# 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 |
|---|---|---|---|
| RYMED TECHNOLOGIES, INC. | | 12/30/2011 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

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|---|---|
| Name: | PINNACLE FAMILY OFFICE INVESTMENTS, L.P. |
| Street Address: | 4965 Preston Park Blvd |
| City: | Plano |
| State/Country: | TEXAS |
| Postal Code: | 75093 |
| Entity Type: | LIMITED PARTNERSHIP: TEXAS |

PROPERTY NUMBERS Total: 18

| Property Type | Number | Word Mark |
|---|---|---|
| Serial Number: | 77691774 | ABSOLUTE NEUTRAL |
| Serial Number: | 85111721 | CS |
| Serial Number: | 85111764 | C S |
| Serial Number: | 78780134 | INVISION-PLUS |
| Serial Number: | 85111729 | INVISION-PLUS CS |
| Serial Number: | 77503090 | JUNIOR |
| Serial Number: | 78779349 | NEUTRAL |
| Serial Number: | 77691731 | NEUTRAL ADVANTAGE |
| Serial Number: | 77691816 | NEUTRAL BENEFIT |
| Serial Number: | 77691837 | NEUTRAL CHOICE |
| Serial Number: | 78779373 | NEUTRAL DISPLACEMENT |
| Serial Number: | 77691746 | NEUTRAL EDGE |
| Serial Number: | 77691752 | NEUTRAL INTEGRITY |
| Serial Number: | 77691760 | NEUTRAL STANDARD |

OP $465.00 77691774

| | | |
|---|---|---|
| Serial Number: | 77942596 | QUANTUM |
| Serial Number: | 77622458 | RED |
| Serial Number: | 77616898 | SPECTRUM OF PROTECTION |
| Serial Number: | 85112491 | THE ADVANTAGE IS CLEAR |

CORRESPONDENCE DATA

Fax Number: (212)292-5391
Phone: 212-292-5390
Email: mail@ipcounselors.com
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*
Correspondent Name: Epstein Drangel LLP
Address Line 1: 60 East 42nd Street, Suite 2410
Address Line 4: New York, NEW YORK 10165

| | |
|---|---|
| ATTORNEY DOCKET NUMBER: | 3107-004 |
| NAME OF SUBMITTER: | Dermot M. Sheridan |
| Signature: | /dermot m. sheridan/ |
| Date: | 01/11/2012 |

Total Attachments: 49
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# SECURITY AGREEMENT

This **SECURITY AGREEMENT** (this "Agreement"), dated as of December 30, 2011 is by and among RYMED TECHNOLOGIES, INC., a corporation duly organized and validly existing under the laws of Delaware (the "Company"), Pinnacle Family Office Investments LP (the "Purchaser") and Middlebury Advisors LLC as agent for the Purchasers (in such capacity, together with its successors in such capacity, the "Agent").

**WHEREAS,** the Company and the Purchaser are parties to a Note Purchase Agreement for the purchase of Secured Notes (such offering, the "Offering") (the "Purchase Agreement"), that provides, subject to the terms and conditions thereof, for the issuance and sale by the Company to the Purchaser the Secured Note and the Warrant as more fully described in the Purchase Agreement; and

**WHEREAS**, to induce the Purchaser to enter into the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company has agreed to pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined). Accordingly, the parties hereto agree as follows:

**Section 1. Definitions.** Each capitalized term used herein and not otherwise defined shall have the meaning assigned to such term in the Purchase Agreement (or its Exhibits). In addition, as used herein:

"Bridge Notes" shall mean certain secured convertible promissory notes that were issued and to be issued to the subscribers under the Subscription Agreement.

"Business" shall mean the businesses from time to time, now or hereafter, conducted by the Company and its subsidiaries.

"Collateral" shall have the meaning ascribed thereto in Section 3 hereof.

"Copyright Collateral" shall mean all Copyrights, whether now owned or hereafter acquired by the Company, which are associated with the Business.

"Copyrights" shall mean all copyrights, copyright registrations and applications for copyright registrations, including those shown on Annex 3 hereto, and, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Deposit Accounts" shall have the meaning ascribed thereto in Section 3(f) hereof.

"Documents" shall have the meaning ascribed thereto in Section 3(g) hereof.

"Equipment" shall have the meaning ascribed thereto in Section 3(d) hereof.

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"Event of Default" shall have the meaning ascribed thereto in Section 7 of the Secured Note.

"Excluded Assets" means the collective reference to (a) any asset subject to a purchase money security interest ("PMSI Assets") in each case limited to the extent of such purchase money security interest and to the extent the grant by the Company of a security interest pursuant to this Agreement in the Company's right, title and interest in such PMSI Asset (i) is prohibited by legally enforceable provisions of any currently existing contract, agreement, instrument or indenture governing such Intangible Asset or PMSI Asset, (ii) would give any other party to such contract, agreement, instrument or indenture a legally enforceable right to terminate its obligations thereunder or accelerate the indebtedness evidenced thereby or (iii) is permitted only with the consent of another party, if the requirement to obtain such consent is legally enforceable and such consent has not been obtained; (b) Motor Vehicles the perfection of a security interest in which is excluded from the Uniform Commercial Code in the relevant jurisdiction; (c) the Capital Stock in any Foreign Subsidiary, to the extent (but only to the extent) required to prevent the Collateral from including more than 65% of all capital stock of any Foreign Subsidiary of the Company and (d) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of the Company constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to the Company in respect of any loans or advances for the purchase price of Inventory or Equipment or other goods sold or leased or for services rendered, all moneys due and to become due to the Company under any guarantee (including a letter of credit) of the purchase price of Inventory or Equipment sold by the Company and all tax refunds.

"Excluded Collateral" shall mean the assets of the Company which secure the Permitted Indebtedness and the assets listed on Annex 2 hereto.

"Foreign Subsidiary" shall mean any subsidiary of the Company that is organized under the laws of a jurisdiction outside the United States.

"Instruments" shall have the meaning ascribed thereto in Section 3(b) hereof.

"Intellectual Property" shall mean, collectively, all Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the Business; (b) all licenses or user or other agreements granted to the Company with respect to any of the foregoing, in each case whether now or hereafter owned or used including, without limitation, the licenses or other agreements with respect to the Copyright Collateral, the Patent Collateral or the Trademark Collateral; (c) all customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, manuals, materials standards, processing standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to the operation by the Company of the Business; (d) all sales data and other information relating to sales now or hereafter collected and/or maintained by the Company that pertain to the Business; (e) all accounting information which pertains to the Business and all media in which or on which any of the information or knowledge or data or records which pertain to the Business may be recorded or stored and all computer programs used for the compilation or printout of such



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information, knowledge, records or data; (f) all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by the Company pertaining to the operation by the Company and its Subsidiaries of the Business; and (g) all causes of action, claims and warranties now or hereafter owned or acquired by the Company in respect of any of the items listed above.

"Inventory" shall have the meaning ascribed thereto in Section 3(c) hereof.

"Liens" shall mean a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Motor Vehicles" shall mean motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

"Patent Collateral" shall mean all Patents, whether now owned or hereafter acquired by the Company that are associated with the Business.

"Patents" shall mean all patents and patent applications, including those shown on Annex 3 hereto, and, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.

"Permitted Indebtedness" shall mean the Company's existing indebtedness, liabilities and obligations as disclosed on Annex 5 hereto and any future capitalized leases, purchase money indebtedness and the Bridge Notes, whether issued or to be issued under the Subscription Agreement.

"Permitted Liens" shall mean (i) the Company's existing Liens as disclosed in Annex 6 hereto, (ii) the security interests created by this Agreement, (iii) Liens of local or state authorities for franchise, real estate or other like taxes, (iv) statutory Liens of landlords and liens of carriers, warehousemen, bailees, mechanics, materialmen and other like Liens imposed by law, created in the ordinary course of business and for amounts not yet due, and (v) tax Liens not yet due and payable and (vi) existing or future Liens which do not materially affect the value of the Company's property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries or the Liens granted hereunder.

"Pledged Stock" shall have the meaning ascribed thereto in Section 2(b) hereof.

"Real Estate" shall have the meaning ascribed thereto in Section 3(j) hereof.

"Secured Obligations" shall mean, collectively, (a) the principal of and interest on the Secured Notes issued to the Purchaser and all other amounts from time to time owing to such



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Purchaser by the Company under the Purchase Agreement and the Secured Notes and (b) all obligations of the Company to the Purchaser thereunder.

"Stock Collateral" shall mean, collectively, the Collateral described in clauses (a) through (c) of Section 3 hereof and the proceeds of and to any such property and, to the extent related to any such property or such proceeds, all books, correspondence, credit files, records, invoices and other papers.

"Subscription Agreement" shall mean the Subscription Agreement, dated September 7, 2011or later, as amended between the Company and the subscribers named therein.

