## TRADEMARK ASSIGNMENT

Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE: NEW ASSIGNMENT

NATURE OF CONVEYANCE: SECURITY INTEREST

### **CONVEYING PARTY DATA**

| Name                    | Formerly | Execution Date | Entity Type           |
|-------------------------|----------|----------------|-----------------------|
| nContact Surgical, Inc. |          | 02/10/2010     | CORPORATION: DELAWARE |

## **RECEIVING PARTY DATA**

| Name:             | Dennis Daugherty   |  |
|-------------------|--|--|
| Composed Of:      | COMPOSED OF As Lender Representative pursuant to a Purchase Agreement dated February 10, 2010 between the Borrower and the Lenders |  |
| Street Address:   | 406 Blackwell Road, Suite 200  |  |
| Internal Address: | Intersouth Partners VI, L.P.   |  |
| City:             | Durham   |  |
| State/Country:    | NORTH CAROLINA   |  |
| Postal Code:      | 27701  |  |
| Entity Type:      | INDIVIDUAL: UNITED STATES  |  |

## PROPERTY NUMBERS Total: 9

| Property Type  | Number   | Word Mark                       |  |  |
|----------------|----------|---------------------------------|--|--|
| Serial Number: | 77061843 | CARDIOTRAX                      |  |  |
| Serial Number: | 77061858 | CARDIORAIL                      |  |  |
| Serial Number: | 77061874 | NCONTACT AN INTEGRATED SOLUTION |  |  |
| Serial Number: | 77061866 | NCONTACT SURGICAL               |  |  |
| Serial Number: | 77061877 | EX-MAZE                         |  |  |
| Serial Number: | 77084259 | VISITRAX                        |  |  |
| Serial Number: | 77111944 | HEALTHTRAK                      |  |  |
| Serial Number: | 77528467 | PARACARDIOSCOPIC                |  |  |
| Serial Number: | 77528479 | NUMERIS                         |  |  |

CORRESPONDENCE DATA

**Fax Number**: (919)781-4865

TRADEMARK REEL: 004148 FRAME: 0370

900154602

Correspondence will be sent via US Mail when the fax attempt is unsuccessful. Phone: 919-781-4000 Email: lbailey@wyrick.com Correspondent Name: Lynette M. Bailey Address Line 1: 4101 Lake Boone Trail, Suite 300 Address Line 4: Raleigh, NORTH CAROLINA 27607 ATTORNEY DOCKET NUMBER: 17514.42 NAME OF SUBMITTER: Lynette M. Bailey Signature: /Lynette M. Bailey/ Date: 02/12/2010 **Total Attachments: 5** source=IP Security Agreement (TM)#page1.tif source=IP Security Agreement (TM)#page2.tif source=IP Security Agreement (TM)#page3.tif source=IP Security Agreement (TM)#page4.tif source=IP Security Agreement (TM)#page5.tif

#### INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Security Agreement (the "Agreement"), dated as of February 10, 2010, is hereby executed by and among nContact Surgical, Inc., a Delaware corporation (the "Borrower"), in favor of each of the purchasers of promissory notes pursuant to that certain Note Purchase Agreement dated as of even date herewith (the "Purchase Agreement") and set forth on Exhibit A to the Purchase Agreement (each, a "Lender" and sometimes collectively referred to herein as the "Lenders"), and Dennis Dougherty, as the representative of the Lenders (the "Lender Representative").

## **RECITALS:**

WHEREAS, the Lenders will make loans to Borrower (collectively, the "Loan"), which Loan shall be evidenced by promissory notes (the "Notes") issued pursuant to the Purchase Agreement between the Lenders and the Borrower, but only if Borrower grants the Lenders a security interest in its copyrights, trademarks and patents and other collateral described in that certain security agreement between Borrower and the Lenders (the "Collateral"), executed in connection with the Loan and dated as of the date hereof (the "Security Agreement"); and

WHEREAS, Borrower has granted the Lenders a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral.

