

2-08-01

02-08-2001



FORM PTO-1594
(Rev 5-93)

101608550
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

| | |
|--|---|
| <p>1. Name of conveying party(ies):</p> <p>MHL DEVELOPMENT COMPANY, the successor in interest to GRAYSCALE, INC., BIOELECTRIC CORPORATION, and MICROHELIX LABS, INC.</p> <p>Individual(s) citizenship:</p> <p>Association:</p> <p>General Partnership:</p> <p>Limited Partnership:</p> <p>Corporation - State: OREGON</p> <p>Other:</p> <p>Additional name(s) of conveying party(ies) attached? [] Yes [X] No</p> <p>3. Nature of Conveyance:</p> <p>[] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other</p> <p>Execution Date: January 5, 2001</p> | <p>2. Name and address of receiving party(ies):</p> <p>Name: IMPERIAL BANK Address: 226 AIRPORT PARKWAY City: SAN JOSE State: CA Zip: 95110-1024</p> <p>Individual(s) citizenship:</p> <p>Association:</p> <p>General Partnership:</p> <p>Limited Partnership:</p> <p>Corporation - State:</p> <p>Other: a California chartered bank</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: [] Yes [] No (Designations must be a separate document from assignment)</p> <p>Additional name(s) & address(es) attached? [] Yes [x] No</p> |
|--|---|

| | |
|--|--|
| <p>4. Application number(s) or trademark number(s):</p> <p>A. Trademark Application No.(s)</p> <p>75/901,266</p> | <p>B. Trademark Registration No.(s)</p> <p>2,067,788</p> |
| <p>Additional numbers attached? [] Yes [x] No</p> | |

| | |
|--|--|
| <p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Evelyn G. Santiago Internal Address: GRAY CARY WARE & FREIDENRICH 400 Hamilton Avenue Palo Alto, California 94301</p> | <p>6 Total number of applications and registrations involved: 2</p> <p>7. Total fee (37 CFR 3.41) \$ 65.00 [x] Enclosed [] Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)</p> |
|--|--|

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2001 FEB -8 AM 10:23
ASSIGNMENT SERVICES
DIVISION

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Evelyn G. Santiago
Name of Person Signing

Evelyn G. Santiago
Signature

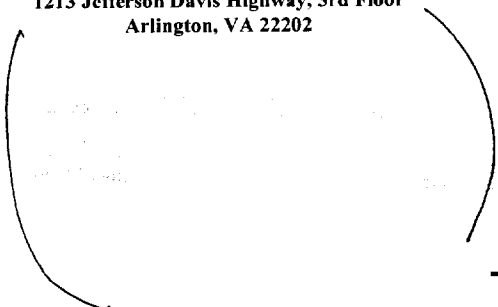
February 7, 2001
Date

Total number of pages comprising cover sheet: [6]

Mail Documents to be recorded with required cover sheet information to:
U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202



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1090371-955100



TRADEMARK
REEL: 002231 FRAME: 0946

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of January 5, 2001 by and between IMPERIAL BANK ("Bank") and MHL DEVELOPMENT COMPANY, an Oregon corporation ("Grantor") and the successor in interest to GRAYSCALE, INC., BIOELECTRIC CORPORATION, and MICROHELIX LABS, INC.

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under all other agreements now existing or hereafter arising between Grantor and Bank, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

2/2/01
2/2/01

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

MHL DEVELOPMENT COMPANY

Address of Grantor:

16125 SW 72nd Ave.
Portland, OR 97224

Attn: Chief Executive Officer

By: Richard G. San

Title: CEO

BANK:

IMPERIAL BANK

Address of Bank:

226 Airport Parkway
San Jose, CA 95110-1024

Attn: Corporate Banking Center

By: [Signature]

Title: Venture Banking Officer

EXHIBIT A

Copyrights

Description

Registration/
Application
Number

Registration/
Application
Date

EXHIBIT B

Patents

| <u>Description</u> | <u>Registration/ Application Number</u> | <u>Registration/ Application Date</u> |
|---|---|---|
| Implantable Microelectrode | 5,515,848 | 5/14/96 |
| Method of Making Implantable Microelectrode | 5,524,338 | 6/11/96 |
| Method of Making Percutaneous Connector for Multi-Conductor Electrical Cable | 5,604,976 | 2/25/97 |
| Multi-Electrode Cochlear Implant and Method of Manufacturing the Same | 5,630,839 | 5/20/97 |
| Percutaneous Connector for Multi-Conductor Electrical Cables | 5,782,645 | 7/21/98 |
| Cochlear Implant with Shape Memory Material and Method for Implanting the Same | 5,800,500 | 9/1/98 |
| Apparatus and Method for Producing Ultra Thin Wall Extrusions and Coatings | 09/461,078 | 12/14/99 |
| Easily Accepted Transmembrane Device and Method of Use | 09/504,240 | 2/15/00 |
| Zero Insertion Force Percutaneous Connector and Brain Probe Assembly | 09/518,006 | 3/2/00 |
| Method of Manufacturing a Brain Probe Assembly | 09/653,489 | 8/31/00 |
| Multi-Lead Bioelectrical Stimulus Cable | 09/415,534 | 10/8/99 |
| High Density Pogo Pen Connector | 09/488,223 | 1/19/00 |
| Ribbon Cable Having Precisely Positioned Wires and Method and Apparatus for Producing the Same | 09/619,121 | 7/19/00 |
| Heart Implant Cable Having Securely Attached Ring Contacts and Method of Manufacturing the Same | 09/653,126 | 8/31/00 |
| Catheter Based Array for Intracardiac Ultrasound Imaging | 9/459,826 | 12/13/99 |

103 2/2/01

EXHIBIT C

Trademarks

Description
SILABLATE
GRAYSCALE

Registration/
Application
Number
2,067,788
75/901,266

Registration/
Application
Date
6/3/97
1/20/00

Gray Cary\PA\10101559.3
1090371-900000

RECORDED: 02/08/2001

TRADEMARK
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