"Trademark Collateral" shall mean all Trademarks, whether now owned or hereafter acquired by the Company, that are associated with the Business. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark which would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" shall mean all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including those shown on Annex 3 hereto, and, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

**Section 2.** **Representations and Warranties.** The Company represents and warrants to each of the Purchasers that:

**a.** except as set forth on Schedule 2(a) the Company is the sole beneficial owner of the Collateral and no Lien exists or will exist upon any Collateral at any time (and, with respect to the Stock Collateral, no right or option to acquire the same exists in favor of any other Person), except for Permitted Liens and the pledge and security interest in favor of each of the Purchasers created or provided for herein which pledge and security interest will constitute a first priority perfected pledge and security interest in and to all of the Collateral (other than (i) Intellectual Property registered or otherwise located outside of the United States of America, (ii) Real Estate, and (iii) as otherwise expressly set forth in this Agreement) upon the filing of the applicable financing statements or delivery of stock certificates required hereunder or other action required by this Agreement necessary to establish "control" as that term is defined in the Uniform Commercial Code over the Collateral for the benefit of the Agent.

b. The stock to be pledged hereunder ("Pledged Stock") directly or indirectly owned by the Company in the entities identified in Annex 1 hereto is, and all other Pledged Stock, whether issued now or in the future, will be, duly authorized, validly issued, fully paid and nonassessable, free and clear of all Liens other than Permitted Liens and none of such Pledged Stock is or will be subject to any contractual restriction, preemptive and similar rights, or any restriction under the charter or by-laws of the respective Issuers of such Pledged Stock, upon the transfer of such Pledged Stock (except for any such restriction contained herein);

c. the Pledged Stock directly or indirectly owned by the Company in the entities identified in Annex 1 hereto constitutes all of the issued and outstanding shares of capital stock of any class of such Issuers beneficially owned by the Company on the date hereof (whether or not registered in the name of the Company) and said Annex 1 correctly identifies, as at the date hereof, the respective Issuers of such Pledged Stock;

d. the Company owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, all of its Copyrights, Patents and Trademarks, and all registrations of its Copyrights, Patents and Trademarks are valid and in full force and effect. Except as may be set forth in said Annex 3, the Company owns and possesses the right to use all Copyrights, Patents and Trademarks, necessary for the operation of the Business;

e. to the Company's knowledge, (i) except as set forth in Annex 3 hereto, there is no violation by others of any right of the Company with respect to any material Copyrights, Patents or Trademarks, respectively, and (ii) the Company is not, in connection with the Business, infringing in any material respect upon any Copyrights, Patents or Trademarks of any other Person; and no proceedings have been instituted or are pending against the Company or, to the Company's knowledge, threatened, and no claim against the Company has been received by the Company, alleging any such violation, except as may be set forth in said Annex 3; and

f. the Company does not own any Trademarks registered in the United States of America to which the last sentence of the definition of Trademark Collateral applies.

**Section 3.** __**Collateral**__. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Company hereby pledges, grants, collaterally assigns, hypothecates and transfers to the Agent on behalf of the Purchasers as hereinafter provided, a security interest in and Lien upon all of the Company's right, title and interest in, to and under all personal property and other assets of the Company, whether now owned or hereafter acquired by or arising in favor of the Company, whether now existing or hereafter coming into existence, whether owned or consigned by or to, or leased from or to the Company and regardless of where located, except for the Excluded



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Collateral and the Excluded Assets (all being collectively referred to herein as "Collateral"), including:

**a.** all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of the Company evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called "Instruments");

**b.** all inventory (as defined in the Uniform Commercial Code) of the Company and all goods obtained by the Company in exchange for such inventory (herein collectively called "Inventory");

**c.** all Intellectual Property and all other accounts or general intangibles of the Company not constituting Intellectual Property;

**d.** all equipment (as defined in the Uniform Commercial Code) of the Company (herein collectively called "Equipment");

**e.** each contract and other agreement of the Company relating to the sale or other disposition of Inventory or Equipment;

**f.** all deposit accounts (as defined in the Uniform Commercial Code) of the Company (herein collectively called "Deposit Accounts");

**g.** all documents of title (as defined in the Uniform Commercial Code) or other receipts of the Company covering, evidencing or representing Inventory or Equipment (herein collectively called "Documents");

**h.** all rights, claims and benefits of the Company against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by the Company, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

**i.** all estates in land together with all improvements and other structures now or hereafter situated thereon, together with all rights, privileges, tenements, hereditaments, appurtenances, easements, including, but not limited to, rights and easements for access and egress and utility connections, and other rights now or hereafter appurtenant thereto ("Real Estate"); and

**j.** all other tangible or intangible property of the Company, including, without limitation, all proceeds, products and accessions of and to any of the property of the Company described in clauses (a) through (i) above in this Section 3 (including, without limitation, any proceeds of insurance thereon), and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards,



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computer runs and other papers and documents in the possession or under the control of the Company or any computer bureau or service company from time to time acting for the Company.

**Section 4.** **Further Assurances; Remedies**. In furtherance of the grant of the pledge and security interest pursuant to Section 3 hereof, the Company hereby agrees with the Agent and each of the Purchasers as follows:

**4.01** **Delivery and Other Perfection**. The Company shall:

**a.** if any of the above-described shares, securities, monies or property required to be pledged by the Company under clauses (a), (b) and (c) of Section 3 hereof are received by the Company, forthwith either (x) transfer and deliver to the Agent such shares or securities so received by the Company (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank) all of which thereafter shall be held by the Agent, pursuant to the terms of this Agreement, as part of the Collateral or (y) take such other action as the Agent shall reasonably deem necessary or appropriate to duly record the Lien created hereunder in such shares, securities, monies or property referred to in said clauses (a), (b) and (c) of Section 3;

**b.** deliver and pledge to the Agent, at the Agent's request, any and all Instruments, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may request; provided, that so long as no Event of Default shall have occurred and be continuing, the Company may retain for collection in the ordinary course any Instruments received by it in the ordinary course of business and the Agent shall, promptly upon request of the Company, make appropriate arrangements for making any other Instrument pledged by the Company available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Agent, against trust receipt or like document);

**c.** give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary (in the reasonable judgment of the Agent) to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Agent to exercise and enforce their rights hereunder with respect to such security interest, including, without limitation, causing any or all of the Stock Collateral to be transferred of record into the name of the Agent or its nominee (and the Agent agrees that if any Stock Collateral is transferred into its name or the name of its nominee, the Agent will thereafter promptly give to the Company copies of any notices and communications received by it with respect to the Stock Collateral), provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of Section 4.09 below;



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d. upon the acquisition after the date hereof by the Company of any Equipment covered by a certificate of title or ownership cause the Agent to be listed as the lienholder on such certificate of title and within one hundred twenty (120) days of the acquisition thereof (or such other time as the Agent may approve in its sole discretion) deliver evidence of the same to the Agent;

e. keep accurate books and records relating to the Collateral, and, during the continuation of an Event of Default, stamp or otherwise mark such books and records in such manner as the Agent may reasonably require in order to reflect the security interests granted by this Agreement;

f. furnish to the Agent from time to time (but, unless an Event of Default shall have occurred and be continuing, no more frequently than quarterly) statements and schedules further identifying and describing the material Copyright Collateral, the Patent Collateral and the Trademark Collateral, respectively, and such other reports in connection with the Copyright Collateral, the Patent Collateral and the Trademark Collateral, as the Agent may reasonably request, all in reasonable detail;

g. permit representatives of the Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Agent to be present at the Company's place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications by the Company with respect to the Collateral, all in such manner as the Agent may reasonably require; provided, however, that so long as an Event of Default is not continuing, such visits shall be made not more than once per fiscal year at Company's expense; and

h. upon the occurrence and during the continuance of any Event of Default, upon request of the Agent, promptly notify each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent.

**4.02 Other Financing Statements and Liens.** Except with respect to Permitted Indebtedness or as otherwise permitted under Schedule 4 of the Secured Note, without the prior written consent of the Agent, the Company shall not file or authorize or permit to be filed, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of the Purchaser, except for Permitted Liens.

**4.03 Preservation of Rights.** The Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

**4.04 Special Provisions Relating to Certain Collateral.**



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a. **Intellectual Property.**

(i) For the purpose of enabling the Agent to exercise rights and remedies under Section 4.05 hereof at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Company hereby grants to the Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Intellectual Property (other than the Patent Collateral or goodwill associated therewith) now owned or hereafter acquired by the Company, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(ii) Notwithstanding anything contained herein to the contrary, so long as no Event of Default shall have occurred and be continuing and following notice by the Agent of the termination of Company's rights with respect thereto, the Company will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Company. In furtherance of the foregoing, unless an Event of Default shall have occurred and is continuing, the Agent shall from time to time, upon the request of the Company, execute and deliver any instruments, certificates or other documents, in the form so requested, which the Company shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (i) immediately above as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations or earlier expiration of this Agreement or release of the Collateral, the Agent shall grant back to the Company the license granted pursuant to clause (i) immediately above. The exercise of rights and remedies under Section 4.05 hereof by the Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by the Company in accordance with the first sentence of this clause (ii).

**4.05** **Events of Default, etc.** During the period during which an Event of Default shall have occurred and be continuing:

a. the Company shall, at the request of the Agent, assemble the Collateral owned by it at such place or places, reasonably convenient to both the Agent and the Company, designated in its request;



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b. the Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral with the consent of the Company, which shall not be unreasonably withheld;

c. the Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Agent were the sole and absolute owner thereof (and the Company agrees to take all such action as may be appropriate to give effect to such right);

d. the Agent in its discretion may, in its name or in the name of the Company or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

e. the Agent may, upon 30 Business Days' prior written notice to the Company of the time and place, with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Agent, or any of its respective agents, sell, lease, assign or otherwise dispose of all or any of such Collateral, at such place or places as the Agent deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived) and the Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Company, any such demand, notice or right and equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the Business connected with and symbolized by the Trademark Collateral subject to such disposition shall be included, and the Company shall supply to the Agent or its designee, for inclusion in such sale, assignment or other disposition, all Intellectual Property relating to such Trademark Collateral. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and



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such sale may be made at any time or place to which the same may be so adjourned.

f. The proceeds of each collection, sale or other disposition under this Section 4.05, including by virtue of the exercise of the license granted to the Agent in Section 4.04(a)(i) hereof, shall be applied in accordance with Section 4.09 hereof.

g. The Company recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Company acknowledges that any such private sales to an unrelated third party in an arm's length transaction may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the respective Issuer thereof to register it for public sale.

