

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM306914

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Broncos Holding Corporation		05/23/2014	CORPORATION: CAYMAN ISLANDS
Broncus Medical, Inc.		05/23/2014	CORPORATION: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Sroncub Technologies, Inc.		
<b>Street Address:</b>	315 Jane Drive		
<b>City:</b>	Woodside		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	94062		
<b>Entity Type:</b>	CORPORATION: CALIFORNIA		
<b>PROPERTY NUMBERS Total: 5</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2810885	EXHALE	
<b>Registration Number:</b>	2833083	B	
<b>Registration Number:</b>	2845076	BRONCUS	
<b>Registration Number:</b>	3724031	LUNGPOINT	
<b>Registration Number:</b>	3955908	FLEXNEEDLE	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	650-988-8500		
<b>Email:</b>	trademark@fenwick.com		
<b>Correspondent Name:</b>	Linda Henry, Esq. Fenwick & West, LLP		
<b>Address Line 1:</b>	801 California Street		
<b>Address Line 2:</b>	Silicon Valley Center		
<b>Address Line 4:</b>	Mountain View, CALIFORNIA 94041		
<b>ATTORNEY DOCKET NUMBER:</b>	20766-00602-4653		
<b>NAME OF SUBMITTER:</b>	Linda G. Henry, Esq.		
<b>SIGNATURE:</b>	Linda G. Henry, Esq. /lgh/		

CH \$140.00 2810885

**DATE SIGNED:**

06/06/2014

**Total Attachments: 22**

source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page1.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page2.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page3.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page4.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page5.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page6.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page7.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page8.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page9.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page10.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page11.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page12.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page13.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page14.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page15.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page16.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page17.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page18.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page19.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page20.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page21.tif  
source=DOCS-#3412642-v1-SRONCUB\_NOTICE\_FOR\_TRADEMARK\_AND\_PATENT\_FILINGS (2)#page22.tif

## NOTICE OF SECURITY INTEREST

Sroncub, Inc., a California corporation, has a security interest in each of the items of “Registered IP” listed on Exhibit A hereto. This security interest is set forth in that certain Security Agreement dated, May 23, 2014, attached as Exhibit B hereto. All rights in and to the items of “Registered IP” listed on Exhibit A are included in the “Purchased Assets” that are referenced as comprising the “Collateral” in Section 2.1 of the Security Agreement.

**Exhibit A to Notice**

**Registered IP**

Exhibit A

SCHEDULE 5.11(a)

REGISTERED IP

All items below are owned by Seller except PSU patents/applications which are owned by PSRF and exclusively licensed to Seller. Seller also has rights to Ntero Technology, and an Agreement Not to Sue with several companies. Buyers have been provided with copies of these agreements.

Patents

MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
BRON-N-E001.00-AU-1	AU 2005202552 C1		METHODS AND DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	AU	ISSUED
BRON-N-E001.00-DE	EP 1143864 B1		METHODS AND DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	DE	ISSUED
BRON-N-E001.00-GB	EP 1143864 B1		METHODS AND DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	GB	ISSUED
BRON-N-E004.02-DE	60328973.8-08		DEVICES FOR APPLYING ENERGY TO TISSUE	DE	ISSUED
BRON-N-E004.02-FR	1485033		DEVICES FOR APPLYING ENERGY TO TISSUE	FR	ISSUED
BRON-N-E004.02-GB	1485033		DEVICES FOR APPLYING ENERGY TO TISSUE	GB	ISSUED
BRON002PCT		PCT/US10/49 313	SYSTEM AND METHOD FOR DETERMINING AIRWAY DIAMETER USING ENDOSCOPE	WO	PUBLISHED
BRON-N-E001.00-EP-2		3024162.4	METHODS AND DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	EP	PUBLISHED
BRON-N-E008.01-EP		PCT/US04/23 304 EP04778682	DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN TISSUE	EP	PUBLISHED
BRON-N-E008.02-EP		PCT/US04/23 305 EP04778683	DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN TISSUE	EP	PUBLISHED

MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
BRON-N-E014.00-EP		PCT/US07/72 692 7799262.6	AIRWAY BYPASS SITE SELECTION AND TREATMENT PLANNING	EP	PUBLISHE D
BRON-N-E014.00-JP		2009-518608	AIRWAY BYPASS SITE SELECTION AND TREATMENT PLANNING	JP	PUBLISHE D
BRON-N-E019.00-EP		PCT/US07/84 330 7864246.9 (EP2091439)	DEVICES FOR CREATING PASSAGES AND SENSING FOR BLOOD VESSELS	EP	PUBLISHE D
BRON-N-E019.00-JP		2009-538447	DEVICES FOR CREATING PASSAGES AND SENSING FOR BLOOD VESSELS	JP	PUBLISHE D
PSU-2005-3041-EP		PCT/US06/19 927 EP 01889204	A Fast 2D-3D Image Registration Method with Application to Continuously Guided Endoscopy	EP	PUBLISHE D
PSU-2005-3041-JP		2008-541860	A Fast 2D-3D Image Registration Method with Application to Continuously Guided Endoscopy	JP	PUBLISHE D
PSU-2005-3042-EP		PCT/US06/19 926 EP 01887931	Method Based on 3D-2D Pose Estimation and 3D-CT Registration with Application to Live Bronchoscopy	EP	PUBLISHE D
PSU-2005-3042-JP		2008-541859	Method Based on 3D-2D Pose Estimation and 3D-CT Registration with Application to Live Bronchoscopy	JP	PUBLISHE D
PSU-2006-3281-EP		PCT/US08/52 589 8728657.1 (EP2109391)	METHOD AND APPARATUS FOR CONTINUOUS GUIDANCE OF ENDOSCOPY	EP	PUBLISHE D
PSU-2006-3282-EP		PCT/US08/52 661 8714148.7	METHODS AND APPARATUS FOR 3D ROUTE PLANNING THROUGH HOLLOW ORGANS	EP	PUBLISHE D
PSU-2006-3282-JP		2009-548448	METHODS AND APPARATUS FOR 3D ROUTE PLANNING THROUGH HOLLOW ORGANS	JP	PUBLISHE D
PSU-2007-3399-EP		PCT/US09/34 197 9795892	MEDICAL IMAGE REPORTING SYSTEM AND METHOD	EP	PUBLISHE D

MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
E1.00	6,692,494	09/633,651	METHODS AND DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	US	ISSUED
E1.02	6,629,951	09/908,008	DEVICES FOR CREATING COLLATERAL CHANNELS IN THE LUNGS	US	ISSUED
E14.00	7,517,320	11/772,807	AIRWAY BYPASS SITE SELECTION AND TREATMENT PLANNING	US	ISSUED
E14.01	7,985,187	12/350,785	AIRWAY BYPASS SITE SELECTION AND TREATMENT PLANNING	US	ISSUED
E2.00	7,175,644	09/947,144	DEVICES AND METHODS FOR MAINTAINING COLLATERAL CHANNELS IN TISSUE	US	ISSUED
E4.00	6,749,606	09/946,706	DEVICES FOR CREATING COLLATERAL CHANNELS	US	ISSUED
E4.01	7,422,563	10/080,344	MULTIFUNCTIONAL TIP CATHETER FOR APPLYING ENERGY TO TISSUE AND DETECTING THE PRESENCE OF BLOOD FLOW (AS AMENDED)	US	ISSUED
E4.02	7,022,088	10/079,605	DEVICES FOR APPLYING ENERGY TO TISSUE	US	ISSUED
E4.06	7,393,330	11/357,244	ELECTROSURGICAL DEVICE HAVING HOLLOW TISSUE CUTTING MEMBER AND TRANSDUCER ASSEMBLY (AS AMENDED)	US	ISSUED
E5.00	6,712,812	09/947,126	DEVICES FOR CREATING COLLATERAL CHANNELS	US	ISSUED
E6.00	7,422,584	10/615,491	EXTRAPLEURAL AIRWAY DEVICE AND METHOD	US	ISSUED
E7.02	7,462,162	10/895,010	ANTIPROLIFERATIVE DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN A BODY ORGAN (AS AMENDED)	US	ISSUED
E7.03	7,708,712	10/894,647	METHODS AND DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN A BODY ORGAN	US	ISSUED
E8.00	7,815,590	10/894,876	DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN	US	ISSUED

MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
E8.02	8,002,740	11/335,040	TISSUE DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN TISSUE	US	ISSUED
P4.00	5,957,919	08/887,206	BLEB REDUCER	US	ISSUED
PSU-2005-3041	7,889,905		A Fast 2D-3D Image Registration Method with Application to Continuously Guided Endoscopy	US	ISSUED
PSU-2005-3041-CON	8,064,669	13/022,241	A Fast 2D-3D Image Registration Method with Application to Continuously Guided Endoscopy	US	ISSUED
PSU-2005-3042	7,756,563		Guidance Method Based on 3D-2D Pose Estimation and 3D-CT Registration with Application to Live Bronchoscopy	US	ISSUED
BRON001US		12/861795	Automated Fiducial Marker Planning System and related methods	US	PUBLISHED
BRON003US		13/105710	Fluoroscopy-based surgical device tracking method and system	US	PENDING
BRON004US		13/107471	Surgical Assistance Planning Method using lung motion analysis	US	PENDING
BRON005PRV		61/511028	SYSTEM AND METHOD FOR AUTOMATICALLY DETERMINING CALIBRATION PARAMETERS OF A FLUOROSCOPE	US	PENDING
E25.00		61/485621	METHODS AND DEVICES FOR DIAGNOSING, MONITORING, OR TREATING MEDICAL CONDITIONS THROUGH AN OPENING THROUGH AN AIRWAY WALL	US	PENDING
E26.00		13/107720	METHODS AND DEVICES FOR DIAGNOSING, MONITORING, OR TREATING MEDICAL CONDITIONS THROUGH AN OPENING THROUGH AN AIRWAY WALL	US	PENDING
E27.00		13/107759	METHODS AND DEVICES FOR DIAGNOSING, MONITORING, OR TREATING MEDICAL CONDITIONS THROUGH AN OPENING THROUGH AN AIRWAY WALL	US	PENDING



MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
E28.00		61/486206	METHODS AND DEVICES FOR PERFORMING PROCEDURES IN THE RESPIRATORY SYSTEM	US	PENDING
E29.00		61/486105	METHODS AND DEVICES FOR PERFORMING EXCISION OR ABLATION OF TISSUE	US	PENDING
E30.00		61/563,369	METHODS AND DEVICES FOR DIAGNOSING, MONITORING, OR TREATING MEDICAL CONDITIONS THROUGH AN OPENING THROUGH AN AIRWAY WALL	US	PENDING
PSU-2005-3041-CON2		13/297,967	A Fast 2D-3D Image Registration Method with Application to Continuously Guided Endoscopy	US	PUBLISHED
BRON002US		12/884,735	SYSTEM AND METHOD FOR DETERMINING AIRWAY DIAMETER USING ENDOSCOPE	US	PUBLISHED
E1.08		11/357,639	METHODS FOR TREATING CHRONIC OBSTRUCTIVE PULMONARY DISEASE	US	PUBLISHED
E1.09		12/939,956	METHODS FOR TREATING CHRONIC OBSTRUCTIVE PULMONARY DISEASE	US	PUBLISHED
E10.03		12/939961	DEVICES FOR MAINTAINING SURGICALLY CREATED OPENINGS	US	PUBLISHED
E13.00		12/323,198	DEVICES FOR CREATING PASSAGES AND SENSING BLOOD VESSELS	US	PUBLISHED
E14.02		12/856,268	AIRWAY BYPASS SITE SELECTION AND TREATMENT PLANNING	US	PUBLISHED
E17.00		11/538,950	DEVICES FOR DELIVERING SUBSTANCES THROUGH AN EXTRA-ANATOMIC OPENING CREATED IN AN AIRWAY	US	PUBLISHED
E17.01		12/939,968	DEVICES FOR DELIVERING SUBSTANCES THROUGH AN EXTRA-ANATOMIC OPENING CREATED IN AN AIRWAY	US	PUBLISHED
E19.00		12/469,614	DEVICES FOR CREATING PASSAGES AND SENSING FOR BLOOD VESSELS	US	PUBLISHED
E2.01		11/621,019	DEVICES AND METHODS FOR MAINTAINING COLLATERAL CHANNELS IN TISSUE	US	ABANDONED

