

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY AGREEMENT
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CONVEYING PARTY DATA	
Name	Execution Date
FLA Orthopedics, Inc.	07/20/2005

RECEIVING PARTY DATA	
Name:	Keybank National Association
Street Address:	127 Public Square
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114

PROPERTY NUMBERS Total: 50

Property Type	Number
Application Number:	10134083
Application Number:	10294929
Application Number:	10280602
Application Number:	10851810
Application Number:	10661202
Application Number:	10681486
Application Number:	10728687
Patent Number:	D499806
Application Number:	29205967
Patent Number:	6394971
Patent Number:	D447603
Patent Number:	D464467
Patent Number:	6419652
Patent Number:	D463566
Patent Number:	6517501

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Patent Number:	D468434
Patent Number:	D437416
Patent Number:	5318507
Patent Number:	5656021
Patent Number:	6336908
Patent Number:	6398749
Patent Number:	D480145
Patent Number:	6422242
Patent Number:	6622719
Patent Number:	D482512
Patent Number:	D489135
Patent Number:	D451645
Patent Number:	D453976
Patent Number:	6401245
Patent Number:	5147261
Patent Number:	5399151
Patent Number:	5656020
Patent Number:	5693006
Patent Number:	D463565
Patent Number:	D495058
Patent Number:	D497207
Patent Number:	D481798
Patent Number:	6077242
Patent Number:	6080124
Patent Number:	5499965
Patent Number:	D468019
Patent Number:	D496466
Patent Number:	5971947
Patent Number:	6149617
Patent Number:	D496108
Patent Number:	6146348
Patent Number:	6196985
Patent Number:	6740056
Patent Number:	D477088
Application Number:	10952217

PATENT

REEL: 016651 FRAME: 0931

CORRESPONDENCE DATA

Fax Number: (216)363-4607
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (216) 363-4466
Email: patent@bfca.com
Correspondent Name: Rita Kline
Address Line 1: 200 Public Square
Address Line 2: 2300 BP Tower
Address Line 4: Cleveland, OHIO 44114-2378

ATTORNEY DOCKET NUMBER:	29030-1 FLA ORTHO/KEY
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NAME OF SUBMITTER:	Rita Kline
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Total Attachments: 20
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EXECUTION COPY

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement, as it may be amended, restated or otherwise modified from time to time (this "Agreement"), is executed and delivered at Cleveland, Ohio as of this 20th day of July, 2005, by FLA. ORTHOPEDICS, INC., a Florida corporation (together with its successors and assigns, the "Pledgor"), to KEYBANK NATIONAL ASSOCIATION, as agent (in that capacity, "Agent") of the lending institutions named in Schedule 1 to the Credit Agreement, as hereinafter defined (the "Lenders").

RECITALS:

Agent and the Lenders are entering into the Credit Agreement, as hereinafter defined, with Pledgor and ORTHOPEDIC HOLDING COMPANY, a Delaware corporation (together with its successors and assigns, the "Parent"). Pledgor desires that the Lenders grant the financial accommodations to Pledgor as described in the Credit Agreement, as hereinafter defined.

Pledgor deems it to be in its direct pecuniary and business interests that it obtain from the Lenders the Commitment, as defined in the Credit Agreement, and the Loans and Letters of Credit, as hereinafter defined, provided for in the Credit Agreement.

Pledgor understands that the Lenders are willing to enter into the Credit Agreement and to grant such financial accommodations to Pledgor only upon certain terms and conditions, one of which is that Pledgor grant to Agent, for the benefit of the Lenders, a security interest in, and an assignment of, the Collateral, as hereinafter defined, and this Agreement is being executed and delivered in consideration of each financial accommodation, if any, granted to Pledgor by the Lenders under the Credit Agreement, as hereinafter defined, and for other valuable considerations.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** As used herein, the following terms shall have the following meanings:

"Assignment" shall mean an Assignment in the form of Exhibit A hereto.

"Collateral" shall mean, collectively, all of Pledgor's existing and future (a) Patents; (b) Trademarks; (c) Licenses; (d) all of the goodwill of Pledgor's business, including, but not limited to, all goodwill connected with and symbolized by the Trademarks; and (e) proceeds of any of the foregoing.

"Credit Agreement" shall mean the Credit and Security Agreement executed by and among Pledgor, Parent, Agent and the Lenders and dated as of even date herewith, as it may from time to time be amended, restated or otherwise modified.

“Debt” shall mean, the Secured Debt as defined in the Credit Agreement.