**4.06** **Deficiency.** If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 4.05 hereof are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Company shall remain liable for any deficiency.

**4.07** **Removals, etc.** Without at least thirty (30) days' prior written notice to the Agent or unless otherwise required by law, the Company shall not (a) maintain any of its books or records with respect to the Collateral at any office or maintain its chief executive office or its principal place of business at any place, or permit any Inventory or Equipment to be located anywhere other than at the address indicated for the Company in Section 7.4 of the Purchase Agreement or at one of the locations identified in Annex 4 hereto or in transit from one of such locations to another or (b) change its corporate name, or the name under which it does business, from the name shown on the signature page hereto.

**4.08** **Private Sale**. The Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale to an unrelated third party in an arm's length transaction pursuant to Section 4.05 hereof conducted in a commercially reasonable manner. The Company hereby waives any claims against the Agent arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree.



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**4.09 Application of Proceeds**. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Agent under this Section 4, shall be applied by the Agent:

**First,** to the payment of the costs and expenses of such collection, sale or other realization, including reasonable out-of-pocket costs and expenses of the Agent and the fees and expenses of its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith;

**Next,** to the payment in full of the Secured Obligations; and

**Finally**, to the payment to the Company, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of the Company or any issuer of or obligor on any of the Collateral.

**4.10 Attorney-in-Fact.** Without limiting any rights or powers granted by this Agreement to the Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, the Agent is hereby appointed the attorney-in-fact of the Company for the purpose of carrying out the provisions of this Section 4 and taking any action and executing any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Purchasers shall be entitled under this Section 4 to make collections in respect of the Collateral, the Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Company representing any dividend, payment, or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

**4.11 Perfection.** (a) Concurrently with the execution and delivery of this Agreement or within 5 Business Days following the date hereof, the Company shall file such financing statements and other documents in such offices as the Agent may reasonably request to perfect the security interests granted by Section 3 of this Agreement that may be perfected by such filing; and (b) the Company shall within five (5) Business Days following the date hereof, grant control over any deposit accounts to the Agent, which shall be pursuant to the Account Control Agreement, among the Company, the Agent and the bank where the Company has account with, a form of which is attached hereto on Annex 7. The Collateral Agent and the Purchasers each hereby acknowledge that neither the Placement Agent nor its legal counsel shall have any responsibility whatsoever for the filing of any financing statements or for taking any other actions to perfect, or otherwise protect, the Purchasers' security interest in the Collateral.

**4.12 Termination**. When all Secured Obligations shall have been paid in full under the Purchase Agreement, this Agreement shall terminate, and the Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or



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representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Company and to be released and cancelled all licenses and rights referred to in Section 4.04(b)(i) hereof. The Agent shall also execute and deliver to the Company upon such termination such Uniform Commercial Code termination statements, certificates for terminating the Liens on the Motor Vehicles and such other documentation as shall be reasonably requested by the Company to effect the termination and release of the Liens on the Collateral.

**4.13** **Expenses.** The Company agrees to pay to the Agent all reasonable out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of this Section 4, or performance by the Agent of any obligations of the Company in respect of the Collateral which the Company has failed or refused to perform upon reasonable notice, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Agent in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to the Agent secured under Section 3 hereof.

**4.14** **Further Assurances**. The Company agrees that, from time to time upon the written reasonable request of the Agent, the Company will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in order fully to effect the purposes of this Agreement.

**4.15** **Indemnity.** Each of the Purchasers hereby severally covenants and agrees to reimburse, indemnify and hold the Agent harmless from and against any and all claims, actions, judgments, damages, losses, liabilities, costs, transfer or other taxes, and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred or suffered without any gross negligence, bad faith or willful misconduct by the Agent, arising out of or incident to any investigation, proceeding or litigation arising out of this Agreement or the administration of the Agent's duties hereunder, or resulting from its actions or inactions as Agent.

## Section 5. Miscellaneous.

**5.01** **No Waiver.** No failure on the part of the Agent or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

**5.02** **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the internal law of the State of New York.

**5.03** **Notices.** All notices, requests, consents and demands hereunder shall be in writing and facsimile (facsimile confirmation required) or delivered to the intended recipient at its address or telex number specified pursuant to the Purchase Agreement and shall be deemed to have been given at the times specified in the Purchase Agreement.



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**5.04 Waivers, etc.** The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Company and the Agent. Any such amendment or waiver shall be binding upon each of the Purchasers and the Company.

**5.05 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company and each of the Purchasers (provided, however, that the Company shall not assign or transfer its rights hereunder without the prior written consent of the Agent).

**5.06 Counterparts**. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

**5.07 Agent.** Each Purchaser agrees to appoint Middlebury Advisors LLC as its Agent for purposes of this Agreement. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

**5.08 Severability.** If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Purchasers in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

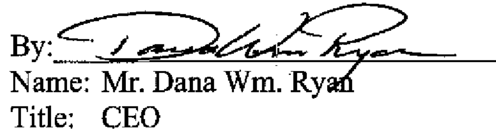
[SIGNATURE PAGE FOLLOWS]



TRADEMARK
REEL: 004697 FRAME: 0017

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first above written.

COMPANY: **RYMED TECHNOLOGIES, INC.**



By: ______________________________
Name: Mr. Dana Wm. Ryan
Title: CEO

AGENT: **MIDDLEBURY ADVISORS LLC**

By: ______________________________
Name:
Title:

PURCHASERS: **Pinnacle Family Office Investments, L.P.**

By: ______________________________
Name:
Title:

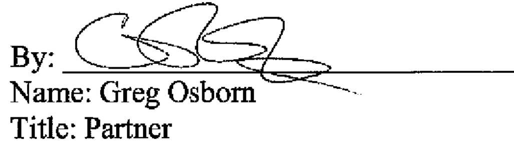
[SIGNATURE PAGE TO SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first above written.

COMPANY: **RYMED TECHNOLOGIES, INC.**

By:______________________________
Name: Mr. Dana Wm. Ryan
Title: CEO

AGENT: **MIDDLEBURY ADVISORS LLC**



By: ______________________________
Name: Greg Osborn
Title: Partner

PURCHASERS: **Pinnacle Family Office Investments, L.P.**

By: ______________________________
Name:
Title:

[SIGNATURE PAGE TO SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first above written.

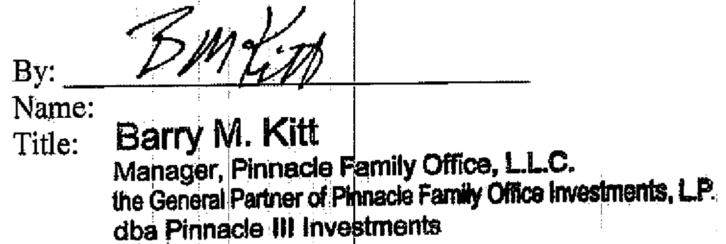
COMPANY: **RYMED TECHNOLOGIES, INC.**

By:____________________________
Name: Mr. Dana Wm. Ryan
Title: CEO

AGENT: **MIDDLEBURY ADVISORS LLC**

By: ____________________________
Name:
Title:

PURCHASERS: **Pinnacle Family Office Investments, L.P.**



By: ____________________________
Name:
Title: Barry M. Kitt
Manager, Pinnacle Family Office, L.L.C.
the General Partner of Pinnacle Family Office Investments, L.P.
dba Pinnacle III Investments

[SIGNATURE PAGE TO SECURITY AGREEMENT]

**ANNEX 1**

CAPITAL STOCK PLEDGED BY THE COMPANY AND/OR OFFICERS OF COMPAY

| Entity | Number of Shares |
| --- | --- |

None.

**ANNEX 2**

EXCLUDED COLLATERAL

None.



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**ANNEX 3**

# PATENTS, COPYRIGHTS AND TRADEMARKS

## List of Patents

| COUNTRY | REFERENCE# | TYPE | FILED | SERIAL# | ISSUED | PATENT# | STATUS |
|---|---|---|---|---|---|---|---|
| **Medical Intravenous Administration Line Connectors Having a Luer or Pressure Activated Valve** | | | | | | | |
| UNITED STATES | RYM-001 | NEW | 12/29/1995 | 08/581,057 | 8/4/1998 | 5,788,215 | ISSUED |
| UNITED STATES | RYM-002 | CIP | 4/29/1997 | 08/841,281 | 9/21/1999 | 5,954,313 | ISSUED |
| UNITED STATES | RYM-003 | CIP | 8/7/1997 | 08/906,661 | 11/10/1998 | 5,833,213 | ISSUED |
| UNITED STATES | RYM-002D1 | DIV | 6/24/1999 | 09/344,403 | 12/12/2000 | 6,158,458 | ISSUED |
| **Project Turtle Assembly** | | | | | | | |
| UNITED STATES | RYM-012 | NEW | PROPOSED | | | | |
| **Swabbable Needle-Free Injection Port Valve System with Neutral Fluid Displacement** | | | | | | | |
| UNITED STATES | RYM-010 | NEW | 1/13/2004 | 10/756,601 | 2/7/2006 | 6,994,315 | ISSUED |
| AUSTRALIA | RYM-010 AUS | DCA | 1/12/2005 | 2005206874 | | | ISSUED |
| BRAZIL | RYM-010 BRAZIL | DCA | 1/12/2005 | PI0506841.0 | | | PUBLISHED |
| CANADA | RYM-010 CANADA | DCA | 1/12/2005 | 2,552,084 | | | ISSUED |
| EUROPEAN PATENT | RYM-010 EPO | DCA | 1/12/2005 | 05705663.2 | | | PUBLISHED |
| ISRAEL | RYM-010 ISRAEL | DCA | 1/12/2005 | 176221 | 7/16/2010 | 176221 | ISSUED |
| INDIA | RYM-010 INDIA | DCA | 1/12/2005 | 2539/CHENP/2006 | | | PENDING |
| JAPAN | RYM-010 JAPAN | DCA | 1/12/2005 | 2006-549603 | | | PUBLISHED |
| UNITED STATES | RYM-010CIP | CIP | 1/26/2006 | 11/341,119 | 5/12/2009 | 7,530,546 | ISSUED |
| EUROPEAN PATENT | RYM-010CIP EPO | DCA | 1/22/2007 | 07717336.7 | | | PUBLISHED |
| UNITED STATES | RYM-010CIPD1 | DIV | 4/23/2009 | 12/428,678 | | | PUBLISHED |
| **Swabbable Needleless Injection Port System Having Low Reflux** | | | | | | | |
| UNITED STATES | RYM-006 | NEW | 10/5/1998 | 09/166,559 | 9/5/2000 | 6,113,068 | ISSUED |