MATTER #	PATENT #	APP #	TITLE	COUNTRY	STATUS
E20.00		12/406,018	BLOOD VESSEL SENSING CATHETER HAVING WORKING LUMEN FOR MEDICAL APPLIANCES	US	PUBLISHED
E23.00		12/233,916	METHODS FOR MAINTAINING THE PATENCY OF COLLATERAL CHANNELS IN THE LUNGS USING CRYO-ENERGY	US	PUBLISHED
E24.00		12/027,795	PUNCTURE RESISTANT CATHETER FOR SENSING VESSELS AND FOR CREATING PASSAGES IN TISSUE	US	PUBLISHED
E4.04		11/015,531	DEVICES FOR APPLYING ENERGY TO TISSUE	US	PUBLISHED
E4.05		11/562,947	DEVICES FOR CREATING PASSAGES AND SENSING FOR BLOOD VESSELS	US	PUBLISHED
E6.01		12/191,169	EXTRAPLEURAL AIRWAY DEVICE AND METHOD	US	PUBLISHED
E8.01		11/335,263	DEVICES FOR MAINTAINING PATENCY OF SURGICALLY CREATED CHANNELS IN TISSUE	US	PUBLISHED
L2.00		12/776,978	TISSUE SAMPLING DEVICES, SYSTEMS AND METHODS	US	PUBLISHED
PSU-2005-3042-CON		12/834,076	Method Based on 3D-2D Pose Estimation and 3D-CT Registration with Application to Live Bronchoscopy	US	PUBLISHED
PSU-2006-3281-US		12/022,620	METHOD AND APPARATUS FOR CONTINUOUS GUIDANCE OF ENDOSCOPY	US	PUBLISHED
PSU-2006-3282-US		12/018,953	METHODS AND APPARATUS FOR 3D ROUTE PLANNING THROUGH HOLLOW ORGANS	US	PUBLISHED
PSU-2007-3399-US		12/866,758	MEDICAL IMAGE REPORTING SYSTEM AND METHOD	US	PUBLISHED
PSU-2008-3492-US		12/344,040	Precise Endoscopic Planning and Visualization	US	PUBLISHED

Trademark

Trademark	Number	Date	Location
EXHALE	2810885	2/3/2004	US
"B logo"	2833083	4/13/2004	US
BRONCUS	2845076	5/25/2004	US
LUNGPOINT	3724031	12/8/2009	US
FLEXNEEDLE	3955908	5/3/2011	US
LUNGPOINT	8494825	2/17/2010	EU
LUNGPOINT	5288947	12/18/2009	Japan
EXHALE	TMA653460	11/24/2005	Canada

**Domain Names**

broncus.com  
bronchus.com  
broncus.co  
lungpoint.com  
lungpoint.net  
flexneedle.com  
flexneedle.net  
spnregistry.com  
spnregistry.org  
airwaybypass.com

**Exhibit B to Notice**  
**Security Agreement**

Exhibit B

**SECURITY AGREEMENT**

This Security Agreement (this “**Agreement**”) is made effective as of May 23, 2014 (the “**Effective Date**”) by and among Broncus Holding Corporation, an Exempted Company organized under the laws of the Cayman Islands (“**BHC**”), Broncus Medical, Inc., a California corporation (“**BMI**,” and together with BHC and their respective Affiliates (as defined below), the “**Broncus Entities**”, or the “**Grantors**”), on the one hand, and Sroncub Technologies, Inc., a California corporation (the “**Secured Party**”), on the other hand.

A. Pursuant to the terms and conditions of that certain Settlement Agreement, dated as of the Effective Date, by and among the Grantors, the Secured Party, LifeTech Scientific (Hong Kong) Co., Limited and Shanghai Biomedical Enterprise, LLC (the “**Settlement Agreement**”) and for the consideration specified therein, the Grantors have agreed, on a joint and several basis, to make certain future payments to the Secured Party, as evidenced by that certain Secured Promissory Note of the Grantors, dated as of the Effective Date (the “**Note**”).

B. It is a condition to the Secured Party’s willingness to enter into the Settlement Agreement and accept the Note that the Grantors grant a security interest in the Collateral (as defined below) and the Grantors have agreed to do so.

NOW, THEREFORE, the parties hereby agree as follows.

**1. CERTAIN DEFINED TERMS.**

**1.1 UCC Terms.** A capitalized term not otherwise defined in this Agreement but defined in the UCC shall have the meaning ascribed to it in the UCC.

**1.2 Other Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below.

“**Affiliate**” means any entity, whether currently in existence or to be formed in the future, of which BHC or BMI directly or indirectly, owns more 50% of the issued and outstanding equity interests (including any right thereto). Notwithstanding the preceding, for the purposes of this Agreement, the Broncus Commercial Entity (as defined in the Note) shall be deemed an Affiliate of BHC and BMI, regardless of whether BHC or BMI owns any equity interests therein (directly or indirectly), it being the intention of the parties that the Broncus Commercial Entity be deemed to be a “Broncus Entity” for purposes of this Agreement.

“**Balance**” means the sum of all outstanding and unpaid principal and all other sums outstanding under the Note, on the date in question (taking into account any acceleration of maturity of all or any part of the indebtedness under the Note).

“**Collateral**” has the meaning set forth in Section 2.1.

“**Enforcement Costs**” has the meaning set forth in Section 6.3.

