

05-31-2000

U.S. DEPARTMENT OF COMMERCE



SHEET

Patent and Trademark Office
Docket No. 07427/483

101369398

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OPRY/FINANCE

The Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
BREG, INC.

- Individual(s) Association
- General Partnership Limited Partnership
- Corporation-State: CALIFORNIA Other:

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):

Name: SANWA BANK CALIFORNIA
Internal Address:
Street Address: 1280 FOURTH AVENUE
City: SAN DIEGO State: CALIFORNIA ZIP: 92101

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other:

Execution Date: APRIL 25, 2000

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

5,112,045	DES. 345,609	5,352,174	DES. 383,547
5,080,089	DES. 351,472	5,186,698	5,807,294
5,241,951	DES. 348,518	5,303,716	
5,232,020	DES. 348,106	5,509,894	
5,330,519	DES. 345,802	5,672,152	
5,507,792	DES. 345,803	5,827,208	
5,662,695	DES. 352,781	5,772,618	
5,417,720	DES. 383,848	5,782,780	

Additional numbers attached? * Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

CHARLOTTE Y. CHEN
MORRISON & FOERSTER LLP
555 WEST FIFTH STREET
SUITE 3500
LOS ANGELES, CALIFORNIA 90013-1024

6. Total number of applications and patents involved: 26

7. Total fee (37 C.F.R. § 3.41): \$1,040

- Enclosed
- Authorized to be charged to deposit account, referencing Attorney Docket *

8. Deposit account number: 03-1952

The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 that may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

DO NOT USE THIS SPACE

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.

Name: PAULINE STEVENS, ESQ.

Signature

5-2-00
Date

Total number of pages comprising cover sheet, attachments and document: 12

Main documents to be recorded with required cover sheet information to:

U.S. Patent and Trademark Office
Office of Public Records
Box Assignments
Crystal Gateway 4, Room 335
Washington, D.C. 20231

05/31/2000 DNGUYEN 00000004 5112045

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1040.00 00

la-378333

PATENT
REEL: 010804 FRAME: 0703

SUPPLEMENTAL SECURITY AGREEMENT
(Patents)

THIS SUPPLEMENTAL SECURITY AGREEMENT (the "Supplemental Patent Agreement") is made and dated this 25 day of April, 2000 by and between BREG, INC., a California corporation ("Debtor") and SANWA BANK CALIFORNIA (the "Bank") under that certain Credit Agreement dated as of April 25, 2000 by and between Debtor and Bank (as amended, extended and replaced from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Credit Agreement.

RECITALS

A. Pursuant to that certain Security Agreement dated as of even date herewith between Debtor and the Bank (the "Security Agreement"), Debtor has granted to the Bank a perfected security interest in certain assets of Debtor, including, without limitation, all patents, trademarks, service marks, trade names, mask works, copyrights, goodwill, licenses and other intellectual property owned by Debtor or used in Debtor's business.

B. The parties hereto desire to supplement the Security Agreement as it relates to certain of such intellectual property consisting generally of patents and to create hereby a document appropriate for recordation in the Patent and Trademark Office of the United States (the "PTO").

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Confirmation of Grant of Security Interest. Debtor hereby confirms the grant of security interest, pledge, assignment and mortgage set forth in the Security Agreement and acknowledges that the Collateral (as defined in the Security Agreement) described therein includes, without limitation, all of Debtor's right, title and interest in the following (the "Patent Collateral"):

(a) All now existing or hereafter created or acquired, patents, letters patents, inventions, patent applications and rights and works protectable by patent, and, except to the extent prohibited by the terms thereof, all agreements in respect of patents owned by third parties, including, without limitation, the patents specifically described on Schedule I attached hereto, as the same may be amended or replaced from time to time with the consent of the Bank;

(b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;

(c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell the inventions disclosed and claimed by any of the foregoing;

(d) All now existing and hereafter arising right (but not the obligation) to register claims under any state, federal or foreign patent law or regulation;

(e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing to the extent such rights are assignable;

(f) All now existing and hereafter arising documents, instruments and agreements which reveal the name and address of sources of supply, distribution methods and all terms of purchase, rental, license or use and delivery for all materials, products and components used in connection with any of the foregoing;

(g) All now existing and hereafter arising specifications as to and quality control manuals used in connection with the operations utilizing any of the foregoing;

(h) All now existing and hereafter arising goodwill associated with any of the foregoing;

(i) All now existing and hereafter arising right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or the Bank for past, present and future infringements of any of the foregoing; and

(j) All products and proceeds of any of the foregoing.