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| | | | | | |
|---|---|---|---|---|---|
| AUSTRALIA | RYM-006 AUS | DCA | 10/1/1999 | 65058/99 | 1/15/2004 |
| 765829 | ISSUED | | | | |
| BRAZIL | RYM-006 Brazil | DCA | 10/1/1999 | PI9915920-1 | 11/18/2008 |
| PI9915920-1 | ISSUED | | | | |
| CANADA | RYM-006 Canada | DCA | 10/1/1999 | 2,346,468 | 4/15/2008 |
| 2,346,468 | ISSUED | | | | |
| GERMANY | RYM-006 GERMANY | | DCA | 10/1/1999 | 9953021.5 |
| 5/17/2006 | 69931384 | ISSUED | | | |
| SPAIN | RYM-006 SPAIN | DCA | 10/1/1999 | 99953021.5 | 5/17/2006 |
| 1119392 | ISSUED | | | | |
| FRANCE | RYM-006 FRANCE | DCA | 10/1/1999 | 99953021.5 | 5/17/2006 |
| 1119392 | ISSUED | | | | |
| UNITED KINGDOM | RYM-006 UK | DCA | 10/1/1999 | 99953021.5 | 5/17/2006 |
| 1119392 | ISSUED | | | | |
| IRELAND | RYM-006 IRELAND | DCA | 10/1/1999 | 99953021.5 | |
| 1119392 | ISSUED | | | | |
| ISRAEL | RYM-006 Israel | DCA | 10/1/1999 | 142461 | 7/14/2008 |
| 142461 | ISSUED | | | | |
| INDIA | RYM-006 India | DCA | 10/1/1999 | IN/PCT/01/00494/CHE | |
| 3/5/2008 | 215999 | ISSUED | | | |
| ITALY | RYM-006 ITALY | DCA | 10/1/1999 | 99953021.5 | 5/17/2006 |
| 1119392 | ISSUED | | | | |
| JAPAN | RYM-006 Japan | DCA | 10/1/1999 | 2000-573425 | 8/21/2009 |
| 4362015 | ISSUED | | | | |
| SOUTH KOREA | RYM-006 Korea | DCA | 10/1/1999 | 10-2001-7004304 | 10/17/2006 |
| 637617 | ISSUED | | | | |
| MEXICO | RYM-006 Mexico | DCA | 10/1/1999 | PA/a/2001/003493 | 6/1/2005 |
| 228230 | ISSUED | | | | |
| UNITED STATES | RYM-006D1 | DIV | 5/9/2000 | 09/568,478 | 10/9/2001 |
| 6,299,131 | ISSUED | | | | |

TOTAL ITEMS 32

**List of Trademarks**

| COUNTRY | REFERENCE# | FILED | APPL# | REGDT | REG# | STATUS | CLA: |
|---|---|---|---|---|---|---|---|
| **Absolute Neutral** | | | | | | | |
| UNITED STATES | RYM-TM-021 | 3/16/2009 | 77/691,774 | | | PENDING | |
| **CS** | | | | | | | |
| EUROPEAN UNION | RYM-TM-028 ECT | 2/18/2011 | 009749359 | | | PENDING | |
| UNITED STATES | RYM-TM-028 | 8/19/2010 | 85/111,721 | | | ALLOWED | |
| **CS and Design** | | | | | | | |
| UNITED STATES | RYM-TM-030 | 8/19/2010 | 85/111,764 | | | ALLOWED | |



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| | | | | | | |
|---|---|---|---|---|---|---|
| **InVision-Plus** | | | | | | |
| UNITED STATES | RYM-TM-006 | 12/23/2005 | 78/780,134 | 11/14/2006 | 3,171,358 | REGISTERED |
| **InVision-Plus CS** | | | | | | |
| UNITED STATES | RYM-TM-029 | 8/19/2010 | 85/111,729 | | | ALLOWED |
| **Junior** | | | | | | |
| UNITED STATES | RYM-TM-010 | 6/19/2008 | 77/503,090 | 11/24/2009 | 3,716,272 | REGISTERED |
| **Neutral** | | | | | | |
| UNITED STATES | RYM-TM-004 | 12/22/2005 | 78/779,349 | 11/7/2006 | 3,168,566 | REGISTERED |
| **Neutral Advantage** | | | | | | |
| EUROPEAN UNION | RYM-TM-016 ECT | 9/1/2009 | 008521908 | 3/1/2010 | 008521908 | REGISTERED |
| UNITED STATES | RYM-TM-016 | 3/16/2009 | 77/691,731 | | | PENDING |
| **Neutral Benefit** | | | | | | |
| UNITED STATES | RYM-TM-022 | 3/16/2009 | 77/691,816 | | | PENDING |
| **Neutral Choice** | | | | | | |
| UNITED STATES | RYM-TM-023 | 3/16/2009 | 77/691,837 | | | PENDING |
| **Neutral Displacement** | | | | | | |
| UNITED STATES | RYM-TM-005 | 12/22/2005 | 78/779,373 | 11/13/2007 | 3,337,575 | REGISTERED |
| **Neutral Edge** | | | | | | |
| UNITED STATES | RYM-TM-018 | 3/16/2009 | 77/691,746 | | | PENDING |
| **Neutral Integrity** | | | | | | |
| UNITED STATES | RYM-TM-019 | 3/16/2009 | 77/691,752 | | | PENDING |
| **Neutral Standard** | | | | | | |
| UNITED STATES | RYM-TM-020 | 3/16/2009 | 77/691,760 | | | PENDING |
| **QUANTUM** | | | | | | |
| UNITED STATES | RYM-TM-026 | 2/23/2010 | 77/942,596 | | | ALLOWED |
| **Red** | | | | | | |
| UNITED STATES | RYM-TM-014 | 11/26/2008 | 77/622,458 | 1/4/2011 | 3,902,265 | REGISTERED |
| **Spectrum of Protection** | | | | | | |
| UNITED STATES | RYM-TM-011 | 11/18/2008 | 77/616,898 | 9/7/2010 | 3,845,872 | REGISTERED |
| **The Advantage is Clear** | | | | | | |
| UNITED STATES | RYM-TM-031 | 8/20/2010 | 85/112,491 | | | PENDING |
| | | | TOTAL ITEMS | | | 20 |

**Exceptions**

1. **The ICU Action**



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On July 27, 2007, ICU Medical, Inc. ("ICU), commenced a legal action against the Company in the United States District Court of Delaware, Civil Action Case #07-468 in what the Company believes is an attempt to keep the Company's superior products from taking ICU's market share. ICU alleged that the Company's **InVision-Plus®** with **Neutral Advantage™** technology helical products infringe three of ICU's patents (respectively, No.6,572,592, No.5,685,866 and No.5,873,862).

While ICU initially alleged infringement of four patents, it dropped its claims with respect to one patent prior to trial. In December 2010, a jury returned a verdict stating: (i) the Company did not willfully infringe any of the ICU patents; (ii) the Company's helical products did not infringe Patent No. 6,572,592; (iii) the Company's helical product did not literally infringe one *independent* claim of Patent No.5,685,866, but might infringe under the "doctrine of equivalents[1]," and at the same time did literally infringe some *dependent* claims; (iv) the Company's helical product literally infringes Patent No.5,873,862 (which expires on December 18, 2011).

After the trial, the trial judge, on September 16, 2011, overturned the jury verdict on Patent No.5,685,866 and set a new trial for May 7, 2012 and let stand the finding of infringement of patent No.5,873,862. With respect to this finding of infringement, because it is a method patent, no end user of the Company's products can have any liability in connection with their sale or use and, in any event, the patent expires on December 16, 2011.

*The New Trial and Appeal*

In addition to the new trial scheduled for May 7, 2012, the Company is appealing the finding of infringement for Patent No. 5,873,862. Although there can be no assurance of the outcome, the Company believes that it will succeed on both the new trial and appeal.

*The Company's Response to the ICU Litigation*

In addition to the defending the litigation and pursuing an appeal, and in order to guard against any adverse outcome in the ICU litigation, the Company has also developed a hexagon helical boot valve design for its products which it will commercialize in the first quarter of 2012. In connection with the above litigation, ICU's expert witness has testified that such a design would not infringe any of ICU's patents.