“**Event of Default**” has the meaning set forth in Section 6 of the Note.

**“Financing Document”** means any one or more of the following: (a) the Note; (b) this Agreement; (c) any other document executed or authenticated by any of the parties to this Agreement for the purpose of perfecting, continuing the perfection, maintaining the priority of, or giving notice of, the security interest granted under this Agreement; (d) the Settlement Agreement; and (e) any document entered into or executed or in connection with, or for the purpose of amending, any other Financing Document described in the preceding clauses of this sentence.

**“Governmental Authority”** means any U.S. federal, state, local or foreign government, court, tribunal, administrative agency, commission, investigative body (including a grand jury) or other governmental body or agency of any jurisdiction.

**“Intellectual Property”** means any intellectual property including every: (a) patent or patent application; (b) trademark, service mark and trade name (whether registered or unregistered), and any application for registration of the same; (c) copyright (whether registered or unregistered) and any application for registration of the same, and moral rights; (d) mask work and mask work registration application; (e) trade secret, inventions (whether or not patentable), know-how and (f) any license or other right to use or to grant the use of, or to be the registered owner or user of, any of the foregoing.

**“Legal Name”** with regard to Grantors or any Predecessor means such Person’s exact official name as of the time referenced, and in the case of a corporation or other Registered Organization (as defined under Article 9 of the UCC), as set forth in its charter documents in effect as of the time referenced.

**“Lien”** means any mortgage, charge, lien (whether judicial, statutory or otherwise) or pledge, collateral assignment, security interest, deed of trust, title retention device, conditional sale or other security arrangement of any kind whatsoever.

**“Note”** has the meaning set forth in the recitals of this Agreement.

**“Obligations”** means all of the obligations of Grantors under the Note, the Settlement Agreement, this Agreement and the other Financing Documents or under any other debt instrument issued to the Secured Party hereafter which specifically references this Agreement and indicates it is intended to be secured by the Collateral pursuant to this Agreement.

**“Permitted Lien”** means: (a) Liens granted in the Collateral under this Agreement in favor of the Secured Party; (b) Liens for Taxes, fees, assessments or other governmental charges or levies, that either are not delinquent or are being contested in good faith by Grantors in appropriate Proceedings and which are adequately reserved for in accordance with U.S. generally accepted accounting principles; (c) Liens of materialmen, mechanics, warehousemen or carriers or other similar Liens arising in the ordinary course of business and securing obligations that either are not delinquent or are being contested in good faith by appropriate Proceedings; (d) Liens consisting of deposits or pledges to secure the payment of workers’ compensation, unemployment insurance or other social security benefits or obligations, or to secure the performance of Leases, bids, trade contracts, public or statutory obligations,

surety or appeal bonds or other obligations of a like nature incurred in the ordinary course of business; (e) Liens arising from the Existing IP Security Agreement (as defined in the Settlement Agreement) to the extent not terminated as of the date hereof; and (e) licenses to Intellectual Property granted by Grantors and in existence on the Effective Date.

“**Person**” means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other entity or any Governmental Authority.

“**Proceeding**” means any action, suit, arbitration, mediation, investigation or other proceeding (including by or before a Governmental Authority, stock exchange or similar body).

“**Settlement Agreement**” has the meaning set forth in the recitals of this Agreement.

“**Taxes**” means, U.S. federal, state, local and foreign taxes of any kind whatsoever (whether payable directly or by withholding), together with any estimated tax, additions to tax, interest, fines and penalties related thereto.

“**UCC**” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; provided, however, in the event that, by reason of mandatory provisions of law, the attachment, perfection, the effect of perfection and non-perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, then the term “UCC” shall instead mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such attachment, perfection, the effect of perfection and non-perfection or priority and for purposes of definitions related to such provisions. In the event the relevant UCC uses the term “Division” in place of “Article” to designate subdivisions of such UCC, the references in this Agreement to “Article” shall instead be a reference to “Division” with respect to such subdivisions.

## 2. **SECURITY INTEREST.**

**2.1 Grant.** Grantors hereby grant to the Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in the following properties, assets and rights of Grantors, wherever located, and in all proceeds and products thereof (all of the same being the “**Collateral**”): all “Purchased Assets” (as that term is defined and used in Section 2.1 of the APA).

**2.2 Termination.** Upon the payment and performance in full of all the Obligations, this Agreement and Grantors’ obligations hereunder shall automatically terminate and the Secured Party shall promptly execute and deliver to Grantors such documents and instruments reasonably requested by Grantors as shall be necessary to evidence termination of all security interests given by Grantors to the Secured Party hereunder.

