

## 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
Endoclear, LLC		01/28/2013	LIMITED LIABILITY COMPANY: MICHIGAN
RECEIVING PARTY DATA			
Name:	Brad Vazales		
Street Address:	12 Belle Avenue		
City:	Petoskey		
State/Country:	MICHIGAN		
Postal Code:	49770		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	4250455	ENDOCLEAR	
CORRESPONDENCE DATA			
Fax Number:	3129021061		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	312.577.8034		
Email:	oscar.ruiz@kattenlaw.com		
Correspondent Name:	Oscar Ruiz c/o Katten Muchin Rosenman		
Address Line 1:	525 West Monroe Street		
Address Line 4:	Chicago, ILLINOIS 60661		
ATTORNEY DOCKET NUMBER:	383191-1		
NAME OF SUBMITTER:	Oscar Ruiz		
Signature:	/Oscar Ruiz/		

Date:

01/30/2013

**Total Attachments: 19**

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## SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of January 28, 2013 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), made by and between ENDOCLEAR, LLC, a Michigan limited liability company (the "**Grantor**"), in favor of BRAD VAZALES, an individual (the "**Secured Party**").

WHEREAS, the Secured Party has made a loan to the Grantor in an aggregate principal amount of FIVE HUNDRED TEN THOUSAND and 00/100 DOLLARS (\$510,000.00) (the "**Loan**"), evidenced by that certain Secured Promissory Note dated as of August 24, 2012 (as amended, supplemented or otherwise modified from time to time, the "**Note**") made by the Grantor and payable to the Secured Party;

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Party to secure the payment and performance of the Secured Obligations (as defined below); and

WHEREAS, it is a condition to the obligations of the Secured Party to make the Loan evidenced by the Note that the Grantor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections herein are to Sections of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in *Section 2*.

"**Copyrights**" means the copyrights, whether statutory or common law, registered or unregistered, and copyright applications now or hereafter owned by the Grantor,

including without limitation those copyrights, copyright registrations and copyright applications listed on Schedule 1, and (a) all renewals and extensions thereof, (b) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including without limitations payments under all Licenses entered into connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) copyrights, copyright registrations and copyright applications and any other rights corresponding thereto throughout the United States.

**"Event of Default"** means the occurrence of any of the following: (a) failure by the Grantor to pay any amount when due as stipulated under the Note, (b) any breach by the Grantor of any other terms or provisions of the Note, (c) any representation made by the Grantor in this Agreement that is false in any material respect on the date as of which made or as of which the same is to be effective and if capable of being cured is not cured within 30 days' notice following the first to occur of Grantor's knowledge of, or the Secured Party's notice to Grantor of, such representation being false in such respect thereof, or (d) failure by the Grantor to timely comply with any of its obligations under this Agreement.

**"Intellectual Property"** means the Patents, Copyrights, Trademarks, Trade Secrets and Licenses.

**"Licenses"** means license agreements with any other person or entity with respect to a patent, patent application, trademark, trademark registration, trademark application, copyright or copyright application whether the Grantor is a licensor or licensee under any such license agreement and (a) all renewals, extensions, supplements and continuations thereof, (b) income, royalties, damages and payments now or hereafter due and/or payable to the Grantor with respect thereto and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) all other rights corresponding thereto throughout the United States.

**"Patents"** means the patents and patent applications, and the inventions and improvements described and claimed therein now or hereafter owned by the Grantor, including without limitation those patents and patent applications listed on Schedule 1 and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) patents, patent applications and any other rights corresponding thereto throughout the United States.

"**Proceeds**" means "proceeds" as such term is defined in section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"**Secured Obligations**" has the meaning set forth in *Section 3*.

"**Trademarks**" means trademarks (including trade names and service marks), trademark registrations, excluding "intent-to-use" applications or registrations, and trademark applications now or hereafter owned by the Grantor, including without limitation those trademarks and trademark applications listed on Schedule 1 and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) trademarks, trademark registrations, trademark applications and any other rights corresponding thereto throughout the United States and (e) all of the goodwill of the Grantor's business connected with and symbolized by the foregoing.

"**Trade Secrets**" means common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of the Grantor, whether or not such trade secret has been reduced to a writing or other tangible form, including all documents embodying, incorporating or referring in any way to such trade secret, all trade secret licenses including the right to sue for and to enjoin in to collect damages for the actual or threatened misappropriation of any trade secret and for the breach or enforcement of any such trade secret license.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of Michigan or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. The Grantor hereby pledges and grants to the Secured Party, and hereby creates a continuing lien and security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

(a) all fixtures and personal property of every kind and nature including all accounts (including health-care-insurance receivables), goods (including inventory and equipment), documents (including, if applicable, electronic documents), instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), securities and

all other investment property, general intangibles (including all Intellectual Property and all payment intangibles), money, deposit accounts, and any other contract rights or rights to the payment of money; and

(b) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the foregoing.