In the event that the Company were to lose the ICU litigation and its appeals thereof, and if its new design were found to be infringing ICU's patents in a new action that would have to be commenced by ICU, the Company's business, prospects, financial

[1] "Doctrine of equivalents"is a legal rule in patent laws that a dependent claim cannot be literally infringed if the independent claim is not literally infringed.



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condition and results of operations would be adversely affected.

2. On October 31, 2007, the Company sued Laboratories Pharmaceutiques Vygon (LPV) in the United States District Court, Middle District of Tennessee, Civil Action Case 3:07 – cv-1077. RyMed alleges that its **InVision-Plus®** with **Neutral Advantage™** technology products do not infringe a patent assigned to Vygon and that the Vygon patent is invalid. Vygon countersued for infringement and requested an injunction, treble damages for willful infringement, an award of costs, expenses, attorney's fees and pre-judgment interest. On October 20, 2008, RyMed filed a re-examination request with the US Patent Office which seeks reexamination of Vygon's patent on the grounds that many of the claims of the Vygon patent are invalid for multiple reasons, and on January 14, 2009, the U.S. Patent and Trademark Office granted RyMed's request for ex parte re-examination of the Vygon patent on all seven grounds of validity posited by the Company. Subsequently, RyMed requested a "stay" in the litigation pending the outcome of the re-examination. On Feb. 20, 2009, RyMed's motion for a stay was granted such that the litigation is to be stayed until the reexamination of Vygon's patent in the U.S. Patent Office is completed. If Vygon's patent is ultimately rejected in the reexamination, this case will be dismissed. However, if the Vygon patent re-emerges from the U.S. Patent Office, the Company intends to continue to vigorously prosecute this litigation. As of October 7, 2011, the U.S. Patent Office has not issued any substantive Office Action with respect to Vygon's patent which expires in November 2012.



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**ANNEX 4**

LIST OF LOCATIONS

Location of books & Records for collateral pledged for the Purchaser:

RyMed Technologies, Inc
6000 W Wm Cannon Drive Bldg. B #300
Austin, TX 78749

The principal place of business (corporate office) is:

RyMed Technologies, Inc.
137 Third Avenue North
Franklin, TN 37064

Location of Company's inventory:

Accellent
31 C Butterfield Trail
El Paso, TX 79906

RyMed Technologies, Inc
6000 W Wm Cannon Drive Bldg. B #300
Austin, TX 78749

Location of Company's Equipment

Accellent (Venusa de Mexico)
1525-6 Hertz
Juarez, Chihuahua, MX 32470

Accellent
2052 W 11th Street
Upland. CA 91786

Parker Hannifin
3191 E La Palma Ave
Anaheim, CA 92806

Parker Hannifin
902 Columbia Ave
Riverside, CA 92507



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**ANNEX 5**

PERMITTED INDEBTEDNESS

Trade Payables: $3,541,000 (includes contingent liability of $1,927,000 for Howrey settlement)

Short & Long Term Debt: $1,311,177

Accrued Interest: $14,824

Trade Payables as of June 23, 2011
Note: Short & Long Term debt and accrued interest as of June 30, 2011

**Short & Long Term Debt**
as of June 30, 2011

| Name | Principal | Note Origination | Interest Rate | Accrued Interest | Total |
|---|---|---|---|---|---|
| Hogan, Stephen | $ 17,500.00 | April 13, 2000 | 9.5 | $ 1,600.69 | $ 19,100.69 |
| Martin, John | $ 5,000.00 | May 16, 2000 | 9.5 | $ 5,274.75 | $ 10,274.75 |
| Miller, Gregory A. | $ 3,000.00 | January 31, 2005 | 3.5 | $ 672.00 | $ 3,672.00 |
| Dana Wm Ryan | $ 11,374.87 | Oct. 28, 2010 | 8.0 | $ 619.30 | $ 11,994.17 |
| James Kaiser | $ 9,858.22 | Oct. 28, 2010 | 8.0 | $ 536.73 | $ 10,394.95 |
| Diedrich Oglesbee | $ 300,000.00 | Dec. 8, 2010 | 8.0 | $ - | $ 300,000.00 |
| Dana Wm Ryan | $ 11,500.18 | January 28, 2010 | 8.0 | $ 391.01 | $ 11,891.19 |
| James Kaiser | $ 9,966.82 | January 28, 2010 | 8.0 | $ 338.87 | $ 10,305.69 |
| Bruce Boros | $ 133,000.00 | February 8, 2011 | 8.0 | $ - | $ 133.000.00 |
| Marilyn Oppenheimer | $ 104,000.00 | February 8, 2011 | 8.0 | $ - | $ 104,000.00 |
| Gordon Miller | $ 19,000.00 | February 8, 2011 | 8.0 | $ - | $ 19,000.00 |
| Joseph Falk | $ 19,000.00 | February 8, 2011 | 8.0 | $ - | $ 19,000.00 |



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| | | | | | |
|---|---|---|---|---|---|
| Bruce Hirshman | $ 100,000.00 | February 8, 2011 | 8.0 | $ - | $ 100,000.00 |
| Kevin Oppenheimer | $ 20,000.00 | February 8, 2011 | 8.0 | $ - | $ 20,000.00 |
| Daren Oppenheimer | $ 10,000.00 | February 8, 2011 | 8.0 | $ - | $ 10,000.00 |
| Stewart Appelrouth | $ 19,333.00 | February 17, 2011 | 8.0 | $ - | $ 19,333.00 |
| Alicia Heinrich | $ 19,000.00 | February 17, 2011 | 8.0 | $ - | $ 19,000.00 |
| Neal Farr | $ 19,000.00 | February 17, 2011 | 8.0 | $ - | $ 19,000.00 |
| Robert Stone | $ 19,000.00 | February 17, 2011 | 8.0 | $ - | $ 19,000.00 |
| Beech Mountain Trust | $ 19,000.00 | March 7, 2011 | 8.0 | $ - | $ 19,000.00 |
| Dana Ryan | $ 14,809.37 | April 22, 2011 | 8.0 | $ 227.08 | $ 15,036.45 |
| James Kaiser | $ 12,834.79 | April 22, 2011 | 8.0 | $ 196.80 | $ 13,031.59 |
| Robert Yackee | $ 85,000.00 | May 12, 2011 | 8.0 | $ 925.53 | $ 85,925.53 |
| Tommaso Scarfone | $ 170,000.00 | May 15, 2011 | 8.0 | $ 4,042.00 | $ 174,042.00 |
| Wells Fargo Bank | $ 160,000.00 | annual renewal | prime plus | $ - | $ 160,000.00 |
| | **$ 1,311,177.25** | | | **$14,824.76** | **$ 1,326,002.01** |

**Note:** All are promissory notes with the exception of Wells Fargo which is a $160,000 LOC. An investor in RyMed has secured the LOC with a certificate of deposit with Wells Fargo. RyMed has an agreement with this investor wherein the investor can pay the Line of Credit and convert the $160,000 to RyMed stock at $4.00 per share; this conversion would also apply if RyMed were to default on the LOC Note with Wells Fargo. The LOC has been in place since 2008 with annual renewals. The current LOC is due January 10, 2012.

All Promissory Notes have a term of 36 months from the date of issue. Those past the term are agreed upon with the Note holders to continue accruing interest without any late payment penalty.



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All Promissory Notes are convertible with no pre
payment penalty or redemption requirement.

In addition, The Bridge Notes issued or to be issued pursuant to the Subscription Agreement should rank pari passu to the Secured Note.

**ANNEX 6**

PERMITTED LIENS

The first priority security interest created and to be created by the Security Agreement in connection with the sale of the Bridge Notes under the Subscription Agreement.



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**ANNEX 7**

WELLS FARGO

DEPOSIT ACCOUNT CONTROL AGREEMENT

(Access Restricted after Notice)

This **Deposit Account Control Agreement** (the "Agreement"), dated as of the date specified on the initial signature page of this Agreement, is entered into by and among **RyMed Technologies, Inc.** ("Company"), **Middlebury Securities, LLC** ("Secured Party") and **Wells Fargo Bank, National Association** ("Bank"), and sets forth the rights of Secured Party and the obligations of Bank with respect to the deposit accounts of Company at Bank identified at the end of this Agreement as the Collateral Accounts (each hereinafter referred to individually as a "Collateral Account" and collectively as the "Collateral Accounts"). Each account designated as a Collateral Account includes, for purposes of this Agreement, and without the necessity of separately listing subaccount numbers, all subaccounts presently existing or hereafter established for deposit reporting purposes and integrated with the Collateral Account by an arrangement in which deposits made through subaccounts are posted only to the Collateral Account. Each Collateral Account operated as a "Multi-Currency Account" is a deposit account maintained with Bank's Cayman Islands Branch, which may be denominated in foreign currency.

1. **Secured Party's Interest in Collateral Accounts.** Secured Party represents that it is either (i) a lender who has extended credit to Company and has been granted a security interest in the Collateral Accounts or (ii) such a lender and the agent for a group of such lenders. Company hereby confirms the security interest granted by Company to Secured Party in all of Company's right, title and interest in and to the Collateral Accounts and all sums now or hereafter on deposit in or payable or withdrawable from the Collateral Accounts (the "Collateral Account Funds"). In furtherance of the intentions of the parties hereto, this Agreement constitutes written notice by Secured Party to Bank and Bank's Cayman Islands Branch of Secured Party's security interest in the Collateral Accounts.