**3. PERFECTION.** Grantors hereby authorize the Secured Party to file (with or without Grantors’ signature), at any time and from time to time, all financing statements,



assignments, continuation financing statements, termination statements, control agreements and other documents and instruments, including all appropriate UCC and Patent and Trademark Office and Copyright filings, and to take all other action, as the Secured Party may reasonably determine, to perfect and continue perfected, maintain the priority of, or provide notice of, the security interest of the Secured Party in the Collateral granted under this Agreement and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing:

(a) Grantors ratify and authorize the filing by the Secured Party of any financing statements regarding the security interest in the Collateral granted hereunder that may have been filed prior to the Effective Date;

(c) Grantors will cooperate with the Secured Party, and in obtaining a listing of Secured Party as a secured party of record with regard to any Collateral consisting of Goods represented by a Certificate of Title where such registration is required to perfect, maintain the perfection or priority of, or give notice of, the security interest granted herein in such Collateral;

(d) Grantors will join with the Secured Party in notifying any Person (other than a Grantor) who has possession of any Collateral of the Secured Party's security interest therein and obtaining an acknowledgement from such Person that such Person is holding the Collateral for the benefit of the Secured Party.

**4. REPRESENTATIONS AND WARRANTIES OF GRANTORS.** Each Grantor hereby represents and warrants to the Secured Party as follows.

**4.1 Name and Identifying Information.** The Legal Names of Grantors (as they appear in their incorporating or other organizational documents are as set forth on the first page of this agreement. The true and complete current mailing address of Grantors are as set forth in Section 6.1 of the Settlement Agreement immediately following Grantors' signature on the signature page(s) hereto.

**4.2 Title; Valid, Perfected Security Interest; No Other Liens.** As of the Effective Date, BMI (one of the Grantors) owns all right, title and interest in and to the Collateral. Notwithstanding anything to the contrary herein, nothing in this Section 4.2 shall be deemed to constitute a representation or warranty of any kind by any Grantor that no intellectual property rights or other rights or assets included in the Collateral have expired or been abandoned or otherwise are not effective in the ordinary course of business. All of the Collateral is free and clear of all Liens except for the Permitted Liens. This Agreement creates a security interest that is valid and enforceable against the Collateral in which Grantors now have rights and will create a security interest that is valid and enforceable against the Collateral in which any Grantors hereafter acquire rights at the time any Grantors acquire any such rights.

**4.3 No Bankruptcy, Insolvency Actions or Liquidation.** No receiver has been appointed nor is any receiver presently charged with authority of any kind over any of the Collateral or any other material part of any Grantor's property, nor has any Grantor made an assignment for the benefit of creditors. No Grantor is the debtor or alleged or ancillary debtor in any case under the United States Bankruptcy Code or the subject of any other bankruptcy or

insolvency Proceedings for the general adjustment of its debts or for its liquidation. In the ninety (90) days immediately preceding the Effective Date, no Grantor has received any threat from any Person to subject such Grantor to any involuntary bankruptcy or insolvency Proceeding. No Grantor has taken any corporate or similar action to approve or implement the dissolution, liquidation or winding up of its affairs, nor has any Grantor received any proposal therefor from any holder of its equity securities.

5. **COVENANTS OF GRANTORS.** Until this Agreement has been terminated in accordance with Section 2.2, the following shall apply.

5.1 **No Change of Corporate Status; Notice of Certain Events.** Each Grantor shall give prompt written notice to the Secured Party (and in any event not later than ten (10) days following any change described below in this Section 5.1) of: (a) any change in the location of its chief executive office or principal place of business; (b) any changes in its identity, structure or registration number which might make any financing statement filed hereunder incorrect or misleading or ineffective to perfect or maintain the perfection of the security interest in any of the Collateral granted hereunder. Notwithstanding any other provision of this Agreement, no Grantor shall change its Legal Name or its state of formation or incorporation without giving the Secured Party at least thirty (30) days written notice in advance of such change, and without taking such steps in connection therewith as the Secured Party may reasonably request in order to perfect and continue perfected, maintain the priority of or provide notice of, the security interest in the Collateral granted hereunder after such change.