NOW, THEREFORE, for good and otherwise valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

#### AGREEMENT

- 1. <u>Secured Obligations</u>. This Security Agreement is given to secure the due and punctual payment of the principal of and interest on the Notes and the due and punctual performance of all other obligations under the Purchase Agreement and related documents, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees if collected by or through an attorney-at-law (collectively the "<u>Secured Obligations</u>"); <u>provided, however, that "Secured Obligations"</u> shall not include any obligations of Borrower to any respective Lender as equity holder of any of Borrower's capital stock. This Agreement shall terminate and be of no further force or effect upon the terms set forth in Section 3 below.
- 2. <u>Security Interest</u>. As security for the due and punctual payment and performance by Borrower of the Secured Obligations, Borrower hereby grants the Lenders a security interest (which shall be subject and subordinate to the Permitted Liens, as defined in the Security Agreement) in all of its right, title and interest in its Intellectual Property (as defined below). As used herein, the term "Intellectual Property" shall include:
- (a) All copyrights, trademarks, and patents of Borrower, including, without limitation, the copyrights, and patents, trademarks listed on <u>Schedule A</u> attached hereto, all amendments, renewals, extensions relating thereto, and all licenses or other rights to use the foregoing and all license fees and royalties from such use;

17514.42-611140 v1

- (b) Any trade secrets and any intellectual property rights in computer software and computer software products now or later existing, created, acquired or held by Borrower;
- (c) All design rights which may be available to Borrower now or later created, acquired or held by Borrower;
- (d) Any claims for damages (past, present or future) for infringement of any of the rights above, with the right, but not the obligation, to sue and collect damages for use or infringement of the intellectual property rights above; and
- (e) All proceeds and products of any of the foregoing, including any and all insurance, indemnity or warranty payments, license royalties, proceeds of infringement suits, the right to sue for past, present and future infringements rights throughout the world, and all re-issues, divisions continuations, renewals, extensions and continuations-in-part with respect to any of the foregoing.
- 3. <u>Term of Agreement</u>. This Agreement shall terminate, and each Lender shall release its security interest in the Intellectual Property, upon the earlier to occur of (i) the payment in full by or on behalf of Borrower of all of the then outstanding Notes issued pursuant to the Purchase Agreement, and (ii) the conversion of the Notes pursuant to their terms.

This security interest is granted hereunder in conjunction with the security interest in the Collateral granted under the Security Agreement. The Lenders' rights and remedies in the Intellectual Property granted hereunder are in addition to those in the Purchase Agreement, the Security Agreement and other documents related thereto, and are in addition to those available at law or in equity. The Lenders' rights, powers and remedies herein are cumulative with every right, power or remedy provided in the Security Agreement. The Lenders' exercise of their rights, powers or remedies in this Agreement, Purchase Agreement, Security Agreement or any other documents related thereto does not preclude the simultaneous or later exercise of any or all other rights, powers or remedies.

[Signature page follows.]

2

This Agreement is hereby executed as of the year and date first above written.

BORROWER:

nCONTACT SURGICAL, INC.

John Funkhouser

President and Chief Executive Officer

# SCHEDULE A

## INTELLECTUAL PROPERTY

17514.42-611140 v1

# Schedule A – Intellectual Property

# Trademarks

| MARK   | SERIAL NO  | FILING DATE          | REGISTRATION<br>NO | REGISTRATION DATE |
|--|------------|----------------------|--------------------|-------------------|
| CARDIOTRAX<br>(Standard Characters)                  | 77/061,843 | December 11,<br>2006 |                    |                   |
| CARDIORAIL<br>(Standard Characters)                  | 77/061,858 | December 11,<br>2006 |                    |                   |
| AN INTEGRATED SOLUTION (Stylized and/or with design) | 77/061,874 | December 11,<br>2006 | 3,534,577          | November 18, 2008 |
| NCONTACT<br>SURGICAL (Standard<br>Characters)        | 77/061,866 | December 11,<br>2006 |                    |                   |
| EX-MAZE (Standard<br>Characters)                     | 77/061,877 | December 11,<br>2006 |                    |                   |
| VISITRAX (Standard<br>Characters)                    | 77/084,259 | January 16, 2007     | 3,477,330          | July 29, 2008     |
| HEALTHTRAK<br>(Standard Characters)                  | 77/111,944 | February 20,<br>2007 |                    |                   |
| PARACARDIOSCOPIC (Standard Characters)               | 77/528,467 | July 22, 2008        |                    |                   |
| NUMERIS (Standard<br>Characters)                     | 77/528,479 | July 22, 2008        |                    |                   |

17514.42-612484 v1

**RECORDED: 02/12/2010**