

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Nemcomed, Inc.	06/13/2008

RECEIVING PARTY DATA

Name:	The PrivateBank and Trust Company
Street Address:	70 West Madison Street
Internal Address:	Suite 200
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60602

PROPERTY NUMBERS Total: 5

Property Type	Number
Application Number:	11115007
Patent Number:	6095723
Patent Number:	6312432
Patent Number:	D522140
Patent Number:	D523142

CORRESPONDENCE DATA

Fax Number: (312)977-4405

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 3129774400

Email: nedebaun@uhlaw.com

Correspondent Name: Nathan E. DeBaun

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ATTORNEY DOCKET NUMBER:

1003177-0002

PATENT

500566175

REEL: 021085 FRAME: 0785

OP \$200.00 11115007

NAME OF SUBMITTER:

Nathan E. DeBaun

Total Attachments: 13

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** (this "**Agreement**"), dated as of June 13, 2008, is made by **ADVANTIS MEDICAL, INC.**, an Indiana corporation ("**Advantis**"), **AVALIGN TECHNOLOGIES, INC.**, a Delaware corporation ("**Avalign**"), **INSTRUMED INTERNATIONAL, INC.**, a Delaware corporation ("**Instrumed**"), Nemcomed, Inc., an Ohio corporation ("**Nemcomed**"), and Nemcomed FW, LLC, an Indiana limited liability company ("**Nemcomed FW**" and together with Advantis, Avalign, Instrumed and Nemcomed, the "**Grantors**"), in favor of **THE PRIVATEBANK AND TRUST COMPANY**, individually and in its capacity as Administrative Agent for the Lenders (the "**Administrative Agent**").

### WITNESSETH:

**WHEREAS**, pursuant to that certain Loan and Security Agreement dated as of the date hereof, by and among the Grantors, Avalign Technologies Holdings, Inc., a Delaware corporation, as a Credit Party, The PrivateBank and Trust Company, an Illinois state chartered bank, as Administrative Agent, Lead Arranger and as a Lender, and General Electric Capital Corporation, as Documentation Agent and as a Lender (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented, extended, replaced or otherwise modified, the "**Loan Agreement**"), the Lenders have agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of the Grantors;

**WHEREAS**, Lenders are willing to make the Loans and to incur Letter of Credit Obligations as provided for in the Loan Agreement, but only upon the condition, among others, that the Grantors shall have executed and delivered to the Administrative Agent, for its benefit and for the benefit of the Lenders, this Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **Definitions.** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement. The following terms shall have the following meanings:

- (a) "**Code**" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of Illinois; provided that to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern.
- (b) "**Copyright License**" means any and all rights now owned or hereafter acquired by any Grantor under any written agreement granting any right to use any Copyright or Copyright registration.
- (c) "**Copyrights**" means all of the following now owned or hereafter adopted or acquired by any Grantor: (a) all copyrights and General Intangibles of like nature

(whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

- (d) **“General Intangibles”** means all “general intangibles,” as such term is defined in the Code, now owned or hereafter acquired by any Grantor, including all right, title and interest that such Grantor may now or hereafter have in or under any Contract, all payment intangibles, customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged Stock (as defined in the Code) and Investment Property (as defined in the Code), rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Grantor or any computer bureau or service company from time to time acting for such Grantor.
- (e) **“Intellectual Property”** means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with such Trademarks.
- (f) **“License”** means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Grantor.
- (g) **“Patent License”** means rights under any written agreement now owned or hereafter acquired by any Grantor granting any right with respect to any invention on which a Patent is in existence.
- (h) **“Patents”** means all of the following in which any Grantor now holds or hereafter acquires: (a) all letters patent of the United States or of any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar

office or agency of the United States, any State, or any other country, and (b) all reissues, continuations, continuations -in-part or extensions thereof.