2. **Secured Party Control.** Bank, Secured Party and Company each agree that Bank will comply with instructions given to Bank by Secured Party directing disposition of funds in the Collateral Accounts ("Disposition Instructions") without further consent by Company. Except as otherwise required by law, Bank will not agree with any third party to comply with instructions for disposition of funds in the Collateral Accounts originated by such third party.



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3. **Company Access to Collateral Accounts.** Notwithstanding the provisions of the "Secured Party Control" section of this Agreement, Secured Party agrees that Company will be allowed access to the Collateral Accounts and Collateral Account Funds until Bank receives, and has had a reasonable opportunity to act on, written notice from Secured Party directing that Company no longer have access to any Collateral Accounts or Collateral Account Funds (an "Access Termination Notice"). Company irrevocably authorizes Bank to comply with any Access Termination Notice and/or Disposition Instructions even if Company objects to them in any way, and agrees that Bank may pay any and all Collateral Account Funds to Secured Party in response to any Disposition Instructions. Company further agrees that after Bank receives an Access Termination Notice, Company will not have access to any Collateral Accounts or Collateral Account Funds.

4. **Transfers in Response to Disposition Instructions.** Notwithstanding the provisions of the "Secured Party Control" section of this Agreement, unless Bank separately agrees in writing to the contrary, Bank will have no obligation to disburse funds in response to Disposition Instructions other than by automatic standing wire. Bank agrees that on each Business Day after it receives and has had a reasonable opportunity to act on an Access Termination Notice and corresponding Disposition Instructions it will transfer to the account specified at the end of this Agreement as the Destination Account or, if no account is specified, to such account as Secured Party specifies in the Access Termination Notice (in either case, the "Destination Account") the full amount of the collected and available balance in the Collateral Accounts at the beginning of such Business Day. Any disposition of funds which Bank makes in response to Disposition Instructions is subject to Bank's standard policies, procedures and documentation governing the type of disposition made; provided, however, that in no circumstances will any such disposition require Company's consent. To the extent any Collateral Account is a certificate of deposit or time deposit, Bank will be entitled to deduct any applicable early withdrawal penalty prior to disbursing funds from such account in response to Disposition Instructions. To the extent Secured Party requests that funds be transferred from any Collateral Account in a currency different from the currency denomination of the Collateral Account, the funds transfer will be made after currency conversion at Bank's then current buying rate for exchange applicable to the new currency.

5. **Lockboxes.** To the extent items deposited to a Collateral Account have been received in one or more post office lockboxes maintained for Company by Bank (each a "Lockbox") and processed by Bank for deposit, Company acknowledges that Company has granted Secured Party a security interest in all such items (the "Remittances"). Company agrees that after Bank receives an Access Termination Notice, Company will



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have no further right or ability to instruct Bank regarding the receipt, processing or deposit of Remittances, and that Secured Party alone will have the right and ability to so instruct Bank. Company and Secured Party acknowledge and agree that Bank's operation of each Lockbox, and the receipt, retrieval, processing and deposit of Remittances, will at all times be governed by Bank's Master Agreement for Treasury Management Services or other applicable treasury management services agreement, and by Bank's applicable standard lockbox Service Description.

6. **Balance Reports and Bank Statements.** Bank agrees, at the request of Secured Party on any day on which Bank is open to conduct its regular banking business, other than a Saturday, Sunday or public holiday (each a "Business Day"), to make available to Secured Party a report ("Balance Report") showing the opening available balance in the Collateral Accounts as of the beginning of such Business Day, by a transmission method determined by Bank, in Bank's sole discretion. Company expressly consents to this transmission of information. After Bank receives an Access Termination Notice, Bank will, on receiving a written request from Secured Party, send to Secured Party by United States mail, at the address indicated for Secured Party after its signature to this Agreement, duplicate copies of all periodic statements on the Collateral Accounts which are subsequently sent to Company.

7. **Returned Items.** Secured Party and Company understand and agree that the face amount ("Returned Item Amount") of each Returned Item will be paid by Bank debiting the Collateral Account to which the Returned Item was originally credited, without prior notice to Secured Party or Company. As used in this Agreement, the term "Returned Item" means (i) any item deposited to a Collateral Account and returned unpaid, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or the occurrence or timeliness of any drawee's notice of non-payment; (ii) any item subject to a claim against Bank of breach of transfer or presentment warranty under the Uniform Commercial Code (as adopted in the applicable state) or Regulation CC (12 C.F.R. §229), as in effect from time to time; (iii) any automated clearing house ("ACH") entry credited to a Collateral Account and returned unpaid or subject to an adjustment entry under applicable clearing house rules, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or adjustment; (iv) any credit to a Collateral Account from a merchant card transaction, against which a contractual demand for chargeback has been made; and (v) any credit to a Collateral Account made in error. Company agrees to pay all Returned Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Returned Item Amounts on the day Bank attempts to debit them from the Collateral Account. After Bank receives an Access Termination Notice, Secured Party agrees to pay all Returned Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Returned Item Amounts are not paid in full by Company within five (5) calendar days after demand on Company by Bank, and (ii) Secured Party has received proceeds from the corresponding Returned Items under this Agreement.



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8. **Settlement Items.** Secured Party and Company understand and agree that the face amount ("Settlement Item Amount") of each Settlement Item will be paid by Bank debiting the applicable Collateral Account, without prior notice to Secured Party or Company. As used in this Agreement, the term "Settlement Item" means (i) each check or other payment order drawn on or payable against any controlled disbursement account or other deposit account at any time linked to any Collateral Account by a zero balance account connection or other automated funding mechanism (each a "Linked Account"), which Bank cashes or exchanges for a cashier's check or official check in the ordinary course of business prior to receiving an Access Termination Notice and having had a reasonable opportunity to act on it, and which is presented for settlement against the Collateral Account (after having been presented against the Linked Account) after Bank receives the Access Termination Notice, (ii) each check or other payment order drawn on or payable against a Collateral Account, which, on the Business Day Bank receives an Access Termination Notice, Bank cashes or exchanges for a cashier's check or official check in the ordinary course of business after Bank's cutoff time for posting, (iii) each ACH credit entry initiated by Bank, as originating depository financial institution, on behalf of Company, as originator, prior to Bank having received an Access Termination Notice and having had a reasonable opportunity to act on it, which ACH credit entry settles after Bank receives an Access Termination Notice, and (iv) any other payment order drawn on or payable against a Collateral Account or any Linked Account, which Bank has paid or funded prior to receiving an Access Termination Notice and having had a reasonable opportunity to act on it, and which is first presented for settlement against the Collateral Account in the ordinary course of business after Bank receives the Access Termination Notice and has transferred Collateral Account Funds to Secured Party under this Agreement. Company agrees to pay all Settlement Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Settlement Item Amounts on the day they are to be debited from the Collateral Account. Secured Party agrees to pay all Settlement Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Settlement Item Amounts are not paid in full by Company within five (5) calendar days after demand on Company by Bank, and (ii) Secured Party has received Collateral Account Funds under this Agreement.

9. **Bank Fees.** Company agrees to pay all Bank's fees and charges for the maintenance and administration of the Collateral Accounts and for the treasury management and other account services provided with respect to the Collateral Accounts and any Lockboxes (collectively "Bank Fees"), including, but not limited to, the fees for (a) Balance Reports provided on the Collateral Accounts, (b) funds transfer services received with respect to the Collateral Accounts, (c) lockbox processing services, (d) Returned Items, (e) funds advanced to cover overdrafts in the Collateral Accounts (but without Bank being in any way obligated to make any such advances), and (f) duplicate bank statements. The Bank Fees will be paid by Bank debiting one or more of the Collateral Accounts on the Business Day that the Bank Fees are due, without notice to Secured Party or Company. If there are not sufficient funds in the Collateral Accounts to



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cover fully the Bank Fees on the Business Day Bank attempts to debit them from the Collateral Accounts, such shortfall or the amount of such Bank Fees will be paid by Company to Bank, without setoff or counterclaim, within five (5) calendar days after demand from Bank. Secured Party agrees to pay any Bank Fees which accrue after Bank receives an Access Termination Notice, within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent such Bank Fees are not paid in full by Company within five (5) calendar days after demand on Company by Bank.

10. **Account Documentation.** Except as specifically provided in this Agreement, Secured Party and Company agree that the Collateral Accounts will be subject to, and Bank's operation of the Collateral Accounts will be in accordance with, the terms of Bank's applicable deposit account agreement governing the Collateral Accounts ("Account Agreement"). In addition to the Account Agreement, each Collateral Account operated as a "Multi-Currency Account" will be governed by Bank's Master Agreement for Treasury Management Services or other applicable treasury management services agreement, and by Bank's Multi-Currency Account Service Description in effect from time to time. All documentation referenced in this Agreement as governing any Collateral Account or the processing of any Remittances is hereinafter collectively referred to as the "Account Documentation".

11. **Partial Subordination of Bank's Rights.** Bank hereby subordinates to the security interest of Secured Party in the Collateral Accounts (i) any security interest which Bank may have or acquire in the Collateral Accounts, and (ii) any right which Bank may have or acquire to set off or otherwise apply any Collateral Account Funds against the payment of any indebtedness from time to time owing to Bank from Company, except for debits to the Collateral Accounts permitted under this Agreement for the payment of Returned Item Amounts, Settlement Item Amounts or Bank Fees.

