of the Secured Obligations, the Company hereby grants to the Collateral Agent, for the benefit of the Secured Parties and the holders from time to time of the Secured Obligations, a security interest in all of the Company's right, title and interest in and to (but none of its obligations or liabilities with respect to) the items and types of present and future property described below in this Section 1.1 (the "Collateral"), whether now owned or hereafter acquired:

(i) Equipment and Fixtures. All equipment of every type and description owned by the Company, including (without limitation) all present and future machinery, furniture, fixtures, manufacturing equipment, shop equipment, office and record keeping equipment, parts, tools, supplies and other goods (except inventory) used or bought for use by the Company for any business or enterprise and including all goods that are or maybe attached or affixed to or otherwise become fixtures upon any real property.

(ii) Accounts Receivable and Other Intangibles. All of the Company's accounts, chattel paper, contract rights, commissions, warehouse receipts, bills of lading, delivery orders, drafts, acceptances, notes, securities and other instruments; documents; general intangibles, all forms of receivables, and all guaranties and securities therefor.

(iii) Intellectual Property. All of the Company's right, title and interest in and to patents, patent rights (and applications and registrations therefor), trademarks and service marks (and applications and registrations therefor), inventions, copyrights, mask works (and

applications and registrations therefor), trade names, trade styles, software and computer programs, source code, object code, trade secrets, methods, processes, know how, drawings, specifications, descriptions, and all memoranda, notes, and records with respect to any research and development, all whether now owned or subsequently acquired or developed by the Company and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media (but not including embedded computer programs and supporting information included within the definition of "goods" under the Uniform Commercial Code (the "UCC").

(iv) Inventory and Other Tangible Personal Property. All of the Company's inventory, including all goods, merchandise, materials, raw materials, work in progress, finished goods, now owned or hereinafter acquired and held for sale or lease or furnished or to be furnished under contracts or service agreements or to be used or consumed in the Company's business and all other tangible personal property of Company.

(v) After-Acquired Property. All property of the types described in Sections 1.1(i) through 1.1(iii), or similar thereto, that at any time hereafter may be acquired by Company, including but not limited to all accessions, parts, additions, and replacements.

(vi) Products and Proceeds. All products and proceeds of the Collateral from the sale or other disposition of any of the Collateral described or referred to in Sections 21.1(i) through 1.1(iv), including (without limitation) all accounts, instruments, chattel paper or other rights to payment, money, insurance proceeds and all refunds of insurance premiums due or to become due under all insurance policies covering the forgoing property.

All of the above, together with the Intellectual Property Collateral, shall be included in the term "Collateral." Notwithstanding the foregoing, the security interest granted herein shall not extend to and the term "Collateral" shall not include any contract right or licenses to the extent that any such contract or license prohibits the granting of a security interest therein, and the granting of a security interest in such contract or license would cause the Company to be in breach thereof or otherwise lose its rights thereunder.

1.2. Perfection of Collateral. The Company will deliver to the Collateral Agent certificates and instruments representing any pledged stock, debt or other securities, accompanied by transfer powers executed in blank, all in form and manner reasonably satisfactory to the Collateral Agent. Upon the Collateral Agent's reasonable request from time to time, the Company will, and hereby authorizes the Collateral Agent on the Company's behalf to, execute and deliver, and file and record in the proper filing and recording places, all such instruments, including Uniform Commercial Code financing statements covering all assets of the Company, control statements, collateral assignments of copyrights, trademarks, patents, cash agency agreements, documents providing for direct collection of accounts receivable, mortgages or deeds of trust and notations on certificates of title, and take all such other action, as the Collateral Agent deems reasonably necessary for perfecting or otherwise confirming to them their security interest in the Collateral.

1.3. No Liens or Dispositions. All Collateral shall be free and clear of any liens and restrictions on the transfer thereof, including contractual provisions which prohibit the assignment of rights under contracts, except for (i) security interests, liens or encumbrances, if any, existing as of the date of this Agreement and described on Appendix A hereto (collectively, “Senior Lien”) and (ii) nonconsensual liens imposed by law and liens and restrictions on transfer approved by the Collateral Agent in writing. Except with the Collateral Agent’s consent, the Company will not sell, lease or otherwise dispose of any of the Collateral or modify or terminate any contracts or contractual rights included in the Collateral, except in each case in the ordinary course of business, consistent with past practice and on arm’s length terms.

2. Subordinate to Senior Lien. The Collateral Agent agrees that the security interest granted herein is expressly subordinate to the Senior Lien pursuant to Section 5 of each Note.

3. Right to Realize upon Collateral. Except to the extent prohibited by applicable law that cannot be waived, this Section shall govern the Collateral Agent’s rights to realize upon the Collateral, on behalf of the Secured Parties. The provisions of this Section are in addition to any rights and remedies available at law or in equity.

3.1. Assembly of Collateral; Receiver. The Company shall, upon the Collateral Agent’s request, assemble the Collateral and otherwise make it available to the Collateral Agent. The Collateral Agent may have a receiver appointed for all or any portion of the Company’s assets or business which constitutes the Collateral in order to manage, protect, preserve, sell and otherwise dispose of all or any portion of the Collateral.

3.2. Waiver. To the extent it may lawfully do so, the Company waives and relinquishes the benefit and advantage of, and covenants not to assert against the Collateral Agent, any valuation, stay, appraisal, extension, redemption or similar laws now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise.

