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To the Director of the U. S. Patent and Trademark Office. Please return the attached documents to the new address(es) below.

10-3-06

1. Name of conveying party(ies):

Percardia, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) July 1, 2006

- Assignment
- Security Agreement
- Other Forbearance and Amendment Agreement
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: HORIZON TECHNOLOGY FUNDING COMPANY LLC

Internal

Address: _____

Street Address: 76 Batterson Park Road

City: Farmington

State: Connecticut

Country: USA Zip: 06032

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other LLC Citizenship Delaware

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

78/563,823 76/529,911 78/461,731 75/921,036
78/623,791 76/568,469 76/558,730 78/549,373
76/568,470 76/568,471 78/426,541 76/568,468

B. Trademark Registration No.(s)

2,678,364 2,715,317 2,656,756

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: John C. Bombara

Internal Address: Horizon Technology Funding Company LLC

Street Address: 76 Batterson Park Road

City: Farmington

State: Connecticut Zip: 06032

Phone Number: 860-676-8657

Fax Number: 860-676-8655

Email Address: jay@horizontechfinance.com

6. Total number of applications and registrations involved:

16

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 415.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature:

10/04/2006 D BYRNE 00000004 78563823

Signature

September 28, 2006

Date

40.00 John C. Bombara
375.00 Name of Person Signing

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

Documents to be reported (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

GRANT OF SECURITY INTEREST
TRADEMARKS

THIS GRANT OF SECURITY INTEREST TRADEMARKS ("Trademark Agreement"), dated as of July 1, 2006, is executed by PERCARDIA, INC., a Delaware corporation with an address of 10 Al Paul Lane, Suite 202, Merrimack, NH 03054 ("Debtor"), in favor of HORIZON TECHNOLOGY FUNDING COMPANY LLC, a Delaware limited liability company with an address of 76 Batterson Park Road, Farmington, Connecticut 06032 ("Secured Party").

A. Pursuant to a certain Venture Loan and Security Agreement, dated as of May 6, 2005 (as amended from time to time and in effect, the "Agreement") by and between Debtor and the Secured Party, the Secured Party made certain loans to Debtor upon the terms and subject to the conditions set forth therein (the "Loans"), which Loans are further evidenced by a certain Secured Promissory Note dated as of May 6, 2005 in the original principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) executed by Debtor in favor of Secured Party ("Note A") and by a certain Secured Promissory Note dated as of November 15, 2005 in the original principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) executed by Debtor in favor of Secured Party ("Note B" and collectively with Note A, the "Notes");

B. Debtor failed to make the payments of principal and interest due under the Notes on July 1, 2006 and requested that Lender forbear from collecting the Obligations (as defined in the Loan Agreement);

C. Pursuant to a certain Forbearance Agreement, dated on or about the date hereof, by and between Debtor and the Secured Party (the "Forbearance Agreement"), Secured Party, in consideration for, among other things, the execution of this Trademark Agreement, has agreed to forbear the collection of the Obligations, subject to the terms and conditions contained therein;

D. Debtor owns the registered trademarks, service marks (and applications and registrations therefor), of the United States, more particularly described on Schedules 1-A and 1-B annexed hereto as part hereof (collectively, the "Trademarks");

E. Pursuant to the Agreement, Debtor has granted to Secured Party a security interest in all right, title and interest of Debtor in and to the Trademarks, together with associated goodwill, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof for the full term of the Trademarks (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement);

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Debtor does hereby further grant to Secured Party a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Collateral granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Debtor has caused this instrument to be executed as of the day and year first written above.

PERCARDIA, INC.

By: Alan Bruff
Name:
Title: President & CEO

SCHEDULE 1-A TO GRANT OF SECURITY INTEREST

TRADEMARKS

Percardia US Trademarks

<u>Mark</u>	<u>Application Number</u>	<u>Registration Number</u>	<u>Status</u>
PERCARDIA	78/563,823		Allowed Pending Declaration of Use
Percardia Logo	76/529,911		Allowed Pending Declaration of Use
VBLOCKER	78/461,731		Pending
VCAB	75/921,036		Allowed Pending Declaration of Use
VCOAT	78/623,791		Pending
VCONDUIT	76/568,469		Allowed Pending Declaration of Use
VCROSS	76/558,730		Allowed Pending Declaration of Use
VGUIDE	78/549,373		Allowed Pending Declaration of Use