- (i) **“Trademark License”** means rights under any written agreement now owned or hereafter acquired by any Grantor granting any right to use any Trademark.
- (j) **“Trademarks”** means all of the following now owned or hereafter existing or adopted or acquired by any Grantor: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, except for any intent-to-use (ITU) United States trademark applications for which an amendment to allege use or statement of use has not been filed and accepted by the United States Patent and Trademarks Officer under 15 U.S.C. §1051, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

2. **Grant of Security Interest.** To secure the prompt and complete payment and performance of all of the Obligations, each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Lenders, a Lien on and security interest in and to all of such Grantor’s right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the **“Intellectual Property Collateral”**):

- (a) all of such Grantor’s Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;
- (b) all of such Grantor’s Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;
- (c) all of such Grantor’s Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;
- (d) all reissues, continuations or extensions of the foregoing;
- (e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and
- (f) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent

licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

3. **Representations and Warranties.** Each Grantor represents and warrants to the Administrative Agent and Lenders that it does not have any interest in, or title to, any Patent, registered Trademark or registered Copyright except as set forth in Schedule I, Schedule II and Schedule III hereto. This Agreement is effective to create a valid and continuing Lien on and, upon the recording hereof by the United States Copyright Office and the United States Patent and Trademark Office, perfected Liens in favor of Administrative Agent, for its benefit and for the benefit of the Lenders, on such Grantor's Patents, Trademarks and Copyrights and such perfected Liens are enforceable as such (subject to (i) the effect of any applicable bankruptcy, fraudulent transfer, moratorium, insolvency, reorganization or other similar laws affecting the rights of creditors generally and (ii) the effect of general principles of equity whether applied by a court of equity or law) as against any and all creditors of any purchasers from such Grantor to the extent that recording in the United States Copyright Office and the United States Patent and Trademark Office is effective to do so and subject to the proviso in the next sentence. Upon recording of this Agreement by the United States Copyright Office and the United States Patent and Trademark Office and the filing of appropriate financing statements as more fully described in the Loan Agreement, all action necessary or desirable to protect and perfect Administrative Agent's and Lenders' Lien on each Grantor's Patents, Trademarks or Copyrights shall have been duly taken; provided, however, that the subsequent recordation of this Agreement in the U.S. Patent and Trademark Office and U.S. Copyright Office, as applicable, may be necessary to perfect the security interest of the Administrative Agent for its benefit and for the benefit of the Lenders, in issued registrations and applications for other U.S. Intellectual Property that are acquired by a Grantor after the date hereof, the registration of unregistered Copyrights in the U.S. Copyright Office may be required in order to perfect the Administrative Agent's and Lenders' Lien therein, and the taking of actions outside the United States may be required in order to perfect the Administrative Agent's and Lenders' Lien in Intellectual Property included in the Collateral which is protected under non-U.S. law.

4. **Covenants.** Each Grantor covenants and agrees with the Administrative Agent that from and after the date of this Agreement and so long as any Lender has any Commitment under the Loan Agreement or any Extension of Credit or other Obligation remains outstanding (other than any Obligation arising solely from any Bank Product Agreement, contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted and Letters of Credit that have been collateralized in accordance with Section 2.5(j) of the Loan Agreement):

- (a) such Grantor shall notify Administrative Agent promptly if it knows or has reason to know that any material application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any

proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

- (b) such Grantor shall provide Administrative Agent with written notice of any application filed by such Grantor, either by itself or through any agent, employee, licensee or designee, to register any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in the United States within ninety (90) days of such filing, and, upon request of Administrative Agent, such Grantor shall execute and deliver a supplement hereto as Administrative Agent may request to evidence Administrative Agent's and Lenders' Lien on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.
- (c) such Grantor shall take all commercially reasonable actions necessary or requested by Administrative Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents, Trademarks and Copyrights (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect
- (d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, such Grantor shall, unless such Grantor shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of its business or operations, promptly take all commercially reasonable actions, including to sue to enjoin any such conduct and/or to recover any and all damages for such infringement, misappropriation or dilution.
- (e) In the event that a verified statement of use or amendment to allege use has been accepted by the United States Patent and Trademark Office in connection with any Trademark listed on Schedule II hereto, such Grantor shall at the time in which such Grantor has knowledge of such acceptance or should have known of such acceptance, immediately inform Administrative Agent of such acceptance and hereby authorizes Administrative Agent to file this Agreement with the United States Patent and Trademark Office at such time.