12. **Bankruptcy Notice; Effect of Filing.** If Bank at any time receives notice of the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against Company, Bank will continue to comply with its obligations under this Agreement, except to the extent that any action required of Bank under this Agreement is prohibited under applicable bankruptcy laws or regulations or is stayed pursuant to the automatic stay imposed under the United States Bankruptcy Code or by order of any court or agency. With respect to any obligation of Secured Party hereunder which requires prior demand on Company, the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against Company will automatically eliminate the necessity of such demand on Company by Bank, and will immediately entitle Bank to make demand on Secured Party with the same effect as if demand had been made on Company and the time for Company's performance had expired.

13. **Legal Process, Legal Notices and Court Orders.** Bank will comply with any legal process, legal notice or court order it receives in relation to



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a Collateral Account if Bank determines in its sole discretion that the legal process, legal notice or court order is legally binding on it.

14. **Indemnification.** Company will indemnify, defend and hold harmless Bank, its officers, directors, employees, and agents (collectively, the "Indemnified Parties") from and against any and all claims, demands, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) (collectively "Losses and Liabilities") Bank may suffer or incur as a result of or in connection with (a) Bank complying with any binding legal process, legal notice or court order referred to in the immediately preceding section of this Agreement, (b) Bank following any instruction or request of Secured Party, including but not limited to any Access Termination Notice or Disposition Instructions, or (c) Bank complying with its obligations under this Agreement, except to the extent such Losses and Liabilities are caused by Bank's gross negligence or willful misconduct. To the extent such obligations of indemnity are not satisfied by Company within five (5) days after demand on Company by Bank, Secured Party will indemnify, defend and hold harmless Bank and the other Indemnified Parties against any and all Losses and Liabilities Bank may suffer or incur as a result of or in connection with Bank following any instruction or request of Secured Party, except to the extent such Losses and Liabilities are caused by Bank's gross negligence or willful misconduct.

15. **Bank's Responsibility.** This Agreement does not create any obligations of Bank, and Bank makes no express or implied representations or warranties with respect to its obligations under this Agreement, except for those expressly set forth herein. In particular, Bank need not investigate whether Secured Party is entitled under Secured Party's agreements with Company to give an Access Termination Notice or Disposition Instructions. Bank may rely on any and all notices and communications it believes are given by the appropriate party. Bank will not be liable to Company, Secured Party or any other party for any Losses and Liabilities caused by (i) circumstances beyond Bank's reasonable control (including, without limitation, computer malfunctions, interruptions of communication facilities, labor difficulties, acts of God, wars, or terrorist attacks) or (ii) any other circumstances, except to the extent that such Losses and Liabilities are directly caused by Bank's gross negligence or willful misconduct. In no event will Bank be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Bank, and regardless of the form of the claim or action, or the legal theory on which it is based. Any action against Bank by Company or Secured Party under or related to this Agreement must be brought within twelve (12) months after the cause of action accrues.



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16. **Termination.** This Agreement may be terminated by Secured Party or Bank at any time by either of them giving thirty (30) calendar days prior written notice of such termination to the other parties to this Agreement at their contact addresses specified after their signatures to this Agreement; provided, however, that this Agreement may be terminated immediately upon written notice (i) from Bank to Company and Secured Party should Company or Secured Party fail to make any payment when due to Bank from Company or Secured Party under the terms of this Agreement, or (ii) from Secured Party to Bank on termination or release of Secured Party's security interest in the Collateral Accounts; provided that any notice from Secured Party under clause (ii) of this sentence must contain Secured Party's acknowledgement of the termination or release of its security interest in the Collateral Accounts. Company's and Secured Party's respective obligations to report errors in funds transfers and bank statements and to pay Returned Items Amounts, Settlement Item Amounts, and Bank Fees, as well as the indemnifications made, and the limitations on the liability of Bank accepted, by Company and Secured Party under this Agreement will continue after the termination of this Agreement with respect to all the circumstances to which they are applicable, existing or occurring before such termination, and any liability of any party to this Agreement, as determined under the provisions of this Agreement, with respect to acts or omissions of such party prior to such termination will also survive such termination. Upon any termination of this Agreement which occurs after Bank has received an Access Termination Notice and has had a reasonable opportunity to act on it, (i) Bank will transfer all collected and available balances in the Collateral Accounts on the date of such termination in accordance with Secured Party's written instructions, and (ii) Bank will close any Lockbox and forward any mail received at the Lockbox unopened to such address as is communicated to Bank by Secured Party under the notice provisions of this Agreement for a period of three (3) months after the effective termination date, unless otherwise arranged between Secured Party and Bank, provided that Bank's fees with respect to such disposition must be prepaid directly to Bank at the time of termination by cashier's check payable to Bank or other payment method acceptable to Bank in its sole discretion.

17. **Modifications, Amendments, and Waivers.** This Agreement may not be modified or amended, or any provision thereof waived, except in a writing signed by all the parties to this Agreement.

18. **Notices.** All notices from one party to another must be in writing, must be delivered to Company, Secured Party and/or Bank at their contact addresses specified after their signatures to this Agreement, or any other address of any party communicated to the other parties in writing, and will be effective on receipt. Any notice sent by a party to this Agreement to another party must also be sent to all other parties to this Agreement.



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Bank is authorized by Company and Secured Party to act on any instructions or notices received by Bank if (a) such instructions or notices purport to be made in the name of Secured Party, (b) Bank reasonably believes that they are so made, and (c) they do not conflict with the terms of this Agreement as such terms may be amended from time to time, unless such conflicting instructions or notices are supported by a court order.

19. **Successors and Assigns.** Neither Company nor Secured Party may assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Bank, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, Secured Party may transfer its rights and duties under this Agreement to (i) a transferee to which, by contract or operation of law, Secured Party transfers substantially all of its rights and duties under the financing or other arrangements between Secured Party and Company, or (ii) if Secured Party is acting as a representative in whose favor a security interest is created or provided for, a transferee that is a successor representative; provided that as between Bank and Secured Party, Secured Party will not be released from its obligations under this Agreement unless and until Bank receives any such transferee's binding written agreement to assume all of Secured Party's obligations hereunder. Bank may not assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Secured Party, which consent will not be unreasonably withheld or delayed; provided, however, that no such consent will be required if such assignment or transfer takes place as part of a merger, acquisition or corporate reorganization affecting Bank.

20. **Governing Law.** This Agreement will be governed by and be construed in accordance with the laws of the state in which the office of Bank that maintains the Collateral Accounts is located, without regard to conflict of laws principles. This state will also be deemed to be Bank's jurisdiction, for purposes of Article 9 of the Uniform Commercial Code as it applies to this Agreement.

21. **Severability.** To the extent that the terms of this Agreement are inconsistent with, or prohibited or unenforceable under, any applicable law or regulation, they will be deemed ineffective only to the extent of such prohibition or unenforceability, and will be deemed modified and applied in a manner consistent with such law or regulation. Any provision of this Agreement which is deemed unenforceable or invalid in any jurisdiction will not affect the enforceability or validity of the remaining provisions of this Agreement or the same provision in any other jurisdiction.



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22. **Counterparts.** This Agreement may be executed in any number of counterparts each of which will be an original with the same effect as if the signatures were on the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or electronic image scan transmission (such as a "pdf" file) will be effective as delivery of a manually executed counterpart of the Agreement.

23. **Entire Agreement.** This Agreement, together with the Account Documentation, contains the entire and only agreement among all the parties to this Agreement and between Bank and Company, on the one hand, and Bank and Secured Party, on the other hand, with respect to (a) the interest of Secured Party in the Collateral Accounts and Collateral Account Funds, and (b) Bank's obligations to Secured Party in connection with the Collateral Accounts and Collateral Account Funds.

[SIGNATURE PAGES FOLLOW]



TRADEMARK
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This Agreement has been signed by the duly authorized officers or representatives of Company, Secured Party and Bank on the date specified below.

**Date: September 7, 2011**

| | |
|---|---|
| **Collateral Account Numbers:** | **8556-952664, 2733-253906** |
| **Destination Account Number:** | |
| **Bank of Destination Account:** | |

| | |
|---|---|
| **RYMED TECHNOLOGIES, INC.** | **MIDDLEBURY SECURITIES, LLC** |
| By: | By: |
| Name: Dana Ryan | Name: Gregory J. Osborn |
| Title: President/Chief Executive Officer | Title: Co-Founder/Managing Partner |
| **Address for Notices:** | **Address for Notices:** |
| 6000 W. William Cannon Drive<br>Building B, Suite 30 | 1043 Sheep Farm Road |
| Auston, Texas 78749 | Weybridge, Vermont 05753 |
| Attention: Dana Ryan, President/Chief Executive Officer | Attention: Gregory J, Osborn, Co-Founder/Managing Partner |

[SIGNATURE PAGES CONTINUE]



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**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: ______________________________

Name: Don C. Kendrick

Title: Regional President

**Address for Notices:**

111 Congress Ave., 2nd Floor

Austin, Texas 78701

Attention: Don C. Kendrick, Regional President

**with a copy to:**

Pilar Castillo
Relationship Manager
609 Castle Ridge Road, Suite 430
Austin, Texas 78746

Tom Wycoff
Business Banking Manager
609 Castle Ridge Road, Suite 430
Austin, Texas 78746

Mark Curry
Business Banking Manager
111 Congress Ave., 2nd floor
Austin, Texas 78701



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December 30, 2011

**Via Facsimile**
Attn: Mr. Robert Dobrient
5522 Wenonah Drive,
Dallas, TX 75209
Fax: 214 526 4677

**Re: RyMed Technologies, Inc.**

Dear Mr. Dobrient,

Reference is made to that certain Note Subscription Agreement dated December 14, 2011(the "Subscription Agreement") between you and RyMed Technologies, Inc. (the "Company"), together with all the other ancillary agreements (the "Transaction Documents"). All capital words not defined herein shall have the meanings prescribed them in the Subscription Agreement.