3. Secured Obligations. The Collateral secures the payment and performance of:

(a) the obligations of the Grantor, whether now existing or from time to time arising under, the Note, this Agreement or otherwise with respect to the due and punctual payment of (i) the principal of and premium, if any, and interest on the Loan (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Grantor under the Note and this Agreement; and

(b) all other agreements, duties, indebtedness, obligations and liabilities of any kind of the Grantor under, out of, or in connection with the Note, this Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several (all such obligations, liabilities, sums and expenses set forth in **Section 3** being herein collectively called the "**Secured Obligations**").

4. Perfection of Security Interest and Further Assurances.

(a) The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be reasonably requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of sections 8-106, 9-104, 9-105, 9-106 and 9-107 of the

UCC, as applicable, the Grantor shall take all actions as may be requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Grantor.

(b) The Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law, including the filing of a financing statement describing the Collateral as all assets now owned or hereafter acquired by the Grantor, or words of similar effect. The Grantor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

(c) The Grantor hereby further authorizes the Secured Party to file with the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any state of the United States or in any other country) this Agreement and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law.

(d) If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, tangible chattel paper, negotiable documents or warehouse receipts relating to the Collateral, the Grantor shall, at the Secured Party's request, endorse, assign and deliver the same to the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

(e) The Grantor agrees that at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Representations and Warranties. The Grantor represents and warrants as follows:

(a) (i) the Grantor's exact legal name is on the signature page hereof, (ii) the Grantor is a limited liability company organized in the State of Michigan, (iii) the Grantor's organizational identification number, if applicable, is E48051, and

(iv) Grantor's chief executive office, and the place where the Company keeps its records, is 2603 Camino Ramon, Suite 200 San Ramon, CA 94583.

(b) Attached hereto as Schedule 1 contains a list and description of all Intellectual Property owned by the Grantor, which list is true, correct and complete in all material respects. With respect to any Intellectual Property the loss, impairment or infringement of which would reasonably be expected to have a material adverse effect on the financial condition or operations of the Grantor:

(i) The Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(ii) The Intellectual Property is valid and enforceable;

(iii) The Grantor has made all necessary filings and recordations to protect its interests in such Intellectual Property, including without limitation, recordation of all of its interests in the Patents and Trademarks in the United States Patent and Trademark Office and in corresponding offices throughout the United States and its claim to the Copyrights in the United States Copyright Office and in corresponding offices throughout the United States;

(iv) The Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property, free and clear of any liens, charges and encumbrances, including pledges, assignments, licenses, shop rights and covenants by the Grantor not to sue third persons; and

(v) The Grantor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property in full force and effect throughout the United States.

(c) The pledge of the Collateral pursuant to this Agreement creates a valid and perfected security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(d) It has full power, authority and legal right to borrow the Loan and pledge the Collateral pursuant to this Agreement.

(e) Each of this Agreement and the Note has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).



(f) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the borrowing of the Loan and the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution and delivery of the Note and this Agreement by the Grantor or the performance by the Grantor of its obligations thereunder.

(g) The execution and delivery of the Note and this Agreement by the Grantor and the performance by the Grantor of its obligations thereunder, will not violate or, in the case of the Note, has not violated and will not violate, any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the organizational or governing documents of the Grantor or any agreement or instrument including, but not limited to, any agreement or instrument evidencing debt for borrowed money or any other indebtedness to which the Grantor is party or by which it or its property is bound.

6. Voting, Distributions and Receivables.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver could detract from the value thereof as Collateral or which could be inconsistent with or result in any violation of any provision of the Note or this Agreement.

(b) The Secured Party agrees that the Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor.

(c) The Secured Party may, or at the request and option of the Secured Party the Grantor shall, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party.

7. Covenants. The Grantor covenants as follows:

(a) The Grantor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Grantor

will, prior to any change described in the preceding sentence, take all actions reasonably requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(b) The Collateral, to the extent not delivered to the Secured Party pursuant to **Section 4**, will be kept at all locations where the Collateral is currently located, subject to removal in the ordinary course of business, and the Grantor will not otherwise remove the Collateral from such locations without providing at least 30 days' prior written notice to the Secured Party. The Grantor will, prior to any change described in the preceding sentence, take all actions reasonably required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(c) The Grantor shall, at its own cost and expense, defend title to the Collateral and the lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Grantor and shall maintain and preserve such perfected security interest for so long as this Agreement shall remain in effect.

(d) The Grantor will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein outside of the ordinary course of business except as expressly provided for herein or with the prior written consent of the Secured Party.

(e) The Grantor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. The Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located.

(f) The Grantor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement.