2. **Additional Representation and Warranty and Covenant.** In addition to all representations and warranties, covenants and agreements set forth in the Security Agreement, Debtor hereby:

(a) Represents and warrants that Schedule I attached hereto sets forth an accurate and complete list of all patents owned by Debtor which are registered with the PTO as of the date hereof; and

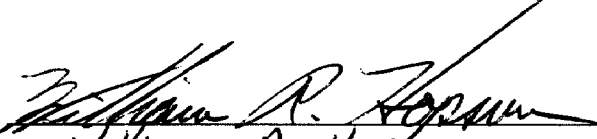
(b) Agrees to promptly notify the Bank in writing of any additional patents registered with the PTO of which Debtor becomes the owner and to amend Schedule I accordingly.

3. No Present Assignment. Neither the Security Agreement, this Supplemental Patent Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Patent Collateral. Subject to the rights of the Bank under the Security Agreement and this Supplemental Patent Agreement, it is the intention of the parties hereto that Debtor continue to own the Patent Collateral and that upon the indefeasible payment and performance in full of Debtor Obligations, the rights of the Bank under the Security Agreement and this Supplemental Patent Agreement in and to the Patent Collateral shall be released and terminated.

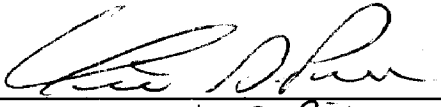
4. Relationship to Security Agreement. The Patent Collateral shall constitute Collateral for all purposes of the Security Agreement and the other Loan Documents and the Bank shall have all rights, powers and remedies with respect to the Patent Collateral to the same extent as they have with respect to other Collateral. Reference is hereby made to the Security Agreement, the terms and conditions of which are incorporated herein by this reference.

EXECUTED as of the day and year first above written.

BREG, INC.

By: 
Name: William R. Hopson
Title: Executive Vice President

SANWA BANK CALIFORNIA

By: 
Name: Kenneth A. Pickett
Title: Vice President - Mgr.

Description of Patents

BREG, INC. ACTIVE U.S. PATENT DOCKET; 4/19/00

Attorney Docket No: 001-P001

Title: Kinesthetic Diagnostic and Rehabilitation Device

Inventor(s): Mason, J.T.; Mason B.R.; Howard, M.E.

Country: US

Serial No: 07/578,509

Filing Date: 9/5/90

Patent No: 5,112,045

Issue Date: 5/12/92

Expiration Date: 9/5/10

Attorney Docket No: 001-P003

Title: Therapeutic Apparatus Applying Compression and a Nonambient Temperature Fluid

Inventor(s): Mason, J.T.; Mason, B.R.

Country: US

Serial No: 07/578,508

Filing Date: 9/5/90

Patent No: 5,080,089

Issue Date: 1/14/92

Expiration Date: 9/5/10

Attorney Docket No: 001-P003.1

Title: Therapeutic Nonambient Temperature Fluid Circulation System

Inventor(s): Mason, B.R.; Mason, J.T.

Type: CIP (Parent: 001-P003) Recexam Cert 3803 issued 7/6/99

Country: US

Serial No: 07/767,494

Filing Date: 9/30/91

Patent No: 5,241,951

Issue Date: 9/7/93

Expiration Date: 9/5/10

Attorney Docket No: 001-P003.2

Title: Shutoff Valve Having a Unitary Housing

Inventor(s): Mason, B.R.; Mason, J.T.

Type: CIP (Parent: 001-P003.1)

Country: US

Serial No: 07/906,409

Filing Date: 7/1/92

Patent No: 5,232,020

Issue Date: 8/3/93

Expiration Date: 9/5/10

Attorney Docket No: 001-P003.5

Title: Therapeutic Nonambient Temperature Fluid Circulation System

Inventor(s): Mason, B.R.; Mason, J.T.

Type: CON (Parent: P003.1) Recexam Cert 3669 issued 11/10/98

Country: US

Serial No: 08/100,047

Filing Date: 7/30/93

Patent No: 5,330,519

Issue Date: 7/19/94

Expiration Date: 9/5/10

Attorney Docket No: 001-P003.7

Title: Therapeutic Treatment Device Having a Heat Transfer Element and a Pump for Circulating a Treatment Fluid Therethrough

Inventor(s): Mason, B.R.; Mason, J.T.

Type: CIP (Parent: P003.6)

Country: US

Serial No: 08/273,020

Filing Date: 7/8/94

Patent No: 5,507,792

Issue Date: 4/16/96

Expiration Date: 4/16/13

WR
WR 4/25/00

Attorney Docket No: 001-P004

Title: Nonambient Temperature Pad Conformable to a Body for Therapeutic Treatment Thereof

Inventor(s): Mason, B.R.; Mason, J.T.