Pursuant to Section 1(b) of the Subscription Agreement, the Company, together with the Placement Agent, hereby informs you about the proposed amendments to the following Transaction Documents:

(i) Subscription Agreement: Sections 1(a) , together with Schedules 3(g), 3(j) and 3(u) of the Subscription Agreement shall be deleted and replaced in entirety with the corresponding Section 1(a) and Schedules 3(g), 3(j) and 3(u) of the enclosed amended Subscription Agreement;

(ii) Note: Sections 3(i), 3(iii), 4(b), 5 (including Schedule 5), 7(including Schedule 7(v)) and 9 of the Note shall be deleted and replaced in entirety with the corresponding Sections 3(i), 3(iii), 4(b), 5 (including Schedule 5), 7(including Schedule 7(v)) and 9 of the enclosed amended Subscription Agreement; and

(iii) Warrant: Section 12(e) of the Warrant shall be deleted and replaced in entirety with the corresponding Section 12(e) of the enclosed amended Warrant;

(iv) Security Agreement: Sections 1 and 3, together with Annexes 5 and 6 o of the Security Agreement shall be deleted and replaced in entirety with the corresponding Sections 1 and 3 and Annexes 5 and 6 of the enclosed amended Security Agreement; and

(v) Escrow Agreement: all references to "Escrow Return Date" shall be amended to be June 30, 2012.

Except as amended hereby, the Transaction Documents with the exhibits thereto shall remain in full force and effect.

The Company plans to issue a senior secured promissory note to Pinnacle Family Office Investments, LP in the principal amount of $750,000 at an annual interest of 12% which will rank pari passu to the Note and will be due and payable after a 60-day period from its issuance (the "Pinnacle Note"). In connection with the Pinnacle Note, the Company will issue to Pinnacle Family Office Investments, LP a five-year warrant to purchase 150,000 shares of the Company's common stock at an exercise price of $2 per share (the "Pinnacle Warrant"). By signing this letter, you also consent to the issuance of the Pinnacle Note and you hereby agree that the compliance by the Company of Sections 5, 7(ii) and 11 of the Note is hereby waived.

In addition, the Company enclose herein an additional original warrant certificate (Warrant No. 3-A) that is issued to you as the Initial Investor pursuant to the amended Subscription Agreement. This warrant certificate (Warrant No. 3-A) is in substantially the form of the warrant that was previously issued to you.

Please indicate your agreement with all of the foregoing by signing in the appropriate place below and returning to the undersigned one copy of this letter.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

Very truly yours,

RYMED TECHNOLOGIES, INC.

Dana W. Ryan
Chief Executive Officer

TERMS AGREED TO:

Robert Dobrient

cc.: Gregory Osbo· ı at M·i··llebury Securities, LLC via facsimile.

Encl.

December 29, 2011

**Via Facsimile**
Attn: Mr. Jonathan Segal
The Really Cool Group Ltd
1 Hastings Road,
St. Helier, Jersey, JE1 4HE, UK
Fax: 646-822-4100

**Re: RyMed Technologies, Inc.**

Dear Mr. Segal,

Reference is made to that certain Note Subscription Agreement dated December 14, 2011(the "Subscription Agreement") between The Really Cool Group Ltd (hereinafter "You") and RyMed Technologies, Inc. (the "Company"), together with all the other ancillary agreements (the "Transaction Documents"). All capital words not defined herein shall have the meanings prescribed them in the Subscription Agreement.

Pursuant to Section 1(b) of the Subscription Agreement, the Company, together with the Placement Agent, hereby informs you about the proposed amendments to the following Transaction Documents:

(i) Subscription Agreement: Sections 1(a) , together with Schedules 3(g), 3(j) and 3(u) of the Subscription Agreement shall be deleted and replaced in entirety with the corresponding Section 1(a) and Schedules 3(g), 3(j) and 3(u) of the enclosed amended Subscription Agreement;

(ii) Note: Sections 3(i), 3(iii), 4(b), 5 (including Schedule 5), 7(including Schedule 7(v)) and 9 of the Note shall be deleted and replaced in entirety with the corresponding Sections 3(i), 3(iii), 4(b), 5 (including Schedule 5), 7(including Schedule 7(v)) and 9 of the enclosed amended Subscription Agreement; and

(iii) Warrant: Section 12(e) of the Warrant shall be deleted and replaced in entirety with the corresponding Section 12(e) of the enclosed amended

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Warrant;

(iv) Security Agreement: Sections 1 and 3, together with Annexes 5 and 6 of the Security Agreement shall be deleted and replaced in entirety with the corresponding Sections 1 and 3 and Annexes 5 and 6 of the enclosed amended Security Agreement; and

(v) Escrow Agreement: all references to "Escrow Return Date" shall be amended to be June 30, 2012.

Except as amended hereby, the Transaction Documents with the exhibits thereto shall remain in full force and effect.

The Company plans to issue a senior secured promissory note to Pinnacle Family Office Investments, LP in the principal amount of $750,000 at an annual interest of 12% which will rank pari passu to the Note and will be due and payable after a 60-day period from its issuance (the "Pinnacle Note"). In connection with the Pinnacle Note, the Company will issue to Pinnacle Family Office Investments, LP a five-year warrant to purchase 150,000 shares of the Company's common stock at an exercise price of $2 per share (the "Pinnacle Warrant"). By signing this letter, you also consent to the issuance of the Pinnacle Note and you hereby agree that the compliance by the Company of Sections 5, 7(ii) and 11 of the Note is hereby waived.

In addition, the Company enclose herein an additional original warrant certificate (Warrant No. 3-A) that is issued to you as the Initial Investor pursuant to the amended Subscription Agreement. This warrant certificate (Warrant No. 3-A) is in substantially the form of the warrant that was previously issued to you.

Please indicate your agreement with all of the foregoing by signing in the appropriate place below and returning to the undersigned one copy of this letter.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

Very truly yours,

RYMED TECHNOLOGIES, INC.

Dana W. Ryan
Chief Executive Officer

TERMS AGREED TO:

THE REALLY COOL GROUP LTD

Jonathan Segal
Director

cc.: Gregory Osborn at Middlebury Securities, LLC via facsimile.

Encl.

December 30, 2011

**Via Facsimile**
Attn: Mr. Stephen Hackett
HVM Corporation
150 Lower Old Town Trail
Charlotte, VT 05445
Email: Steve@HackettCompany.com

**Re: RyMed Technologies, Inc.**

Dear Mr. Hackett,

Reference is made to that certain Note Subscription Agreement dated December 16, 2011(the "Subscription Agreement") between HVM Corporation (hereinafter "You") and RyMed Technologies, Inc. (the "Company"), together with all the other ancillary agreements (the "Transaction Documents"). All capital words not defined herein shall have the meanings prescribed them in the Subscription Agreement.

Pursuant to Section 1(b) of the Subscription Agreement, the Company, together with the Placement Agent, hereby informs you about the proposed amendments to the following Transaction Documents:

(i) Subscription Agreement: Section 1(a), together with Schedules 3(g), 3(j) and 3(u) of the Subscription Agreement shall be deleted and replaced in entirety with the corresponding Section 1(a), Schedules 3(g), 3(j) and 3(u) of the enclosed amended Subscription Agreement;

(ii) Note: Sections 3(i), 4(b), 5 (including Schedule 5), 7 (including Schedule 7(v)) and 9 of the Note shall be deleted and replaced in entirety with the corresponding Sections 3(i), 3(iii), 4(b), 5 (including Schedule 5), 7(including Schedule 7(v)) and 9 of the enclosed amended Subscription Agreement;

(iii) Warrant: Section 12(e) of the Warrant shall be deleted and replaced in entirety with the corresponding Section 12(e) of the enclosed amended

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Warrant;

(iv) Security Agreement: Annexes 5 and 6 of the Security Agreement shall be deleted and replaced in entirety with the corresponding Annexes 5 and 6 of the enclosed amended Security Agreement; and

(v) Escrow Agreement: all references to "Escrow Return Date" shall be amended to be June 30, 2012.

Except as amended hereby, the Transaction Documents with the exhibits thereto shall remain in full force and effect.

The Company plans to issue a senior secured promissory note to Pinnacle Family Office Investments, LP in the principal amount of $750,000 at an annual interest of 12% which will rank pari passu to the Note and will be due and payable after a 60-day period from its issuance (the "Pinnacle Note"). In connection with the Pinnacle Note, the Company will issue to Pinnacle Family Office Investments, LP a five-year warrant to purchase 150,000 shares of the Company's common stock at an exercise price of $2 per share (the "Pinnacle Warrant"). By signing this letter, you hereby consent to the issuance of the Pinnacle Note and agree that the compliance by the Company of Sections 5, 7(ii) and 11 of the Note is hereby waived.

In addition, the Company enclose herein an additional original warrant certificate (Warrant No. 4-A) that is issued to you as the Initial Investor pursuant to the amended Subscription Agreement. This warrant certificate (Warrant No. 4-A) is in substantially the form of the warrant that was previously issued to you.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

Please indicate your agreement with all of the foregoing by signing in the appropriate place below and returning to the undersigned one copy of this letter.

Very truly yours,

RYMED TECHNOLOGIES, INC.

______________________

Dana W. Ryan
Chief Executive Officer

TERMS AGREED TO:

HVM CORPORATION

Stephen Hackett
Director

cc.: Gregory Osborn at Middlebury Securities, LLC via facsimile.

Encl.