8. Secured Party Appointed Attorney-in-Fact. The Grantor hereby appoints the Secured Party the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

9. Secured Party May Perform. If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and all fees, costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Grantor.

10. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve the Grantor from the performance of any obligation on the Grantor's part to be performed or observed in respect of any of the Collateral.

11. Remedies Upon Default. If any Event of Default shall have occurred and be continuing:

(a) The Secured Party, without any other notice to or demand upon the Grantor, may assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to the Grantor at its notice address as provided in **Section 15** hereof ten (10) days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. At any sale of the Collateral, if permitted by applicable law, the Secured Party may be the purchaser, licensee, assignee or recipient of the Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the

Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Secured Party arising out of the exercise by it of any rights hereunder. The Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Secured Party nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto.

(b) All rights of the Grantor to (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to **Section 6(a)** and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to **Section 6(b)**, shall, at the sole election of the Secured Party, immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral.

(c) Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

(d) If the Secured Party shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, the Grantor agrees that, upon request of the Secured Party, the Grantor will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

12. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to **Section 14**), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

13. Security Interest Absolute. The Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All rights of the Secured Party and liens and security interests hereunder, and all Secured Obligations of the Grantor hereunder, shall be absolute and unconditional irrespective of:

(a) any illegality or lack of validity or enforceability of any Secured Obligation or any related agreement or instrument;

(b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations, or any rescission, waiver, amendment or other modification of the Note, this Agreement or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;

(c) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral or any other collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for all or any of the Secured Obligations;

(d) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;

(e) any default, failure or delay, willful or otherwise, in the performance of the Secured Obligations;

(f) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Grantor against the Secured Party; or

(g) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Loan or any existence of or reliance on any representation by the Secured Party that might vary the risk of the Grantor or otherwise operate as a defense available to, or a legal or equitable discharge of, the Grantor or any other grantor, guarantor or surety.

14. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing

and signed by the Secured Party and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

15. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing addressed to the respective parties at their addresses as specified on the signature pages hereof, or as to either party at such other address as shall be designated by such party in a written notice to each other party, effective upon receipt.

16. Continuing Security Interest; Further Actions. This Agreement shall create a continuing lien and security interest in the Collateral and shall (a) subject to **Section 17**, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party. Without limiting the generality of the foregoing clause (c), any assignee of the Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

17. Termination; Release; Reinstatement. On the date on which all Secured Obligations have been indefeasibly paid and performed in full, this Agreement, and the liens and security interests created and granted hereby, shall automatically terminate and be of no further force or effect, and the Grantor is hereby authorized to file UCC amendments at such time evidencing the termination of the liens and security interests so released, and the Secured Party will, at the request and sole expense of the Grantor, (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement. The Grantor agrees that, if any payment made by it or any person or other entity and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by the Secured Party to the Grantor, its estate, trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any lien or security interest or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (a) any lien or security interest or other Collateral securing the Grantor's liability hereunder shall have been released or

terminated by virtue of the foregoing or (b) any provision of this Agreement or the Note shall have been terminated, cancelled or surrendered, such lien or security interest, other Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of the Grantor in respect of any lien or security interest or other Collateral securing such obligation or the amount of such payment.

18. GOVERNING LAW. This Agreement and the Note and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or the Note and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the State of Michigan.

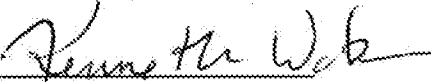
19. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Note constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GRANTOR:

ENDOCLEAR, LLC, a Michigan limited liability company

By 

Name: Kenneth Watson

Title: Co-CEO

Address for Notices:

2603 Camino Ramon, Suite 200

San Ramon, CA 94583

Attention: David Chersky

SECURED PARTY:



BRAD VAZALES, an individual

Address for Notices:

12 Belle Avenue

Petoskey, MI 49770



**SCHEDULE 1**

(See Attached)

## Patents/Patent Applications

Knobbe Ref. Number	Type	Title of Application	Application Number	Filing Date	Status
ECLEAR.001PR	US – PROVISIONAL	ENDOTRACHEAL TUBE CLEANING	61/150,456	02/06/09	Expired
ECLEAR.001A	US – NON-PROVISIONAL	METHODS FOR CLEANING ENDOTRACHEAL TUBES	12/701,421 (published as US 2010- 0199999 on 08/12/10)	02/05/10	Pending
ECLEAR.001VPC	PCT	METHODS FOR CLEANING ENDOTRACHEAL TUBES	PCT/US2010/023400 (published as WO 2010/091309 on 08/12/10)	02/05/10	Inactive (National Phase applications filed in Europe and India)
ECLEAR.001EP	EUROPEAN – NATIONAL PHASE	METHODS FOR CLEANING ENDOTRACHEAL TUBES	10739200.3	02/05/10	Pending
ECLEAR.001IN	INDIAN – NATIONAL PHASE	METHODS FOR CLEANING ENDOTRACHEAL TUBES	6745/DELNP/2011	02/05/10	Pending
ECLEAR.001C1	US – NON-PROVISIONAL	DEVICES FOR CLEANING ENDOTRACHEAL TUBES	12/748,326 (published as US 2010- 0199448 on 08/12/10)	03/26/10	Pending
ECLEAR.001CP1	US – NON-PROVISIONAL	MECHANICALLY-ACTUATED ENDOTRACHEAL TUBE CLEANING DEVICE	12/849,672 (published as US 2011- 0023885 on 02/03/11)	08/03/10	Pending
ECLEAR.1CP1C1	US – NON-PROVISIONAL	MEDICAL TUBE CLEANING APPARATUS	12/850,476 (published as US 2011- 0023886 on 02/03/11)	08/04/10	Pending

