

A.	<u>Application/Patent No.</u> 11/673,131 RE35816E 5,198,877 60/864,031 4,880,971 5,633,494	B.	<u>Application/Issue Date</u> February 9, 2007 June 2, 1998 May 2, 1998 Not Available November 14, 1989 May 27, 1997
----	--	----	--

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

Charles N.J. Ruggiero, Esq.
Ohlandt, Greeley, Ruggiero & Perle, L.L.P.
One Landmark Square, 10th Floor
Stamford, Connecticut 06901-2682 U.S.A.

6. Total No. of applications and patents involved: 1

7. Total Fee (37 C.F.R. 3.41(h)) \$40.00/assignment.

XXXXX CUSTOMER NO.: 27623

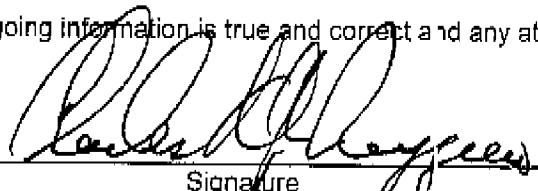
 Enclosed

XXXXX Authorized to be charged to deposit account.

The Commissioner is hereby authorized to charge any additional fees under 37 C.F.R. 3.41 that may be required with this communication or credit any overpayment, to Deposit Account No. **01-0467**. A duplicate copy of this Form is enclosed.

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.

Charles N.J. Ruggiero
Name of Person Signing


Signature 4/3/08
Date

Total number of pages including cover sheet, attachments and document: 24

CERTIFICATE OF TRANSMISSION

I HEREBY CERTIFY THAT THIS CORRESPONDENCE IS BEING FACSIMILE TRANSMITTED TO THE FACSIMILE NUMBER 571 273 0140, TOTAL OF 24 PAGES, C/O MAIL STOP ASSIGNMENT RECORDATION SERVICES, COMMISSIONER FOR PATENTS, P.O. BOX 1450, ALEXANDRIA, VA 22313-1450, ON April 3, 2008.

Execution Copy

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS AGREEMENT effective as of December 21, 2007 is made by **NORTHERN DIGITAL INC.**, successor by amalgamation of Northern Digital Inc., 1543463 Ontario Inc., 1543505 Ontario Inc., 1271231 Ontario Inc., 1543489 Ontario Inc. and NDI Acquisition Corp. under the laws of the Province of Ontario, (together with its successors and permitted assigns, the "**Grantor**") and located at 103 Randall Drive, Waterloo, Ontario, Canada N2V 1C5 in favour of **BMO CAPITAL CORPORATION** and located at 1 First Canadian Place, 11th Floor, Toronto, Ontario, Canada M5X 1A1 (together with its successors and assigns, the "**Lender**").

WHEREAS the Grantor has executed and delivered to the Lender a general security agreement dated as of December 21, 2007 (as amended, restated, supplemented, modified or replaced from time to time, the "**Security Agreement**") as continuing collateral security for all indebtedness, liabilities and obligations of the Grantor to the Lender under a credit agreement dated as of December 21, 2007 between a predecessor to the Grantor and the Lender;

AND WHEREAS as general and continuing collateral security for the payment and fulfillment of the Secured Obligations, the Grantor has agreed, *inter alia*, to grant, charge and pledge to the Lender a security interest in the Intellectual Property (as defined below).

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Grantor, the Grantor agrees and covenants with the Lender as follows:

1. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Security Agreement.
2. **Grant of Security Interest.** As general and continuing collateral security for the prompt and complete payment and performance of the Secured Obligations, the Grantor hereby grants to the Lender a security interest in all of the Grantor's Intellectual Property including, without limitation, the following:
 - (a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter acquired or held including, without limitation, those set forth in Schedule "A" attached hereto (collectively, the "**Copyrights**");
 - (b) Any and all confidential, proprietary, and/or trade secret information now or hereafter acquired or held, including without limitation, plans, data, prototypes, manuals, documents, technical information, non-public information regarding patents, or patentable subject matter, research results, and strategies and tactics for researching;
 - (c) Any and all property rights in all computer programs and databases and portions of each of the foregoing owned by the Grantor, in whatever form and on whatever medium those programs or databases are expressed, fixed, embodied or stored from time to time, including any copyright in such Software, including, without limitation, any such copyright set forth on Schedule "A" attached hereto, and both the object code and the source code versions of each such program and portions thereof and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such programs, databases and portions thereof are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and

PATENT

REEL: 020762 FRAME: 0133

semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto;