“Licenses” shall mean any license agreement with any other party, whether Pledgor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Pledgor and now or hereafter covered by such licenses.

“Patents” shall mean any patent and patent application, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world.

“PTO” shall mean the United States Patent and Trademark Office in Washington, D.C.

“Trademarks” shall mean any registered trademark, trademark registration, trade name and trademark application (other than intent-to-use applications), registered service mark, service mark registration, service name and service mark application, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payment for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world.

Capitalized terms used in this Agreement without definition have the meanings ascribed to such terms in the Credit Agreement.

2. Grant of Security Interest. In consideration of and as security for the full and complete payment of all of the Debt, Pledgor hereby agrees that Agent shall at all times have, and hereby grants to Agent, for the benefit of the Lenders, a security interest in all of the Collateral, including (without limitation) all of Pledgor’s future Collateral, irrespective of any lack of knowledge by Agent or the Lenders of the creation or acquisition thereof.

3. Warranties and Representations. Pledgor represents and warrants to Agent and the Lenders that as of the date hereof:

(a) Pledgor owns all of the Collateral and, whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable;

(b) except as set forth in Schedule 7.4 or the Credit Agreement, Pledgor has no knowledge of any claim that the use of any of the Collateral does or may violate the rights of any Person;

(c) except for Permitted Liens, Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Pledgor not to sue third Persons;

(d) Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms;

(e) Pledgor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral, except where the failure to do so will not have a Material Adverse Effect;

(f) Pledgor represents and warrants that it is the true and lawful owner or licensee of the Trademarks listed on Schedule B attached hereto and made a part hereof, and that said listed Trademarks constitute all the marks registered in the PTO that such Pledgor now owns or uses in connection with its business, other than any such marks which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that it owns or is licensed to use all Trademarks that it uses, and that it owns all of the registrations listed on Schedule B. Pledgor further warrants that it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any registered trademark or registered service mark in a manner which would reasonably be expected to have a Material Adverse Effect; and

(g) Pledgor represents and warrants that it is the true and lawful owner or licensee of all rights in the Patents listed on Schedule A, attached hereto and made a part hereof, that said Patents constitute all the United States patents and applications for United States patents that Pledgor now owns, other than any such patents, applications and registrations which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that it owns or is licensed to practice under all Patent registrations that it owns, uses or practices under. Pledgor further warrants that it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any patent in a manner which would reasonably be expected to have a Material Adverse Effect.

4. Further Assignment Prohibited. Pledgor shall not enter into any agreement that is inconsistent with Pledgor's obligations under this Agreement and shall not otherwise sell or assign its interest in, or grant any license or sublicense with respect to, any of the Collateral other than in the ordinary course of business consistent with past practice without Agent's prior written consent which shall not be unreasonably withheld. Absent such prior written consent, any such attempted sale or license is null and void.

5. Right to Inspect. Pledgor hereby grants to Agent and Lenders and their employees and agents the right to visit any location of Pledgor and to inspect Pledgor's books

and records and to make excerpts therefrom and transcripts thereof at such times and upon such notice as is set forth in Section 5.23 of the Credit Agreement.

6. Standard Patent and Trademark Use. Pledgor shall not knowingly use the Collateral in any manner that would jeopardize the validity or legal status thereof. Pledgor shall comply with all patent marking requirements as specified in 35 U.S.C. §287. Pledgor shall further conform its usage of any material trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and SM where appropriate.

7. Event of Default.

(a) Pledgor expressly acknowledges that Agent may record this Agreement with the PTO. Contemporaneously herewith, Pledgor shall also execute and deliver to Agent the Assignment, which Assignment shall have no force and effect and shall be held by Agent, in escrow, until the occurrence of and during the continuance of an Event of Default; provided that, anything herein to the contrary notwithstanding, the security interest granted herein shall be effective as of the date of this Agreement. After the occurrence of an Event of Default (unless such Event of Default has been cured or waived prior to Agent providing the notice provided for by this paragraph), the Assignment shall take effect immediately upon certification of such fact by an authorized officer of Agent in the form attached as Exhibit A and upon written notice to Pledgor and thereafter Agent may, in its sole discretion, record the Assignment with the PTO.