3.3. Remedies. Subject to Section 5 of each Note, if any Event of Default (as defined in the Purchase Agreement) shall have occurred and be continuing:

(a) The Collateral Agent may, at its option, by written notice to the Company, declare the entire unpaid balance of the Notes and all other Secured Obligations and liabilities immediately due and payable, and the Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies otherwise available to it, all the rights and remedies of a secured party under the UCC.

(b) Without limiting the generality of the foregoing, the Collateral Agent may, to the fullest extent permitted by applicable law, without notice, hearing or process except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as Collateral Agent may deem commercially reasonable, and the Collateral Agent may purchase all or any part of the Collateral at public or, if permitted by law, private sale,

and in lieu of actual payment of such purchase price, may set off the amount of such purchase price against the Secured Obligations. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, and such sale may, with notice, be made at the time and place to which it was so adjourned. The Collateral Agent may abandon any such proposed sale. The Company acknowledges that any private sales of Collateral effected by Collateral Agent may result in terms less favorable to a seller than public sales but the Company agrees that such private sales shall nevertheless be deemed commercially reasonable.

(c) If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if (i) deposited in the United States Postal Service (certified mail) or (ii) sent via overnight delivery at least ten (10) days before such disposition, postage prepaid, addressed to the Company at the address set forth on the signature page of this Agreement.

(d) The rights and remedies of the Collateral Agent hereunder are cumulative and nonexclusive and the exercise of any one or more of the remedies provided for herein or under the UCC shall not be construed as a waiver of any of the other remedies of the Collateral Agent so long as any part of the Secured Obligations remain unsatisfied. No failure on the part of Collateral Agent to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Collateral Agent preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

3.4. Application of Proceeds. The proceeds of all sales and collections in respect of any Collateral or other assets of the Company, all funds collected from the Company and any cash contained in the Collateral, the application of which is not otherwise specifically provided for herein, shall be applied as follows:

(a) First, to the payment of the costs and expenses of such sales and collections, the reasonable expenses of the Collateral Agent and the reasonable fees and expenses of its counsel;

(b) Second, any surplus then remaining for the payment of the Secured Obligations in such order and manner as the Collateral Agent may in its reasonable discretion determine; and

(c) Third, any surplus then remaining shall be paid to the Company, subject, however, to the rights of the holder of any then existing lien for which the Collateral Agent has received a proper demand for proceeds prior to making such payment to the Company.

4. Duration of Security Interest, Release of Intellectual Property Collateral. The Collateral Agent's security interest in the Collateral shall continue until the payment in full and the satisfaction of all the Secured Obligations or upon the conversion of the Notes pursuant to section 2.2 of the Purchase Agreement. The Collateral Agent shall execute such further

documents and take such further actions as may be reasonably necessary to make effective the release contemplated by this Section 4, including duly executing and delivering to the Company termination statements for filing in all relevant jurisdictions under the Uniform Commercial Code. Notwithstanding anything contained herein to the contrary, the Collateral Agent agrees that if the Company provides the Collateral Agent with evidence satisfactory to the Collateral Agent that the Company has achieved a GAAP revenue of not less than \$25,000,000 in any trailing twelve month period, the Collateral Agent shall release their lien on the Intellectual Property Collateral.

5. Custody of Collateral. Except as provided by applicable law that cannot be waived, the Collateral Agent will have no duty as to the custody and protection of the Collateral, the collection of any part thereof or of any income thereon or the preservation or exercise of any rights pertaining thereto, including rights against prior parties, except for the use of reasonable care in the custody and physical preservation of any Collateral in its possession.

6. Remedies Cumulative. Each remedy provided in this Agreement and/or the Purchase Agreement is distinct and cumulative to all other rights or remedies under this Agreement and/or the Purchase Agreement or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

7. Costs and Expenses. The Company agrees to pay on demand all costs and expenses, including reasonable attorneys fees and court costs, of the Collateral Agent in connection with the enforcement of this Agreement (whether suit is commenced or not), provided that in no event shall the Company be responsible or liable for the fees of more than one counsel on behalf of the Secured Parties.

8. General. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign its rights or obligations hereunder without the prior written consent of the Secured Parties. Notices shall be furnished in writing to each party at its addresses appearing below or as it may otherwise direct in writing actually received by the other party. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof, and any invalid or unenforceable provision shall be modified so as to be enforceable to the maximum extent of its validity or enforceability. The headings in this Agreement are for convenience of reference only and shall not limit, alter or otherwise affect the meaning hereof. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior and current understandings and agreements, whether written or oral. This Agreement and all actions in connection herewith shall be governed by and construed in accordance with the laws (other than the conflict of laws rules) of the State of Delaware, except as may be required by the Uniform Commercial Code of other jurisdictions with respect to matters involving the perfection of the Collateral Agent's lien on the Collateral located in such other jurisdictions.

Each of the undersigned has caused this Agreement to be executed and delivered by its duly authorized officer as an agreement under seal as of the date first written above.

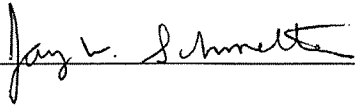
COMPANY:

TISSUELINK MEDICAL, INC.

By M. Jacqueline Esford
Title: PRESIDENT & CEO

COLLATERAL AGENT:

RIVERVEST VENTURE FUND I, L.P.
RIVERVEST VENTURE PARTNERS I, LLC, the
general partner

By:  _____

Name: Jay W. Schmelter

Title: Manager

Appendix A

Up to \$15,000, 000 in principal and interest due thereon owed by the Company under the Venture Loan and Security Agreement, dated as of May 24, 2005, as amended on September __, 2006 and from time to time, by and between the Company and Horizon Technology Funding Company, LLC.