5. **Security Agreement.** The security interests granted by the Grantors pursuant to this Agreement are granted in conjunction with the security interest granted by the Grantors to Administrative Agent, for its benefit and for the benefit of the Lenders pursuant to the Loan Agreement. The Grantors and Administrative Agent expressly agree that the security interests granted under this Agreement and the Loan Agreement in the Intellectual Property Collateral are intended to be treated as a single security interest for purposes of Article 9 of the Code and other

applicable law. The exercise by the Administrative Agent of any rights or remedies with respect to any of the Intellectual Property Collateral shall be deemed to be an exercise of such rights or remedies in connection with both this Agreement and the Loan Agreement. In the event of any inconsistency between the terms and conditions of this Agreement and the Loan Agreement, then the terms and conditions of the Loan Agreement shall prevail.

6. **Reinstatement.** This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should such Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of such Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. **Notices.** Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Loan Agreement.

8. **Termination; Authorized Sales of Collateral.** Subject to Section 6 hereof, this Agreement shall terminate on the date in which no Lender has a Commitment under the Loan Agreement and no Extensions of Credit or other Obligation remains outstanding (other than any Obligation arising solely from any Bank Product Agreement, contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted and Letters of Credit that have been collateralized in accordance with Section 2.5(j) of the Loan Agreement). In the event any Grantor proposes to sell any of the Intellectual Property Collateral and such sale is permitted pursuant to the terms and conditions set forth in Section 7.8 of the Loan Agreement, the Administrative Agent agrees, at the expense of such Grantor, to execute and deliver to such Grantor, prior to or contemporaneously with such Grantor's receipt of the proceeds from such sale, such UCC-3 termination statements and other collateral property releases necessary to release the applicable Intellectual Property Collateral from the lien and security interest of the Administrative Agent and Lenders.

9. **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS. EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE FEDERAL AND/OR STATE COURTS SITTING IN COOK COUNTY, CITY OF CHICAGO, ILLINOIS FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY



WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE PARTIES HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.3 OF THE LOAN AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10. **Conflict of Terms**. If any provision contained in this Agreement is in conflict with, or inconsistent with, any provision in the Loan Agreement, the provision contained in the Loan Agreement shall govern and control.

[signature page attached]

IN WITNESS WHEREOF, the Grantors have caused this Agreement to be executed and delivered by its duly authorized officer or other representative as of the date first set forth above.

GRANTORS:

ADVANTIS MEDICAL, INC.

By: Barbara M Sullivan  
Name: Barbara M Sullivan  
Title: Authorized Person

AVALIGN TECHNOLOGIES, INC.

By: Barbara M Sullivan  
Name: Barbara M Sullivan  
Title: Authorized Person

INSTRUMED INTERNATIONAL, INC.

By: Barbara M Sullivan  
Name: Barbara M Sullivan  
Title: Authorized Person

NEMCOMED, INC.

By: Barbara M Sullivan  
Name: Barbara M Sullivan  
Title: Authorized Person

NEMCOMED FW, LLC

By: NEMCOMED, INC., its Manager

By: Barbara M Sullivan  
Name: Barbara M Sullivan  
Title: Authorized Person

**SCHEDULE I**  
**to**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**INSTRUMED INTERNATIONAL, INC.**

**PATENT LICENSES**

1. Instrumed has been granted a license by James A. Scheniter to produce, market and sell a certain device covered under a patent application (Case No. 9692/20) with the USPTO, pursuant to the License Agreement by and between Instrumed and James A. Scheniter, effective date May 1, 2007.

