

10-07-1998



100848006 TRADEMARKS

COVER SHEET

1998 OCT 21 PM 1:09

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

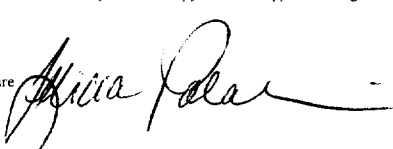
OFFICE

<p>1. Name of conveying party(ies): BTI Holdings, Inc.</p> <p style="text-align: right; font-size: 2em; font-weight: bold;">MRD 9/28/98</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> General Partnership <input type="checkbox"/> Corporation-State <input type="checkbox"/> Other</p> <p><input type="checkbox"/> Association <input type="checkbox"/> Limited Partnership</p> <p>Additional name(s) of conveying party(ies) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3 Nature of conveyance: <input type="checkbox"/> Assignment <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Other</p> <p><input type="checkbox"/> Merger <input type="checkbox"/> Change of Name</p> <p>Execution Date: August 3, 1998</p>	<p>2. Name and address of receiving party(ies): Name: The Chase Manhattan Bank Internal Address: Street Address: 1 Chase Square City: Rochester State: NY ZIP: 14643</p> <p><input type="checkbox"/> Individual(s) citizenship <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation State <input type="checkbox"/> Other</p> <p>If assignee is not domiciled in the United States a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(Designation must be a separate document from Assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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<p>4 Application number(s) or registration number(s): 7</p> <p>A. Trademark Application No.(s) 75/078872 75/120323 75/120322</p>	<p>B. Trademark Registration No.(s) 1,628,064 1,223,259 1,951,497 1,745,134</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p>5 Name and address of party to whom correspondence concerning document should be mailed: Name: Felicia Pakalnis Internal Address: 10/05/1998 JSHADAZZ 00000109 75078872 01 FC:481 40.00 OP 02 FC:482 150.00 OP</p> <p>Street Address: Palmer & Dodge, LLP One Beacon Street</p> <p>City: Boston State: MA ZIP: 02108</p>	<p>6. Total number of applications and registrations involved: 7</p> <p>7. Total fee (37 CFR 3.41)..... \$ 190.00 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 16/0085 (Attach duplicate copy of this page if paying by deposit account)</p> <p style="text-align: right; font-size: 2em; font-weight: bold;">E</p>
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9 Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Name of Person Signing: _____ Signature:  Date: _____

Total number of pages comprising cover sheet attachments and document.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

BETWEEN

THE PLEDGORS NAMED HEREIN

AND

THE CHASE MANHATTAN BANK,

as Collateral Agent

Dated as of August 3, 1998

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), is made as of August 3, 1998, by and among each corporation identified as a "Pledgor" on the signature pages hereto (each a "Pledgor" and collectively the "Pledgors"), in favor of THE CHASE MANHATTAN BANK ("Chase"), as collateral agent for the Lenders party to the Credit Agreement described below (the "Collateral Agent"). The Collateral Agent and the Lenders are herein collectively referred to from time to time as the "Secured Parties." Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

RECITALS

WHEREAS, certain of the Pledgors (the "Original Pledgors") are parties to a Credit Agreement with Chase dated as of April 30, 1996 (as heretofore amended from time to time, the "Existing Chase Facility"), pursuant to which Chase agreed, subject to the terms and conditions set forth therein, to establish certain credit facilities for the benefit of certain of the Pledgors; and

WHEREAS, in connection with the execution and delivery of the Existing Chase Facility, the Original Pledgors entered into a Security Agreement, dated as of April 30, 1996 (the "Original Security Agreement"), with Chase, as collateral agent, pursuant to which the Original Pledgors granted to Chase, as collateral agent, a pledge of and security interest in substantially all of their properties and assets (the "Existing Security Interests"); and

WHEREAS, the Pledgors are entering into an Amended and Restated Credit Agreement of even date herewith (as the same may be modified, amended, supplemented or restated from time to time, the "Credit Agreement"), with Chase, as administrative agent and as Collateral Agent, and the Lenders from time to time party thereto; and