Type: CIP/DES

Country: US

Serial No: 07/851,345

Filing Date: 3/12/92

Patent No: DES. 345,609

Issue Date: 3/29/94

Expiration Date: 3/29/08

Attorney Docket No: 001-P004.2

Title: Therapeutic Fluid Circulation Pad for Eyes

Inventor(s): Mason, J.T.; Mason, B.R.

Type: CIP/DES

Country: US

Serial No: 29/002,338

Filing Date: 12/7/92

Patent No: DES. 351,472

Issue Date: 10/11/94

Expiration Date: 10/11/08

Attorney Docket No: 001-P004.3

Title: Therapeutic Fluid Circulation Pad for Breasts

Inventor(s): Mason, J.T.; Mason, B.R.

Type: CIP/DES

Country: US

Serial No: 29/002,333

Filing Date: 12/7/92

Patent No: DES. 348,518

Issue Date: 7/5/94

Expiration Date: 7/5/08

Attorney Docket No: 001-P004.5

Title: Therapeutic Fluid Circulation Pad for Body Joints

Inventor(s): Mason, J.T.; Mason, B.R.

Type: CIP/DES

Country: US

Serial No: 29/002,496

Filing Date: 12/7/92

Patent No: DES. 348,106

Issue Date: 6/21/94

Expiration Date: 6/21/08

Attorney Docket No: 001-P004.6

Title: Occlusion-resistant Fluid Pad Conformable to a Body for Therapeutic Treatment Thereof

Inventor(s): Mason, J.T.; Mason, B.R.

Type: CIP

Country: US

Serial No: 08/172,022

Filing Date: 12/21/93

Patent No: 5,662,695

Issue Date: 9/2/97

Expiration Date: 9/2/14

Attorney Docket No: 001-P004.7

Title: Nonambient Temperature Pad Conformable to a Body For Therapeutic Treatment Thereof

Inventor(s): Mason, J.T.; Mason, B.R.

Country: US

Serial No: 08/300,699

Filing Date: 9/2/94

Patent No: 5,417,720

Issue Date: 5/23/95

Expiration Date: 5/23/12

Handwritten signature and date:
4/25/00

Attorney Docket No: 001-P005 (10967.4)
Title: Shoulder Exercise System
Inventor(s): Mason, B.R.; Mason, J.T.
Country: US Serial No: 07/736,393
Patent No: 5,352,174 Issue date: 10/4/94

Filing Date: 7/26/91
Expiration Date: 10/4/11

Attorney Docket No: 001-P006 (10967.5)
Title: Ankle Exercise System
Inventor(s): Mason, B.R.; Mason, J.T.
Country: US Serial No: 07/717,965
Patent No: 5,186,698 Issue date: 2/16/93

Filing Date: 6/20/91
Expiration Date: 6/20/11

Attorney Docket No: 001-P008 (10967.7)
Title: Therapeutic Fluid Pump
Inventor(s): Mason, J.T.; Mason, B.R.
Type: CIP/DES
Country: US Serial No: 07/850,063
Patent No: DES.345,802 Issue Date: 4/5/94

Filing Date: 3/12/92
Expiration Date: 4/5/08

Attorney Docket No: 001-P009 (10967.8)
Title: Therapeutic Fluid Flow Controller
Inventor(s): Mason, J.T.; Mason, B.R.
Type: CIP/DES
Country: US Serial No: 07/850,064
Patent No: DES.345,803 Issue Date: 4/5/94

Filing Date: 3/12/92
Expiration Date: 4/5/08

Attorney Docket No: 001-P010 (10967.9)
Title: Therapeutic Fluid Flow Line
Inventor(s): Mason, J.T.; Mason, B.R.
Type: CIP/DES
Country: US Serial No: 07/850,071
Patent No: DES.352,781 Issue Date: 11/22/94

Filing Date: 3/12/92
Expiration Date: 11/22/08

Attorney Docket No: 001-P011
Title: Portable Device For Rehabilitative Exercise of The Leg
Inventor(s): Mason, B.R.; Mason J.T.
Country: US Serial No: 07/974,980
Patent No: 5,303,716 Issue Date: 4/19/94

Filing Date: 11/12/92
Expiration Date: 11/12/12

WR
4/25/00

Attorney Docket No: 001-P011.1

Title: Leg Suspension Device For Flexion And Extension Exercise of The Kneec or Hip Joint

Inventor(s): Mason, B.R.; Mason J.T.

Type: CIP

Country: US

Serial No: 08/228,653

Filing Date: 4/18/94

Patent No: 5,509,894

Issue Date: 4/23/96

Expiration Date: 4/23/13

Attorney Docket No: 001-P013

Title: Hinge For an Orthopedic Brace Having an Adjustable Range of Rotation

Inventor(s): Mason, B.R.; Mason J.T.