5.2 **Transfers of Collateral; Maintenance.** No Grantor shall surrender or lose possession of, sell, lease, rent or otherwise dispose of or transfer any of the Collateral or any right or interest therein without the prior written consent of the Secured Party, except in the ordinary course of business except that, so long as no Event of Default has occurred and is continuing, a Grantor may (a) sell its Inventory and grant non-exclusive licenses to its Intellectual Property in the ordinary course of its business; and (b) dispose of Equipment that is obsolete or no longer useful to its business. The Secured Party will grant such written consent provided that the person or entity to whom the Collateral, or any part thereof, is proposed to be sold, leased, rented, assigned or otherwise transferred enters into a written agreement with the Secured Party pursuant to which such person or entity (i) agrees to be bound by the terms and conditions of this Agreement as a "Grantor" hereunder, and (ii) executes and delivers such further instruments and documents as are reasonably requested by the Secured Party to cause the Secured Party's interests in such Collateral hereunder to be attached and perfected under the UCC and any laws of similar effect under applicable jurisdictions outside of the United States, or that otherwise provide such liens, charges, mortgages or encumbrances to Secured Party under applicable law that effectively encumber the Collateral and pledge such Collateral for the payment and performance of all Obligations (in each case to the reasonable satisfaction of the Secured Party). Grantors will maintain the tangible Collateral in good condition and repair and not use any Collateral in violation of applicable law.

5.3 **No Liens.** Grantors shall keep the Collateral free and clear of all Liens except Permitted Liens. For the avoidance of doubt, the inclusion of Liens arising from the Existing IP Security Agreement (as defined in the Settlement Agreement) in the definition of Permitted Liens and the exclusion of Permitted Liens from Grantors' covenants under this

Section 5.3 shall not be deemed to modify the obligations of the Non-Sroncub Parties under Section 6.5 of the Settlement Agreement.

**5.4 Taxes.** Grantors shall pay all Taxes due and owing by Grantors at such time as they become due, except for any Taxes subject to bona fide dispute for which Grantors make adequate reserves and diligently pursues resolution of such dispute.

**6. RIGHTS AND REMEDIES UPON EVENT OF DEFAULT.** Upon the occurrence, and during the continuance, of an Event of Default, the Secured Party shall have, in addition to all other rights and remedies granted to the Secured Party in this Agreement or the other Financing Documents, all rights and remedies of a secured party under the UCC and other applicable laws. Without in any way limiting the generality of the foregoing, upon the occurrence, and during the continuance, of an Event of Default:

**6.1 Disposition of Collateral.**

6.1.1 The Secured Party may sell, resell, lease, use, assign, license, sublicense, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing thereof (utilizing in connection with such preparation or processing of Grantors' assets, without charge or liability to Secured Party therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or at different times, for cash or credit, or for future delivery without assumption of any credit risk, all as the Secured Party deems advisable.

6.1.2 The Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold by canceling or offsetting indebtedness that constitutes Obligations, free and clear of any right or equity of redemption, which right or equity of redemption Grantors hereby release, to the fullest extent permitted by law.

6.1.3 Grantors hereby agree, except with regard to Collateral that is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, that the sending of notice to Grantors in compliance with Section 6.1 of the Settlement Agreement of the place and time of any sale or other intended disposition is to be made shall be deemed reasonable notice thereof if such notice is given ten (10) or more days prior to the date (a) of any such public sale or (b) on or after which any private sale or other private disposition may occur.

6.1.4 Grantors agree promptly to execute and deliver, or promptly to cause to be executed and delivered, such transfer instruments, documents, bills of sale, assignments, waivers, certificates and affidavits and to supply or cause to be supplied such further information and take such further action as the Secured Party may reasonably require in connection with, and to effect, any such sale or disposition.

**6.2 Application of Proceeds.** The cash proceeds actually received from the sale or other disposition or collection of the Collateral, and any other amounts received in respect of the Collateral, shall be applied: first, to the payment of all Enforcement Costs and second, to the payment of the other Obligations (in the order provided in the Note). Any surplus Proceeds

remaining after payment and performance in full of the Enforcement Costs and the other Obligations (such remainder, a “*Surplus*”) shall be promptly paid over to Grantors or otherwise disposed of in accordance with the UCC or other applicable law. Grantors shall remain liable to the Secured Party for any deficiency that exists after any sale, collection or other disposition of the Collateral.

**6.3 Costs and Expenses.** Grantors agree, jointly and severally, to pay on demand all reasonable costs and expenses of the Secured Party, and the reasonable fees and disbursements of counsel to the Secured Party: (a) in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement and the other Financing Documents, including in any out-of-court workout or other refinancing or restructuring or in any bankruptcy case; (b) associated with the protection, sale or collection of, or other realization upon, any of the Collateral; including all reasonable expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling or the like and other such reasonable expenses of sales and collections of the Collateral; and (d) reasonable fees paid on behalf of Grantors under Section 7 (all such costs and expenses described in this paragraph being collectively referred to herein as the “*Enforcement Costs*”).