**NEMCOMED, INC.**

**I. PATENT REGISTRATIONS**

<u>Patent</u>	<u>Reg. No.</u>	<u>Date</u>
Engraving Tool and Method for Forming	6,095,723	August 1, 2000
Bone Drill	6,312,432	November 6, 2001
Orthopaedic Retractor	D522,140	May 30, 2006
Orthopaedic Retractor	D523,142	June 13, 2006

**II. PATENT APPLICATIONS**

<u>Patent</u>	<u>Application No.</u>	<u>Date</u>
Patella Protector	11/115,007	April 26, 2005

### III. PATENT LICENSES

1. Nemcomed has been granted a license by Bondhus Corporation to design, manufacture, market and distribute certain tools covered by one or more claims of U.S. Patent Nos. 6,684,741 and 6,681,662, pursuant to the Exclusive Manufacturing, Marketing and Distribution Agreement by and between Bondhus Corporation and Nemcomed dated effective May 5, 2005;
2. Nemcomed has been granted a license by Hi-Tech Solutions, LLC to develop, manufacture, distribute and market a certain device under the Provisional Patent Application No. 60/557,050, pursuant to the Exclusive Manufacturing, Marketing and Distribution Agreement by and between Hi-Tech Solutions, LLC and Nemcomed dated effective February 23, 2005;
3. Nemcomed has been granted a license by Flex Technology, Inc. to manufacture, have manufactured, use and sell certain products covered by one or more claims of U.S. Patent Nos. 6,053,922 and 6,447,518 and European Patent No. 0 849 572 B1 pursuant to the Nonexclusive License Agreement by and between Flex Technology, Inc. and Nemcomed dated effective December 5, 2005;
4. Nemcomed has been granted a license by HD Medical Innovations, LLC to manufacture, market and distribute a certain fluid suction device pursuant to the Exclusive Manufacturing, Marketing and Distribution Agreement dated effective March 15, 2006 by and between Nemcomed and HD Medical Innovations, LLC.

**SCHEDULE II**  
**to**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**INSTRUMED INTERNATIONAL, INC.:**

I. TRADEMARK

<u>Mark</u>	<u>Registration No.</u>	<u>Date</u>
Diesel	3,406,495	4/1/08

II. UNREGISTERED TRADEMARKS

Mark

Instrumed International Inc.

**ADVANTIS MEDICAL, INC.:**

I. TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
Advantis	78/945,424	8/4/06

II. UNREGISTERED TRADEMARKS

Mark

1. Steripack Inc.
2. Advantis Medical Inc.
3. The Advantis Advantage

**NEMCOMED, INC.:**

I. TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
Mobility	76/637,797	5/3/05

II. UNREGISTERED TRADEMARKS

1. Nemcomed

2. Access
3. Specture
4. Uni-Knee
5. Flex-shaft
6. Hahn no-clog suction devise
7. Making the Difference

**AVALIGN TECHNOLOGIES, INC.:**

**I. TRADEMARK APPLICATIONS**

<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
Avalign Technologies and Design	77/975,078	3/1/07
Avalign	77/975,196	3/1/07
Avalign	77/120,068	3/1/07
Avalign Technologies	77/120,077	3/1/07
Avalign Technologies	77/975,195	3/1/07
Avalign Technologies and Design	77/120,043	3/1/07
Design Mark	77/975,170	3/1/07
Design Mark	77/120,021	3/1/07

**SCHEDULE III**  
**to**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**NEMCOMED, INC.:**

**COPYRIGHT LICENSES**

1. Nemcomed has been granted a non-exclusive, non-transferable license to use certain software products provided by Automatic Data Processing, Inc. pursuant to the AutoPay Sales Order entered into by Nemcomed on October 10, 2005.