(b) If an Event of Default shall occur, Pledgor irrevocably authorizes and empowers Agent, on behalf of the Lenders, to terminate Pledgor's use of the Collateral and to exercise such rights and remedies as allowed by law. Without limiting the generality of the foregoing, Agent may immediately sell at public or private sale, in a commercially reasonable manner, or otherwise realize upon all or, from time to time, any of the Collateral, together with the associated goodwill, or any interest that Pledgor may have therein, and, after deducting from the proceeds of sale or other disposition of the Collateral all reasonable expenses (including all reasonable expenses for attorneys' and brokers' fees and other legal services), Agent shall apply such proceeds against payment of the Debt. Any remainder of the proceeds, after payment in full of the Debt, shall be distributed in accordance with Chapter 1309 of the Ohio Revised Code. Notice of any sale or other disposition of the Collateral shall be given to Pledgor at least ten (10) business days before the time of any intended public or private sale or other disposition of the Collateral is to be made, which Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

8. Termination. At such time as the Debt has been irrevocably paid in full, the Commitment, as defined in the Credit Agreement, terminated, and the Credit Agreement terminated and not replaced by any other credit facility with Agent and the Lenders, this Agreement shall terminate and Agent shall, upon Pledgor's request, execute and deliver to Pledgor, at Pledgor's expense, all deeds, assignments, and other instruments as Pledgor shall reasonably request to evidence the release of Agent's security interest in the Collateral in connection with such termination, subject to any disposition thereof that may have been made by

Agent pursuant hereto; provided, however that the provisions of Sections 9, 11, 22, 23, 24, 25 and 26 shall survive any termination of this Agreement.

9. Maintaining Collateral, Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral, provided that Pledgor shall not be obligated to maintain any Collateral in the event Pledgor determines, in the reasonable business judgment of Pledgor, that the maintenance of such Collateral is no longer material to Pledgor's business. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and legal expenses incurred by Agent and the Lenders in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any material taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by Pledgor, within ten (10) days of demand by Agent, and, until so paid after demand, shall be added to the principal amount of the Debt.

10. Pledgor's Obligations to Prosecute. Except as otherwise agreed to by Agent in writing, or unless Pledgor determines in the reasonable business judgment of Pledgor that the maintenance of such collateral is no longer necessary, Pledgor shall have the duty to prosecute diligently any patent application or trademark application pending as of the date of this Agreement or thereafter until the Debt shall have been paid in full, and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including, but not limited to, payment of any maintenance fees. Any reasonable expenses incurred by Agent in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral without the prior written consent of Agent, unless such abandonment will not have a material adverse effect on Pledgor or such abandonment is in connection with the abandonment of a product or product line.

11. Agent's Rights to Enforce. Pledgor shall have the right but not the obligation to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Collateral. Agent and the Lenders shall have the right, but shall have no obligation, to join in any such action during the existence of an Event of Default. Pledgor shall promptly, and in any event within ten (10) days of demand, reimburse and indemnify Agent and the Lenders for all damages, reasonable costs and expenses, including attorneys' fees incurred by Agent in connection with the provisions of this Section 11, in the event Agent and the Lenders elect to join in any such action commenced by Pledgor.

12. Power of Attorney. Pledgor hereby authorizes and empowers Agent, on behalf of the Lenders, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, after the occurrence and during the continuance of an Event of Default, with the power to endorse Pledgor's name on all applications, documents, papers and instruments necessary for Agent to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or

necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated goodwill to a third party or parties. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

13. Agent's Right to Perform Obligations. If Pledgor materially fails to comply with any of its obligations under this Agreement, Agent, on behalf of the Lenders, may after reasonable notice to Pledgor, but is not obligated to, do so in Pledgor's name or in Agent's name, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Agent on demand in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Agent in protecting, defending and maintaining the Collateral.

14. Additional Documents. Pledgor shall, upon written request of Agent, enter into such additional documents or instruments as may be reasonably required by Agent in order to effectuate, evidence or perfect Agent's interests in the Collateral as evidenced by this Agreement.

15. New Collateral. If, before the Debt shall have been satisfied in full, Pledgor shall obtain rights to any new Collateral, the provisions of Sections 2 and 7 hereof shall automatically apply thereto as if the same were identified on Schedules A, B or C attached hereto and made a part hereof as of the date hereof, and Pledgor shall give Agent prompt written notice thereof.

16. Modification for New Collateral. Pledgor hereby authorizes Agent to modify this Agreement by amending Schedules A, B and/or C to include any future Collateral as contemplated by Sections 2 and 15 hereof and, at Agent's request, Pledgor shall execute any documents or instruments reasonably required by Agent in order to modify this Agreement as provided in this Section 16, provided that any such modification to Schedules A, B and/or C shall be effective without the signature of Pledgor. Pledgor hereby acknowledges that Agent may refile or re-record this Agreement with the PTO, together with any such modification to Schedules A, B and/or C.