Knobbe Ref. Number	Type	Title of Application	Application Number	Filing Date	Status
ECLEAR.1CP1C2	US – NON-PROVISIONAL	METHODS FOR REMOVING DEBRIS FROM MEDICAL TUBES	12/850,563 (published as US 2011-0023888 on 02/03/11)	08/04/10	Issued  U.S. Pat. No. 8,157,919 (issued 04/17/12)
ECLEAR.1CP1C3	US – NON-PROVISIONAL	METHODS FOR TRACHEOSTOMY VISUALIZATION	12/850,549 (published as US 2011-0023887 on 02/03/11)	08/04/10	Pending
ECLEAR.006PR	US – PROVISIONAL	AIRWAY CLEANING AND VISUALIZATION	61/318,761	03/29/10	Expired
ECLEAR.006PR2	US – PROVISIONAL	RETENTION OF VISUALIZATION SCOPE FOR AIRWAY MANAGEMENT	61/370,425	08/03/10	Expired
ECLEAR.006WO	PCT	AIRWAY CLEANING AND VISUALIZATION	PCT/US2011/030229  (published as WO 2011/126812 on 10/13/11)	03/28/11	Inactive (National Phase application filed in Europe)
ECLEAR.006EP	EUROPEAN – NATIONAL PHASE	AIRWAY CLEANING AND VISUALIZATION	11766438.3	03/28/11	Pending
ECLEAR.006NP	US – NATIONAL PHASE	METHODS FOR CONFIRMING PLACEMENT OF ENDOTRACHEAL TUBES	13/638,567  (published as US 2013-0023729 on 01/24/13)	09/28/12	Pending
ECLEAR.006C1	US – NON-PROVISIONAL	VISUALIZED ENDOTRACHEAL TUBE PLACEMENT SYSTEMS	13/645,984	10/05/12	Pending

Knobbe Ref. Number	Type	Title of Application	Application Number	Filing Date	Status
ECLEAR.016PR	US - PROVISIONAL	CLEANING AND VISUALIZATION OF BODY-INSERTED TUBES AND NATIVE AIRWAYS	61/552,417	10/27/11	Expired
ECLEAR.016A	US - NON-PROVISIONAL	ENDOTRACHEAL TUBE COUPLING ADAPTERS	13/662,313	10/26/12	Pending
ECLEAR.016WO	PCT	ENDOTRACHEAL TUBE COUPLING ADAPTERS	PCT/US2012/062296	10/26/12	Pending
ECLEAR.019PR	US - PROVISIONAL	CLOSED SUCTION CLEANING DEVICES, SYSTEMS AND METHODS	61/733,371	12/04/12	Pending

## Trademark Registrations and Applications\*

Knobbe Ref. Number	Country	Mark	Class: Description of Goods	Application No. (Reg. No., if Appl.)	Filing Date (Reg. Date)	Status
ECLEAR.007T	US	ENDOCLEAR	Class 10: Medical apparatus for diagnosing or treating respiratory conditions, namely, respiratory aspirators	77/898,520	12/21/09	Pending
ECLEAR.007TD1	US	ENDOCLEAR	Class 21: Meshes, squeegees, and scrapers for cleaning medical instruments or devices used in the respiratory system	77/983,383 (Reg. No. 4,250,455)	12/21/09 (11/27/12)	Registered
ECLEAR.007WEU	EUROPE	ENDOCLEAR	Class 10: Medical cleaning devices; namely aspirators, meshes, scrapers and squeegees; fiber optic viewing and cleaning devices for medical purposes, namely aspirators meshes, scrapers and squeegees having at least one transparent window to facilitate visualization; optical viewing apparatus for medical visualization purposes, namely conduits and tubes having at least one transparent window to facilitate visualization; all aforementioned goods for use in connection with the placement and cleaning of endotracheal tubes or the cleaning of the respiratory tract	009186545	06/18/10	Pending (Notice of Opposition filed by Karl Storz GmbH)