**6.4 No Election of Remedies.** The election by the Secured Party of any right or remedy will not prevent the Secured Party from exercising any other rights or remedies against Grantors, and all such rights and remedies shall be cumulative.

**6.5 Certain Waivers of Grantors.** Grantors waive the following, to the fullest extent permitted by law:

(a) any right to require the Secured Party (i) to proceed against any Person, (ii) to exhaust any other collateral or security for any of the Obligations, (iii) to pursue any right or remedy in the Secured Party’s power or (iv) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and

(b) all claims, damages and demands against the Secured Party arising out of the repossession, retention, sale or application of the Proceeds arising from any sale or other disposition of the Collateral to the extent not arising from gross negligence or willful misconduct of the Secured Party or its agents.

**7. AUTHORIZATION; ATTORNEY-IN-FACT.** The Secured Party shall have the right, in the name of Grantors, or in the name of the Secured Party, upon notice to, but without the requirement of any consent by Grantors, and Grantors hereby constitute and appoint the Secured Party (and any employees or agents designated by the Secured Party) as Grantors’ true and lawful attorney-in-fact, with full power and authority:

(a) whether or not an Event of Default has occurred and is continuing, to (i) sign or authenticate any financing statements and other documents and instruments that must be executed or filed to perfect or continue perfection, maintain the priority of, or provide notice of, the security interests in the Collateral granted hereunder, (ii) pay or

discharge Taxes or Liens any time levied or placed on or threatened against the Collateral, and charge all sums made with regard to such payments to Grantors; and

(b) so long as an Event of Default shall have occurred and is continuing (but not otherwise), to (i) endorse any notes, checks, drafts, money orders or other instruments of payment in respect of the Collateral that may come into the Secured Party possession; (ii) sign and endorse any drafts against Grantors, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (iii) demand, collect, issue receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (iv) execute any, and all such other documents and instruments, and do any and all acts and things for and on behalf of Grantors, that the Secured Party may reasonably deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the security interests therein under this Agreement and to accomplish the purposes of this Agreement.

The foregoing powers of attorney are coupled with an interest and are irrevocable so long as the Obligations have not been paid and performed in full, and they shall terminate upon termination of this Agreement pursuant to Section 2.2. Grantors hereby ratifies, to the extent permitted by law, all that the Secured Party shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

## **8. GENERAL PROVISIONS.**

**8.1 Survival of Warranties.** The representations, warranties and covenants of each of the Grantors contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Secured Party.

**8.2 Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

**8.3 Governing Law.** This Agreement shall be governed by and construed under the internal laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within the State of California, without reference to principles of conflict of laws or choice of laws (other than such mandatory provisions under the UCC) and, to the extent applicable, by federal law.

**8.4 Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Secured Party and the Grantors. Neither Secured Party's acceptance of a partial or delinquent payment from Grantors under the Note or hereunder nor Secured Party's failure to exercise any right hereunder or under the other Financing Documents shall constitute a waiver of any obligation of Grantors, or of any right of the Secured Party hereunder or thereunder, nor shall it affect in any way the right of the Secured Party to require full performance at any time thereafter.

**8.5 Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

**8.6 Further Assurances.** From and after the date of this Agreement, upon the request of the Secured Party, Grantors shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm or to carry out fully the intent and purposes of this Agreement.


**8.7 Entire Agreement.** This Agreement, together with all exhibits and schedules hereto, and the other Financing Documents, constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede any and all prior negotiations, correspondence, agreements, understandings duties or obligations between any of the parties with respect to the subject matter hereof.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties have caused this Security Agreement to be executed and delivered as of the date first above written.

**SECURED PARTY**

**SRONCUB TECHNOLOGIES, INC.**

By:   
Cary Cole  
Chief Executive Officer

**GRANTORS**

**BRONCUS MEDICAL, INC.**

By: \_\_\_\_\_  
Mark Maciejewski  
Director

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed and delivered as of the date first above written.

SECURED PARTY

SRONCUB TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Cary Cole  
Chief Executive Officer

GRANTORS

BRONCUS MEDICAL, INC.

By: \_\_\_\_\_  
Mark Maciejewski  
Director

BRONCUS HOLDING CORPORATION

By: \_\_\_\_\_  
Mark Maciejewski  
Director