17. No Waiver. No course of dealing between Pledgor and Agent and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Agent or the Lenders, any right, power or privilege hereunder or under any of the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18. Remedies Cumulative. All of the rights and remedies of Agent and the Lenders with respect to the Collateral, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

19. Severability. The provisions of this Agreement are severable, and, if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in

such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

20. Modifications. Except as provided in Section 16 hereof, this Agreement may be amended or modified only by a writing signed by Pledgor and Agent, on behalf of the Lenders. In the event that any provision herein is deemed to be inconsistent with any provision of any other document, other than the Credit Agreement, the provisions of this Agreement shall control.

21. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, except that Pledgor may not assign any of its rights or duties hereunder without the prior written consent of Agent. Any attempted assignment or transfer without the prior written consent of Agent shall be null and void.

22. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Pledgor, mailed or delivered to it, addressed to it at the address specified on the signature pages of the Credit Agreement, and, if to a Lender, mailed or delivered to it, addressed to the address of such Lender specified on the signature pages of the Credit Agreement. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or forty-eight (48) hours after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that all notices hereunder shall not be effective until received.

23. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Ohio, without regard to principles of conflicts of law. Pledgor hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, any Loan Document or any Related Writing, and Pledgor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Pledgor hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Pledgor agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

24. Indemnity: Administration and Enforcement. Pledgor will reimburse each Lender, on that Lender's demand from time to time, and Agent, on Agent's demand from time to time, for any and all reasonable fees, costs, and reasonable expenses (including, without limitation, the reasonable fees and disbursements of legal counsel) incurred by that Lender or Agent, as the case may be, in administering this Agreement and in protecting, enforcing, or attempting to protect or enforce its rights under this Agreement, together with interest thereon, following notice received by Pledgor, at a rate per annum equal to the Default Rate.

25. Unconditional and Continuing Security Interest. Pledgor's obligations under this Agreement and the granting of a security interest to Agent pursuant to this Agreement are unconditional and effective immediately, and (except for obligations surviving indefinitely pursuant to Section 8) those obligations and the security interest so granted shall continue in full effect until the Debt shall have been paid in full, regardless of the lapse of time, regardless of the fact that there may be a time or times when no Debt is outstanding, regardless of any act, omission, or course of dealing whatever on the part of Agent and the Lenders, or any of them, and regardless of any other event, condition, or thing. Without limiting the generality of the foregoing, neither the amount of the Debt for purposes of this Agreement, nor Pledgor's obligations under this Agreement, nor the security interest granted pursuant to this Agreement shall be diminished or impaired by:

(a) the granting by Agent or any Lender of any credit to any Obligor, whether or not liability therefor constitutes Debt, or any failure or refusal of Agent or any Lender to grant any other credit to any Obligor even if Agent or any Lender thereby breaches any duty or Commitment to Borrower or any other Person,

(b) the application by Agent or any Lender of credits, payments, or proceeds to any portion of the Debt,

(c) any extension, renewal, or refinancing of the Debt in whole or in part,

(d) any amendment, restatement, or other modification of any kind in, to, or of any Related Writing, or any consent or other indulgence granted to any Obligor, or any waiver of any Event of Default (under this Agreement or the Credit Agreement),

(e) any acceptance of security for or any other Obligor on the Debt or any part thereof, or any release of any security or other Obligor, whether or not Agent or any Lender receive consideration for the release,

(f) any discharge of the Debt in whole or in part under any bankruptcy or insolvency law or otherwise,

(g) the failure of Agent or any Lender to make any presentment or demand for payment, to assert or perfect any claim, demand, or interest, or to enforce any right or remedy, or any delay or neglect by Agent or any Lender in respect of the Debt or any part thereof or any security therefor,

(h) any failure to give Pledgor notice of (i) the making of any loan or other credit extension or the terms, conditions, and other provisions applicable thereto, (ii) any dishonor by Borrower or any other Obligor, or (iii) the inaccuracy or incompleteness of any representation, warranty, or other statement made by any Obligor, or

(i) any defense that may now or hereafter be available to any Obligor, whether based on suretyship, impairment of collateral, accord and satisfaction, breach of warranty, breach of contract, failure of consideration, tort, lack of capacity, usury, or otherwise, or any illegality, invalidity, or unenforceability of the Debt or any part thereof or of any Related Writing.