Country: US

Serial No: 08/563,659

Filing Date: 11/28/95

Patent No: 5,672,152

Issue Date: 9/30/97

Expiration Date: 11/28/15

Attorney Docket No: 001-P013.P01

Title: Hinge For an Orthopedic Brace Having a Selectively Positionable Stop to Limit Rotation

Inventor(s): Mason, B.R.; Mason J.T.

Type: CIP

Country: US

Serial No: 08/886,608

Filing Date: 7/1/97

Patent No: 5,827,208

Issue Date: 10/27/98

Expiration Date: 7/1/17

Attorney Docket No: 001-P015

Title: Hinge Plate For an Orthopedic Brace

Inventor(s): Mason, B.R.; Mason J.T.

Country: US

Serial No: 08/656,088

Filing Date: 5/31/96

Patent No: 5,772,618

Issue Date: 6/30/98

Expiration Date: 5/31/16

Attorney Docket No: 001-P016

Title: Method of Forming a Contoured Orthotic Member

Inventor(s): Mason, B.R.; Mason J.T.

Country: US

Serial No: 08/695,196

Filing Date: 7/31/96

Patent No: 5,782,780

Issue Date: 7/21/98

Expiration Date: 7/31/16

Attorney Docket No: 001P9601.DES

Title: Cold Therapy Pad

Inventor(s): Mason, B.R.; Mason, J.T.; Kuan, S.J.

Type: DES

Country: US

Serial No: 29/055,426

Filing Date: 6/4/96

Patent No: DES.383,848

Issue Date: 9/16/97

Expiration Date: 9/16/11

W.M.
M.A.
4/25/00

Attorney Docket No: 001P9602.DES

Title: Cold Therapy Pad Having Mounting Straps

Inventor(s): Mason, B.R.; Mason, J.T., Kuan, S.J.

Type: DES

Country: US

Serial No: 29/055,432

Filing Date: 6/4/96

Patent No: DES.383,547

Issue Date: 9/9/97

Expiration Date: 9/9/11

Attorney Docket No: 001P9603

Title: Adjustable Hinge Assembly for an Osteoarthritic Knee Brace

Inventor(s): Cawley, P.W.; Mason J.T.

Country: US

Serial No: 08/820,876

Filing Date: 3/21/97

Patent No: 5,807,294

Issue Date: 9/15/98

Expiration Date: 3/21/17

0419a.001

Handwritten:
3/25/00
4/25/00

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

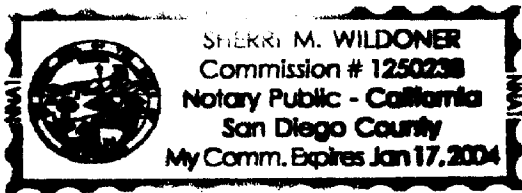
County of San Diego } ss.

On 25 April 2000, before me, Sherrri M. Wildoner, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared William R. Hopson,
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Sherrri M. Wildoner
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

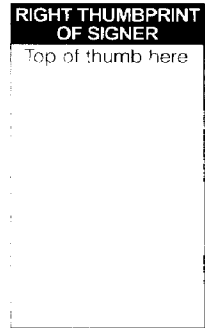
Title or Type of Document: Supplemental Security Agreement (Patents)

Document Date: 25 April 2000 Number of Pages: 4

Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

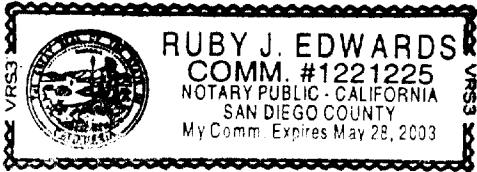
State of California

County of San Diego

On April 26, 2000 before me, Ruby J. Edwards, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Kenneth A. Pickle,
Name(s) of Signer(s)

personally known to me - **OR** - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Ruby J. Edwards
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Supplemental Security Agreement (Patents)

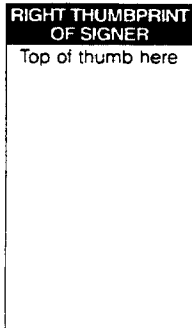
Document Date: April 25, 2000 Number of Pages: Eight

Signer(s) Other Than Named Above: William R. Hopson

Capacity(ies) Claimed by Signer(s)

Signer's Name: Kenneth A. Pickle

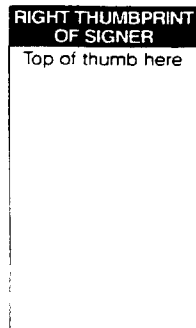
- Individual
- Corporate Officer
Title(s): Vice President & Manager
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:
Sanwa Bank California

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:
