


Form PTO-1595 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings $\Rightarrow \Rightarrow \Rightarrow$	RECORDATION FORM COVER SHEET PATENTS ONLY	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): <u>BREG Inc.</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies) Name: <u>Wachovia Bank, National Association, as</u> <u>Administrative Agent</u> Internal Address: <u>CP-8</u> Street Address: <u>201 S. College Street</u> City: <u>Charlotte</u> State: <u>NC</u> Zip: <u>28288</u> Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Notice of Grant of Security Interest</u> Execution Date: <u>12/30/2003</u>	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) <u>see attached</u> B. Patent No.(s) <u>see attached</u> Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Steven D. Thomas</u> Internal Address: _____ Street Address: <u>Moore & Van Allen PLLC</u> <u>2200 W. Main Street, Suite 800</u> City: <u>Durham</u> State: <u>NC</u> Zip: <u>27705</u>	6. Total number of applications and patents involved: <u>40</u> 7. Total fee (37 CFR 3.41).....\$ <u>1,600.00</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>50-2316</u> Attorney Docket No. 512485-1154	
DO NOT USE THIS SPACE		
9. Signature. <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <u>Steven D. Thomas</u> Name of Person Signing </div> <div style="width: 30%; text-align: center;">  Signature </div> <div style="width: 30%; text-align: right;"> <u>March 5, 2004</u> Date </div> </div>		
Total number of pages including cover sheet, attachments, and documents: <u>8</u>		

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Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS

United States Patent and Trademark Office

Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of December 30, 2003 (the "Security Agreement") by and among the Obligors thereto (each an "Obligor" and collectively, the "Obligors") and Wachovia Bank, National Association, as Administrative Agent (the "Administrative Agent") for the lenders referenced therein (the "Lenders"), the undersigned Obligor has granted a continuing security interest in and continuing Lien upon, the patents and patent applications shown below to the Administrative Agent for the ratable benefit of the Lenders:

PATENTS AND PATENT APPLICATIONS

Table with 5 columns: Patent/Application No., Title, Jurisdiction Registered, Date of Issuance/Application, Status. Rows include patents like Orthosis for dynamically stabilizing the patello-femoral joint, Patient-controlled medication delivery system, Tubing connector, Fluid drive mechanism for a therapeutic treatment system, Infusion pump for administering a fluid medication, Medical infusion pump, Hinge for an orthopedic brace, Adjustable hinge assembly for an osteoarthritic knee brace, and Method of forming a contoured orthotic member.

Patent/Application No.	Title	Jurisdiction Registered	Date of Issuance/ Application	Status
5,772,618	Hinge for an orthopedic brace	United States	6/30/98	Granted
5,672,152	Hinge for an orthopedic brace having an adjustable range of rotation	United States	9/30/97	Granted
D383,848	Cold therapy pad	United States	9/16/97	Granted
D383,547	Cold therapy pad with mounting straps	United States	9/9/97	Granted
5,662,695	Occlusion-resistant fluid pad conformable to a body for therapeutic treatment thereof	United States	9/2/97	Granted
5,509,894	Leg suspension method for flexion and extension exercise of the knee or hip joint	United States	4/23/96	Granted
5,507,792	Therapeutic device having a heat transfer element	United States	4/16/96	Granted
5,417,720	Nonambient temperature pad conformable to a body for therapeutic treatment thereof	United States	5/23/95	Granted
D352,781	Therapeutic fluid flow line	United States	11/22/94	Granted
D351,472	Therapeutic fluid circulation pad for the eyes	United States	10/11/94	Granted
5,352,174	Shoulder exercise system	United States	10/4/94	Granted
5,330,519	Therapeutic nonambient temperature fluid circulation system	United States	7/19/94	Granted
D348,518	Therapeutic fluid circulation pad for the breast	United States	7/5/94	Granted
D348,106	Therapeutic fluid circulation pad for body joints	United States	6/21/94	Granted
D345,803	Therapeutic fluid flow controller	United States	4/5/94	Granted
D345,802	Therapeutic fluid pump	United States	4/5/94	Granted

Patent/Application No.	Title	Jurisdiction Registered	Date of Issuance/ Application	Status
D345,609	Therapeutic fluid circulation pad	United States	3/29/94	Granted
5,241,951	Therapeutic nonambient temperature fluid circulation system	United States	9/7/93	Granted
5,232,020	Shutoff valve having a unitary valve body	United States	8/3/93	Granted
5,112,045	Kinesthetic diagnostic and rehabilitation device	United States	5/12/92	Granted
5,080,089	Therapeutic apparatus applying compression and a nonambient temperature fluid	United States	1/14/92	Granted
10/420,344	Orthosis providing dynamic tracking of the patello-femoral joint continuation in part	United States	4/22/03	Pending
10/285,861	Continuous passive motion device for a shoulder or elbow	United States	11/1/02	Pending
29/170,254	Continuous passive motion device for a shoulder or elbow	United States	11/1/02	Pending
10/270,091	Catheter assemblies for controlled movement of fluid	United States	10/14/02	Pending
10/218,106	Integrated infusion and aspiration system and method	United States	8/12/02	Pending
10/099,591	Strap connector assembly for an orthopedic brace	United States	3/14/02	Pending
10/095,725	Strap attachment assembly for an orthopedic brace	United States	3/14/02	Pending
09/935,392	Medication delivery system having selective automated or manual discharge	United States	8/22/01	Pending
09/924,411	Patient controlled medication delivery system with overmedication prevention	United States	8/7/01	Pending

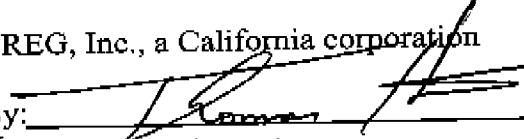
Patent Application No.	Title	Jurisdiction Registered	Date of Issuance/ Application	Status
Unknown at this time	Fluid aspiration device	United States	11/3/03	Pending

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The undersigned Obligor and the Administrative Agent, on behalf of the Lenders, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

BREG, Inc., a California corporation

By: 
Name: THOMAS HEIN
Title: ASSISTANT SECRETARY

Acknowledged and Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Name: _____
Title: _____

The undersigned Obligor and the Administrative Agent, on behalf of the Lenders, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

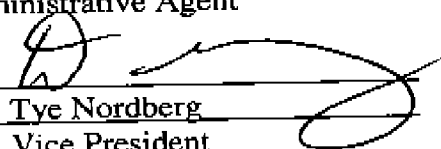
Very truly yours,

BREG, Inc., a California corporation

By: _____
Name:
Title:

Acknowledged and Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: 
Name: Tye Nordberg
Title: Vice President