26. No Setoff, Rights Against Other Obligors. Pledgor hereby (a) waives all now existing or hereafter arising rights to recoup or offset any obligation of Pledgor under this Agreement against any claim or right of Pledgor against Agent or any Lender, (b) waives all rights of exoneration now or hereafter arising out of or in connection with this Agreement, and (c) agrees that unless and until all of the Debt shall have been paid in full, Pledgor will not assert against any other Obligor or any other Obligor's property any rights (including, without limitation, contribution, indemnification, reimbursement, and subrogation) now or hereafter arising (whether by contract, operation of law, or otherwise) out of or in connection with this Agreement.

[Remainder of page intentionally left blank.]

27. JURY TRIAL WAIVER. PLEDGOR, AGENT AND THE LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, THE LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND THE LENDERS, OR ANY OF THEM.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the 20th day of July, 2005.

FLA. ORTHOPEDICS, INC.

By: Karen Pajarillo
Print Name: Karen Pajarillo
Title: Vice President and Assistant Secretary

KEYBANK NATIONAL ASSOCIATION,
as Agent and as a Lender

By: _____
Print Name: Matthew Keefe
Title: Vice President

Intellectual Property Security Agreement - Borrower

27. JURY TRIAL WAIVER. PLEDGOR, AGENT AND THE LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, THE LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND THE LENDERS, OR ANY OF THEM.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the 20th day of July, 2005.

FLA. ORTHOPEDICS, INC.

By: _____
Print Name: _____
Title: _____

KEYBANK NATIONAL ASSOCIATION,
as Agent and as a Lender

By: Matthew Keefe
Print Name: Matthew Keefe
Title: Vice President

Intellectual Property Security Agreement - Borrower

SCHEDULE A

Patents

PATENTS

Patent	Current Owner	Patent #	Jurisdiction
1. Ankle Brace Support and Method	FLA Orthopedics, Inc.	6,394,971	USA
2. Back Support and Detachable Apron	FLA Orthopedics, Inc.	D447,603	USA
3. Back Support and Detachable Apron	FLA Orthopedics, Inc.	D464,467	USA
4. Back Belt and Method	FLA Orthopedics, Inc.	6,419,652	USA
5. Carpal/Mate Motion Modulation Device	FLA Orthopedics, Inc.	D463,566	USA
6. Carpal Tunnel Device & Method (Utility)	FLA Orthopedics, Inc.	6,517,501	USA
7. Carpal Tunnel Wrist Support (Design)	FLA Orthopedics, Inc.	D468,434	USA
8. Combined Maternity Abdominal and Lumbar Support	FLA Orthopedics, Inc.	D437,416	USA
9. Detachable Back, Belt, Apron, Method (Old AP)	FLA Orthopedics, Inc.	5,318,507	USA
10. Detachable Back, Belt, Apron, Method (Detachable Side Pulls)	FLA Orthopedics, Inc.	5,656,021	
11. Detachable Back Support, Apron and Method	FLA Orthopedics, Inc.	6,336,908B1	USA
12. Elbow Support Compression and Method	FLA Orthopedics, Inc.	6,398,749	USA
13. Hernia Belt (Design)	FLA Orthopedics, Inc.	D480,145	USA
14. Hernia Belt (Utility)	FLA Orthopedics, Inc.	6,422,242B1	USA
15. Hernia Brief (Utility)	FLA Orthopedics, Inc.	6,622,719B1	USA
16. Hernia Brief (Design)	FLA Orthopedics, Inc.	D482,512	USA
17. Hinge for Ankle Walker Brace (Design)	FLA Orthopedics, Inc.	D489,135	USA
18. Knee Pad Cover for a Knee Pad or the Like	FLA Orthopedics, Inc.	D451,645	USA
19. Knee Pad (Design)	FLA Orthopedics, Inc.	D453,976S	USA
20. Knee Pad (Utility)	FLA Orthopedics, Inc.	6,401,245	USA
21. Lifting Belt	FLA Orthopedics, Inc.	5,147,261	USA
22. Lifting Belt and Method	FLA Orthopedics, Inc.	5,399,151	USA
23. Lifting Belt, Panel and Method	FLA Orthopedics, Inc.	5,656,020	USA
24. Method of Using a Lifting Belt in Combination with an Accessory	FLA Orthopedics, Inc.	5,693,006	USA
25. Motion Modulation Device for a Hand	FLA Orthopedics, Inc.	D463,565	USA
26. Night Foot Splint Insert (Cub Shell) Design	FLA Orthopedics, Inc.	D495,058	USA
27. Night Foot Splint (#2) Design	FLA Orthopedics, Inc.	D497,207	USA
28. Night Splint (Design) (Cub)	FLA Orthopedics, Inc.	D481,798	USA
29. Patella Strap	FLA Orthopedics, Inc.	6,077,242	USA
30. Patella Strap Method	FLA Orthopedics, Inc.	6,080,124	USA
31. Shaped Lifting Belt and method	FLA Orthopedics, Inc.	5,499,965	USA
32. Stay Support for Hand/Wrist (Design)	FLA Orthopedics, Inc.	D468,019	USA
33. Surface Ornamentation for a Foot Splint (Design)	FLA Orthopedics, Inc.	D496,466	USA
34. Tennis Elbow Band and Method (GelBand)	FLA Orthopedics, Inc.	5,971,947	USA
35. Tennis Elbow Band and Method	FLA Orthopedics, Inc.	6,149,617	USA
36. Thermal Lumbar Wrap (Design)	FLA orthopedics, Inc.	D496,108 S	USA
37. Thumb Wrist Splint and Method	FLA Orthopedics, Inc.	6,146,348	USA
38. Thumb Wrist Splint and Method	FLA Orthopedics, Inc.	6,196,985 B1	USA
39. Universal Carpal Tunnel (CarpalMate)	FLA Orthopedics, Inc.	6,740,056	USA
40. Universal Wrist Splint (Design) (UniFit)	FLA Orthopedics, Inc.	D477,088	USA
41. Orthopedic Night Foot Splint (Design)	FLA Orthopedics, Inc.	104141	Canada
42. Patella Strap & Method	FLA Orthopedics, Inc.	2,288,489	Canada
43. Orthopedic Night Foot Splint (Design)	FLA Orthopedics, Inc.	00007402666-0001	UK/EU
44. Lumbar Spine Support	FLA Orthopedics, Inc.	5,207,636	USA
45. Body Jacket Closure	FLA Orthopedics, Inc.	5,267,948	USA

PATENTS

Patent Application	Current Owner	Application Number	Jurisdiction
1. Controlled Motion Ankle Walker (Utility)	FLA Orthopedics, Inc.	App. 10/134,083	USA
2. Universal Wrist Splint (Utility)	FLA Orthopedics, Inc.	App. 10/294,929	USA
3. Controlled Motion Knee Brace	FLA Orthopedics, Inc.	App. 10/280,602	USA
4. Cub Night Splint (CIP of 10/388,689 (3/03))	FLA Orthopedics, Inc.	App. 10/851,810	USA
5. Night Splint w/Toe Wedge (CIP)	FLA Orthopedics, Inc.	App. 10/661,202	USA
6. Patella Support Compression and Method	FLA Orthopedics, Inc.	App. 10/681,486	USA
7. Disposable Liner for the Multi AFO/Contracture Splint	FLA Orthopedics, Inc.	App. 10/728,687	USA
8. SoftForm Posture Control Brace (Design)	FLA Orthopedics, Inc.	App. 29/200,752	USA
9. Ankle Foot Orthosis Night Wrap (Design)	FLA Orthopedics, Inc.	App.29/205,967	USA
10. Ankle Foot Orthosis Night Wrap (Utility)	FLA Orthopedics, Inc.	App 10/952,217	USA
11. Orthopedic Night Foot Splint (Utility)	FLA Orthopedics, Inc.	App. 2,439,998	USA
12. Orthopedic Night Foot Splint (Utility)	FLA Orthopedics, Inc.	App. PA/u/2003/000221	Mexico
13. Orthopedic foot Splint (Utility)	FLA Orthopedics, Inc.	App. 032555518.7	UK/EU

SCHEDULE B
Trademarks

TRADEMARKS

Trademark	Current Owner	Registration	Jurisdiction
1. AccuLift	FLA Orthopedics, Inc.	1,793,200	USA
	FLA Orthopedics, Inc.	2,377,516	USA
2. Activa	FLA Orthopedics, Inc.	2,261,487	USA
3. Anaglide	FLA Orthopedics, Inc.	2,012,624	USA
4. CarpalMate	FLA Orthopedics, Inc.	2,664,204	USA
5. CartLock	FLA Orthopedics, Inc.	2,017,917	USA
6. CustomFit	FLA Orthopedics, Inc.	2,243,992	USA
	FLA Orthopedics, Inc.	2,501,691	USA
7. Dynaback	FLA Orthopedics, Inc.	1,892,624	USA
8. Endeavor	FLA Orthopedics, Inc.	2,038,580	USA
9. EPI Sport	FLA Orthopedics, Inc.	2,253,266	USA
10. EZ ON	FLA Orthopedics, Inc.	2,224,217	USA
11. Fashioned for Form & Function	FLA Orthopedics, Inc.	2,463,719	USA
12. FLA Brand	FLA Orthopedics, Inc.	2,023,389	USA
13. FLA Orthopedics	FLA Orthopedics, Inc.	1,850,622	USA
	FLA Orthopedics, Inc.	2,094,124	USA
14. F.L.A. Orthopedics & Design	FLA Orthopedics, Inc.	2,094,124	USA
15. FlexLite	FLA Orthopedics, Inc.	2,299,006	USA
16. Foamair	FLA Orthopedics, Inc.	2,728,989	USA
17. GelBand	FLA Orthopedics, Inc.	2,275,540	USA
	FLA Orthopedics, Inc.	2,469,472	USA
18. GellCell	FLA Orthopedics, Inc.	2,463,099	USA
19. GelShield	FLA Orthopedics, Inc.	2,305,657	USA
20. HealWell	FLA Orthopedics, Inc.	2,362,329	USA
21. HealWell Cub	FLA Orthopedics, Inc.	2,843,756	USA
22. KneeMate	FLA Orthopedics, Inc.	2,583,450	USA
23. Liftman Illustration	FLA Orthopedics, Inc.	1,789,867	USA
	FLA Orthopedics, Inc.	1,790,974	USA
24. Orthopaedic by Design	FLA Orthopedics, Inc.	2,479,582	USA
25. Postura	FLA Orthopedics, Inc.	2,259,996	USA
26. PowerForm	FLA Orthopedics, Inc.	2,534,909	USA
27. PressureLite	FLA Orthopedics, Inc.	2,642,652	USA
28. Preventative Support for the Active Woman	FLA Orthopedics, Inc.	2,197,787	USA
29. Professional Grade (Supplemental Register)	FLA Orthopedics, Inc.	2,780,883	USA
30. ProLite	FLA Orthopedics, Inc.	2,263,576	USA
31. Safe-T-Belt	FLA Orthopedics, Inc.	2,045,458	USA
32. Safe-T-Elbow	FLA Orthopedics, Inc.	1,816,771	USA
33. Safe-T-Glove	FLA Orthopedics, Inc.	2,276,924	USA
34. Safe-T-Lift	FLA Orthopedics, Inc.	1,607,380	USA
	FLA Orthopedics, Inc.	1,821,167	USA
35. Safe-T-Sport	FLA Orthopedics, Inc.	2,013,789	USA
36. Safe-T-Strap	FLA Orthopedics, Inc.	2,049,861	USA
37. Safe-T-Wrist	FLA Orthopedics, Inc.	1,790,968	USA
	FLA Orthopedics, Inc.	1,815,783	USA
38. ShearTex	FLA Orthopedics, Inc.	2,224,220	USA
39. Sheer Therapy	FLA Orthopedics, Inc.	2,432,485	USA
40. Silver Label	FLA Orthopedics, Inc.	2,768,023	USA
41. SoftForm	FLA Orthopedics, Inc.	2,503,296	USA
42. SoftForm (Supplemental)	FLA Orthopedics, Inc.	2,505,626	USA
43. SoftPoint	FLA Orthopedics, Inc.	2,548,906	USA
44. Specter	FLA Orthopedics, Inc.	2,038,579	USA
45. StepLite	FLA Orthopedics, Inc.	2,038,581	USA

TRADEMARKS

Trademark	Current Owner	Registration	Jurisdiction
46. Tether	FLA Orthopedics, Inc.	2,288,941	USA
47. The Safer Lifting Strategy	FLA Orthopedics, Inc.	1,792,149	USA
48. UniFit	FLA Orthopedics, Inc.	2,008,726	USA
49. Work-About	FLA Orthopedics, Inc.	2,618,130	USA
50. Gel-Band	FLA Orthopedics, Inc.	TMA528,366	Canada
51. Pro-Lite	FLA Orthopedics, inc.	TMA512,158	Canada
52. Silver Label	FLA Orthopedics, Inc.	TMA621,249	Canada
53. HealWell	FLA Orthopedics, Inc.	TMA613,851	Canada
54. Activa	FLA Orthopedics, Inc.	TMA618,434	Canada
55. HealWell	FLA Orthopedics, Inc.	800239	Mexican
56. Silver Label	FLA Orthopedics, Inc.	797849	Mexican
57. SheerTex	FLA Orthopedics, Inc.	2328090	UK/EU

Use with TM only, no registration applied

58. Gel.foam

59. Hospital Grade

60. PowerCentric

App. 76/417,400

TRADEMARKS

Trademark Application	Current Owner	Trademark Number	Jurisdiction
1. "FLA Orthopedics" (10/03 New App)	FLA Orthopedics, Inc.	76/555,687	USA
2. FLA ORTHOPEDICS & LOGO	FLA Orthopedics, Inc.	76/562,181	USA
3. HealWell Cub & Design	FLA Orthopedics, Inc.	76/558,721	USA
4. SheefTex (Intent to Use) (Use Filing)	FLA Orthopedics, Inc.	76/499,641	USA
5. HealWell	FLA Orthopedics, Inc.	2328089	UK/EU
6. Sheer Therapy	FLA Orthopedics, Inc.	2364048	UK/EU

SCHEDULE C

Licenses

1. License and Purchase Agreement, dated January 31, 1997, by and among FLA Orthopedics, Inc., Clinitex Medical Corporation and Sroufe Manufacturing Inc.
2. Royalty Agreement, dated September 1995, by and between FLA Orthopedics, Inc. and Clinitex Medical Corporation.

EXHIBIT A

FORM OF ASSIGNMENT

THIS DOCUMENT SHALL BE HELD BY AGENT IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE INTELLECTUAL PROPERTY SECURITY AGREEMENT, DATED AS OF JULY ___, 2005 (AS THE SAME MAY FROM TIME TO TIME BE AMENDED, RESTATED OR OTHERWISE MODIFIED, THE "AGREEMENT"), EXECUTED BY FLA. ORTHOPEDICS, INC., A FLORIDA CORPORATION (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, THE "PLEDGOR"), IN FAVOR OF KEYBANK NATIONAL ASSOCIATION, AS AGENT FOR THE LENDERS, AS DEFINED IN THE AGREEMENT (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "AGENT"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF AGENT CERTIFIES THAT AN EVENT OF DEFAULT (AS DEFINED IN THE AGREEMENT) HAS OCCURRED AND IS CONTINUING AND THAT AGENT HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL (AS DEFINED BELOW) ON BEHALF OF AND FOR THE BENEFIT OF THE LENDERS AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

KEYBANK NATIONAL ASSOCIATION

By: _____
Print Name: _____
Title: _____
Date: _____

ASSIGNMENT

WHEREAS, FLA. ORTHOPEDICS, INC., a Florida corporation (together with its successors and assigns, the "Pledgor"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Pledgor has executed an Intellectual Property Security Agreement, dated as of even date herewith (as the same may from time to time be amended, restated or otherwise modified, the "Agreement") in favor of KEYBANK NATIONAL ASSOCIATION, as Agent for the Lenders, as defined in the Agreement ("Agent"), pursuant to which Pledgor has granted to Agent, for the benefit of the Lenders, a security interest in the Collateral as security for the Debt, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in and of the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence and during the continuance of an Event of Default, as defined in the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, Pledgor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over unto Agent, its successors, transferees and assigns, all of its existing and future Collateral (as defined in the Agreement), including, but not limited to, the Collateral listed on Schedules A, B, and C of the Agreement (which such schedules shall also be deemed schedules hereto) that is registered in the United States Patent and Trademark Office in Washington, D.C. or that is the subject of pending applications in the United States Patent and Trademark Office.

This Assignment shall be effective only upon the certification of an authorized officer of Agent, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred and is continuing, and (b) Agent has elected to take actual title to the Collateral.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be executed by its duly authorized officer on _____, 2005.

FLA. ORTHOPEDICS, INC.

By: _____
Print Name: _____
Title: _____

STATE OF Ohio)
) SS:
COUNTY OF Cuyahoga

BEFORE ME, the undersigned authority, on this day personally appeared Karen Pajarillo, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said FLA. Orthopedics, Inc., a Florida corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of July, 2005.

Toni Kardamis
Notary Public



TONI T. KARDAMIS
NOTARY PUBLIC
STATE OF OHIO
My Comm. Exp. 1/7/09

Intellectual Property Security Agreement - Borrower