- (d) Any and all right, title, and interest to patents, patent applications, and including, without limitation, the patents and patent applications listed in Schedule "B" attached hereto, and like protections, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part thereof, such rights including, without limitation, any and all priority rights deriving therefrom, and any and all right, title, and interest to the inventions described in the patents or patent applications listed in Schedule "B" attached hereto (collectively, the "Patents");
 - (e) Any and all trademark and service mark rights, slogans, trade dress, tradenames and internet domain names, registered or not, applications to register and registrations of the same and like protections (excluding any intent to use filings) now or hereafter acquired or held, and the entire goodwill of the business of the Grantor associated therewith including, without limitation, those listed in Schedule "C" attached hereto (collectively the "Trademarks");
 - (f) Any and all industrial design rights now or hereafter acquired or held including, without limitation, the registrations and applications listed in Schedule "B" attached hereto (collectively, the "Designs");
 - (g) All licenses or other rights to use any of the Copyrights, Patents, Software, Designs, Trademarks, trade secrets, and all license fees and royalties due and/or payable to the Grantor arising from such use, to the extent permitted by such license or rights including, without limitation, those material licenses listed in Schedule "D" attached hereto;
 - (h) Any and all claims for damages or compensation for past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property identified above;
 - (i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents or Designs; and
 - (j) All proceeds from disposition of the foregoing including, without limitation, all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.
3. **Limitation on Grant of Security: Exception Regarding Last Day.** If the grant of any Encumbrance in any Intellectual Property under Section 2 would result in the termination or breach of the governing agreement relating to such Intellectual Property, then the applicable Intellectual Property will not be subject to any Encumbrance under Section 2; but will be held in trust by the Grantor for the benefit of the Lender. The last day of the term of each license granted to the Grantor pursuant to any license agreement shall be excepted from this Agreement and shall not form part of the Intellectual Property. The Grantor shall stand possessed of that day in trust to assign and dispose of it as the Lender directs.
4. **License Agreements.** The Encumbrance granted hereunder shall not extend or apply to any right, title or interest of the Grantor under any present or future license agreements pursuant to which the Grantor is a licensee, to the extent such license agreements prohibit such an Encumbrance from being granted without the consent or approval of another person as specified

- in such agreement and the Encumbrance or assignment granted hereunder shall only apply upon such consent or approval being obtained, but the Grantor shall hold its interest therein in trust for the benefit of the Lender and shall grant an Encumbrance to the Lender forthwith upon obtaining the consent of the other party thereto.
5. **Additional Security.** The security in respect of the Intellectual Property provided for hereunder is in addition to and not in substitution for any other security now or hereafter held by the Lender in relation to the Secured Obligations.
 6. **Authorization and Request.** This Agreement has been executed and delivered by the Grantor for the purpose of recording the Encumbrance of the Lender in the Intellectual Property with a register (a "Register") maintained under the legislative or regulatory authority of a nation, country, state, municipality or other political subdivision, or with a register maintained by an authority established pursuant to a treaty (for example, the European Patent Convention), wherein the purpose of the register is to maintain records of documents received by the authority and relating to Intellectual Property registrations or applications for Intellectual Property registration. The Grantor authorizes and requests that the Register record this Agreement.
 7. **Registration of Agreement.** The Grantor hereby acknowledges that the Lender may register a copy of this Agreement or notice thereof. The Grantor shall cooperate with and assist the Lender, as requested by the Lender, with respect to any registrations or notice registrations of or relating to this Agreement which the Lender deems appropriate.
 8. **Amendments.** This Agreement may not be amended unless the prior written consent of the Lender has been obtained.
 9. **Electronic Transmission.** This Agreement, to the extent signed and delivered by means of electronic transmission (including facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in Person.
 10. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
 11. **Incorporation by Reference; Conflict.** The Encumbrances created pursuant to this Agreement have been granted in conjunction with the Encumbrances granted by the Grantor to the Lender under the Security Agreement. The rights and remedies of the Lender with respect to the Encumbrances created pursuant to this Agreement are without prejudice to, and are in addition to, those rights and remedies set forth in the Security Agreement. All of the Lender's rights and remedies with respect to the Intellectual Property shall be cumulative. All terms and provisions of the Security Agreement as they relate to the Intellectual Property are herein incorporated by reference. In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in the Security Agreement, then the provisions of the Security Agreement shall have priority over and shall govern to the extent of such conflict or inconsistency.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Grantor has caused this Agreement to be executed as of the day set forth above.

NDI HOLDING CORP.


Per. _____
Name: Young Lee
Title: Secretary

Investment Property Pledge Agreement

PATENT
REEL: 020762 FRAME: 0136

SCHEDULE "A"

COPYRIGHTS

NIL

SCHEDULE "B"**PATENTS & DESIGNS**

Description of Registered Patents
013- Precision Bone Alignment (assigned to NDI by Horbal and Nowacki) US 5,249,581
014- Locating Target in Human Body (assigned to NDI by Horbal and Nowacki) US 5,197,476
015 - Locating Target in Human Body (assigned to NDI by Horbal and Nowacki) US 5,295,483
003-System for Determining the Spatial Position and Angular Orientation of an Object US 5,828,770
009-System for Determining the Spatial Position of a Target US 5,923,417 CA 2,272,357 CN ZL98801407.6 JP 3667352
010- System for Determining the Spatial Position & Orientation of a Body US 6,061,644 CA 2,312,352 EP 1,034,440 (issued in Germany, France, G. Britain, Netherlands) ZL 98811823.8
020-System for Determining Spatial Position and/or Orientation of One or More Objects (assigned to NDI by way of Mednetix acquisition) US 6,288,785 EP 1,096,268 (issued in Austria, Belgium, Germany, Denmark, France,

G. Britain, Italy, Netherlands, Switzerland, Sweden) JP 3947349
027-A Flexible Instrument with Optical Sensors US 7,194,296 CN ZL01818307.1
033-Solar-Powered Active Localizer Instrument (assigned to NDI by way of RWV acquisition) EP 1,158,924 (issued in Germany, France, G. Britain) DE 29904018.6 (assigned patent)
034-Reflector System for Determining Position (assigned to NDI by way of RWV acquisition) US 7,137,712
032-Image Guided Surgery System (assigned to NDI by Phillips) US 5,954,648 EP 0836438 (issued in France, G. Britain, Netherlands) DE 29707276.5 (assigned patent) JP 3,792,257 US 6,013,087
031- Image Guided Surgery System (assigned to NDI by Phillips) US 5,817,105 EP 0847253 (issued in Germany, France, G. Britain, Netherlands)
049-A Positioning System (assigned to NDI by way of Mednetix acquisition) US 6,385,482 EP 0890117 (issued in Austria, Switzerland, France, Great Britain, Netherlands) DE 58706099.1 (assigned patent)
045-Detecting Errors in the Determination of Magnetic Location or Orientation (assigned to NDI by

way of Mednetix acquisition)

US 6,553,326

EP 1272862 (issued in Switzerland, Germany, France, Great Britain,
Netherlands)

DE 60108365.2 (assigned patent)

CN XL01808978

KR 0734967

047-Method for Determining the Position of a Sensor Element (assigned to NDI by way of Mednetix acquisition)

US 6,836,745

EP 1303771 (issued in Austria, Switzerland, France, Great Britain,
Netherlands)

DE 50108329.4 (assigned patent)

ZL 01814661.9

046-Gain Factor and Position Determination System (assigned to NDI by way of Mednetix acquisition)

US 6,625,563

US 6,990,427

EP 1399765 (issued in Austria, Switzerland, Germany, France, Great
Britain, Netherlands)

044-Device for Determining Position (of Body Parts and Use of the Same) (assigned to NDI from Paul Scherrer Institute)

US 7,204,796

EP 1251778 (issued in Austria, Switzerland, Germany, France, G.
Britain, Netherlands)

CN ZL00818774.6

Description of Patent Applications
<p>System for Determining the Spatial Position of a Target</p> <p>Application no. 98944939.2 pending in European Union</p>
<p>System for Determining the Spatial Position and Orientation of a Body</p> <p>Application no. 2000-524686 pending in Japan</p>
<p>System for Determining Spatial Position and/or Orientation of One or More Objects</p> <p>Application no. 2,324,894 pending in Canada</p> <p>Application no. 00128419.3 pending in China</p>
<p>A Flexible Instrument with Optical Sensors</p> <p>Application no. 2,427,500 pending in Canada</p> <p>Application no. 01983347.4 pending in European Union</p>
<p>Reflector System for Determining Position</p> <p>Application no. 2,394,732 pending in Canada</p> <p>Application no. 00993582.6 pending in European Union</p> <p>Application no. 10029529.0 pending in Germany</p>
<p>Image Guided Surgery System</p> <p>Application no. 41895/97 pending in Japan</p>
<p>A Positioning System</p> <p>Application no. 9-533903 pending in Japan</p>
<p>Detecting errors in the Determination of Magnetic Location or Orientation</p> <p>Application no. 2,405,141 pending in Canada</p> <p>Application no. 2001-574503 pending in Japan</p> <p>Application no. 2001AU-0067254 pending in Australia</p>
<p>Method for Determining the Position of a Sensor Element</p>

Application no. 2,441,226 pending in Canada

Application no. 2002-514433 pending in Japan

Gain Factor and Position Determination System

Application no. 2,451,862 pending in Canada

Application no. 02816255.2 pending in China

Application no. 07111645.3 pending in European Union

Application no. 2003-507586 pending in Japan

Device for Determining Position (of Body Parts and Use of the Same)

Application no. 2,399,223 pending in Canada

Application no. 2000-576694 pending in Japan

Application no. 2000AU-0020903 pending in Australia

055-Eddy Current Detection and Compensation

Application no. 10/824,846 pending in U.S.

Application no. 11/332,390 pending in U.S.

Application no. 11/331,518 pending in U.S.

Application no. 2,521,537 pending in Canada

Application no. 04728145.6 pending in European Union

Application no. 20048009830.5 pending in China

Application no. 2006-504114 pending in Japan

Application no. 10-2005-7019776 pending in S. Korea

Retroreflective Marker-Tracking Systems

Application no. 11/673,131 pending in U.S.

Integrated Mapping System

Application no. 60/864,031 pending in U.S.

SCHEDULE "C"**TRADEMARKS**

Registered Trademarks
Polaris U.S. – Classes 9 and 10 U.S. – Class 9 Canada European Union Norway Japan South Korea – Class 9 Hong Kong
Polaris Vicra U.S. European Union Switzerland Norway Japan South Korea Hong Kong
Polaris Spectra U.S. European Union South Korea
Optotrak

U.S.

U.S. - Class 9

Canada

Switzerland

Hong Kong

Mexico

Japan

South Korea

Optotrak Certus

U.S.

Canada

European Union

Switzerland

Norway

China - Class 9

China - Class 10

Japan

South Korea - Class 9

South Korea - Class 10

South Korea - Class 9 & 10

Hong Kong

NDI

U.S.

Canada

European Union

Switzerland

China - Class 9

China - Class 10

Japan

Hong Kong

Aurora

U.S.

Canada

European Union

Switzerland

Norway

South Korea

Hong Kong

(NDI) Measurement You Can Trust

U.S.

Canada

European Union

Switzerland

Norway

China - Class 9

China - Class 10

Hong Kong – Class 9

Hong Kong – Class 10

Circle and Stars Logo

U.S.

Canada

European Union

Switzerland

Norway

China – Class 9

China – Class 10

Japan

South Korea

Hong Kong

Description of Trademark Applications

Polaris

China – Class 9 – Application no. 4059265

China – Class 10 – Application no. 4059188

South Korea – Class 10 – Application no. 20076121

Polaris Vicra

Canada – Application no. 1243164

China – Class 9 – Application no. 4473197

China – Class 10 – Application no. 4473130

Polaris Spectra

Canada – Application no. 1292235

China

Japan – Application no. 2006025139

Optotrak

European Union – Application no. 5177381

Norway – Application no. 200606328

China – Application no. 5452139

Aurora

China – Class 9 – Application no. 4080158

China – Class 10 – Application no. 4080157

Japan – Application no. 2004043599

SCHEDULE "D"**LICENSES GRANTED****Description of material in-licensed IP**

Any summary or description of agreements, documents or other matters set out in this Schedule 7.01(15) is not intended to be a complete summary or description. Reference should be made to the agreements, documents or other matters referenced for a complete description.

Embedded Software Non-Disclosure and License Agreement with HCC-Embedded Kft. IP licensed: Base FHE System with RAM Drive "EFFS-STD-BS"

Demonstration License Agreement with InnovMetric Software Inc.

IP licensed: Computer programs of Innovmetric marketed under the tradenames PolyWorks, PolyWorks/Modeler, PolyWorks/Inspector, IMAlign, IMMerge, IMEdit, IMCompress, IMTexture and IMInspect and may include associated software upgrades and updates, new software products, media, video tutorials, printed materials, "online" or electronic documentation, and software and hardware keys (dongles) provided by Innovmetric to NDI.

Distribution Agreement with InnovMetric Software Inc. NDI has non-exclusive and non-transferable rights to distribute PolyWorks® licenses worldwide except in Japan, in the manufacturing (i.e. 'short range' scanner) market, only in conjunction with its OPTOTRAK systems it manufacturers and markets.

Software License Agreement with InterNiche Technologies Inc.

IP licensed: the InterNiche Portable TCP/IP software.

End-Product Software License Agreements (2) with Micrium, Inc.

IP licensed:

µC/OS-II, a portable, ROMable, pre-emptive, real-time, multitasking kernel written in C

µC/FS, a portable, ROMable, embeddable FAT12/FAT16/FAT32 file system written in C.

OEM agreement with Perceptron, Inc. IP licensed:

Exclusive worldwide right and license to purchase and resell Perceptron Products to NDI's customers, distributors, and the like, (i) to use the Products as if NDI were an end user, (ii) to conduct testing to develop NDI's products and (iii) NDI will integrate the Perceptron Products with NDI's localization technology and in connection therewith make all necessary interfaces to make the Perceptron Product function as an integral part of the combination of the Products supplied by Perceptron and the NDI OptoTrak family of localization technology which once combined by NDI are collectively referred to

as "ScanTrak"

Except for the name "ScanTrak", a non-exclusive, worldwide right and license, solely in connection with the exercise of the rights set forth above, to use the trademarks and trade names of Perceptron identified in Schedule D of the agreement (currently: ScanWorks ®) as well as any other trademarks and trade names Perceptron has adopted or may from time to time adopt with respect to the Products.

License Agreement with Snap-on, Inc.

IP licensed:

Austrian Patent: ATE152823T

Canadian Patent: CA2094039 A1

German Patents: DE69126035 D1

DE69126035 T2

European Patents : EP0553266 A1

EP0553266 A4 EP0553266 B1

Japanese Patents: JP2974775B2 B2 JP6501774T T

US Patents: USRE35816E (reissue

of US5,198,877) US5,198,877 A

PCT: WO9207233 A1

Software License and Support Agreement with Speed to Market Engines

IP licensed: software programs in object code format only that NDI purchases from Speed to Market, more particularly, Concerto multi-project scheduling and controls system

Patent License Agreement with Stryker Instruments, a division of Stryker Corporation

IP licensed: US RE35,816 (re-issues of US5,198,877)

Austrian Patent: ATE152823

Canadian Patent: CA2094039

German Patents: DE69126035

European Patents : EP0553266

Japanese Patents:	JP2974775	JP6501774
PCT:	WO9207233	
Memorandum of Understanding with WaveZero, Inc.	IP licensed: US Patents 5,811,050 and 6,624,432 and 6,624,353 and 6,570,085 covering the vacuum metallization of thermoformed materials and other related processes	
The document located at 7.4.8.1. of the datasite contains a list of software that is used in day-to-day operations that may or may not be material, however is off-the-shelf software which is readily available.		
Measurand TCA (original)		
Measurand TCA 2002 Amendment		
Measurand TCA 2006 Amendment		
Measurand Security Agreement		
Measurand Security Agreement 2002 Amendment		
Measurand Security Agreement 2006 Amendment		
Measurand Hold Co Security Agreement		
Measurand Hold Co Security Agreement 2002 Amendment		
Measurand Hold Co Security Agreement 2006 Amendment		
Measurand Shareholders Agreement		
IP licensed: (as of date of Measurand TCA (original))		
U.S. Patent 4,880,971		
Canadian Patent 2,073,162		
U.S. Patent 5,321,257		
U.S. Patent 5,633,494		
EU Patent EP0 702 780		
PCT PCT/CA 94/00314 (Application); INT. Pub. No. WO94/29671		
Canadian Patent Application filed May 11, 1999 re: transversely coupled fiber optic sensor for measuring and classifying contact and shape		

In addition, a worldwide license to use all technical information and know-how which is: useful and transferable in nature; capable of protection under I.P law (including, but not limited to, patent, trademark, copyright, industrial design, integrated circuit topography and trade secret); includes all proprietary information (including, but not limited to, algorithm, logic flow diagram, logic architecture, source code, object code, computer program, microcode, system software, application software, documentation, drawings, interface hardware, corrections, manuals, upgradings, know-how and show-how, whether or not protectable under the aforementioned I.P law); and is rightfully licensable by Measurand. Also included is a license to use all technical information and inventions and other intellectual property of Measurand, reasonably related to the foregoing, and reasonably required to effectively or most efficiently make, use, sell and/or commercialize products and services using the foregoing.

Adeptron Technologies Inc. Supply Agreement

IP licensed:

NDI has a non-exclusive, non-assignable, non-transferrable license to use Adeptron's patents, trade secrets and other IP related to the Product (as defined in the Agreement), for the purpose of NDI being able to further process, use and sell the Product.

APPENDIX "B"