WHEREAS, in connection with the execution and delivery of the Credit Agreement, the Collateral Agent has requested that the Pledgors and the Pledgors have agreed to, enter into this Agreement, pursuant to which the Original Pledgors are, inter alia, reaffirming their pledge and grant of security interests in the Pledge Collateral (as defined below) in favor of the Collateral Agent for the benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the willingness of the Secured Parties to enter into the Credit Agreement and of the Lenders to agree, subject to the terms and conditions set forth therein, to make the Loans and issue Letters of Credit to the Borrowers pursuant thereto, and for other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows.

AGREEMENT

Section 1. **Pledge.** Each Pledgor hereby pledges and grants to the Collateral Agent for itself and for the benefit of the other Secured Parties a continuing first priority security interest in all of such Pledgor's right, title and interest, whether now existing or hereafter

acquired, in and to the following property (collectively, the “Pledged Collateral”) to secure all of the Secured Obligations (as defined in Section 2):

(a) Patents issued or assigned to and all patent applications made by such Pledgor and all exclusive licenses to such Pledgor from third parties or rights to use patents owned by such third parties, including, without limitation, the patents, patent applications and exclusive licenses listed on Schedule A hereto, along with any and all (1) inventions and improvements described and claimed therein, (2) reissues, divisions, continuations, extensions and continuations-in-part thereof, (3) income, royalties, damages, claims 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, (4) rights to sue for past, present and future infringements thereof, and (5) any other rights corresponding thereto throughout the world (collectively, “Patents”);

(b) Trademarks (including service marks), federal and state trademark registrations and applications made by such Pledgor (excluding Federal Intent To Use Applications), common law trademarks and trade names owned by or assigned to such Pledgor, all registrations and applications for the foregoing and all exclusive licenses from third parties of the right to use trademarks of such third parties, including, without limitation, the registrations, applications, unregistered trademarks, service marks and exclusive licenses listed on Schedule B hereto, along with any and all (1) renewals thereof, (2) income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, (3) rights to sue for past, present and future infringements thereof, and (4) trademarks, trademark registrations, and trade name applications for any thereof and any other rights corresponding thereto throughout the world (collectively, “Trademarks”);

(c) Copyrights, whether statutory or common law, owned by or assigned to such Pledgor, and all exclusive licenses to such Pledgor from third parties to use copyrights owned by such third parties, including, without limitation, the registrations, applications and exclusive licenses listed on Schedule C hereto, along with any and all (1) renewals and extensions thereof, (2) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (3) rights to sue for past, present and future infringements thereof, and (4) copyrights and any other rights corresponding thereto throughout the world (collectively, “Copyrights”);

(d) The entire goodwill of such Pledgor’s business and other general intangibles (including know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulae) connected with the use of and symbolized by Trademarks of such Pledgor; and

(e) All Proceeds (as defined under the Uniform Commercial Code as in effect in any relevant jurisdiction (the “UCC”) or other relevant law) of any of the foregoing, and in any event including, without limitation, any and all (1) proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral, (2) payments (in any form whatsoever) made or due

and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any governmental authority (or any person acting on behalf of a governmental authority), (3) instruments representing amounts receivable in respect of any Patents, Trademarks or Copyrights, (4) products of the Pledged Collateral and (5) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral;

Section 2. Secured Obligations. The security interest hereby granted shall secure the due and punctual payment and performance of the following liabilities and obligations of each Pledgor (herein called the "Secured Obligations"):

(a) Principal of and premium, if any, and interest on, and fees, charges and other amounts due in respect of the Loans;

(b) Any and all other obligations of the Pledgors to the Secured Parties under the Credit Agreement or under any agreement or instrument relating thereto, all as amended from time to time, including without limitation any Interest Rate Protection Agreements; and

(c) Any and all other obligations and Indebtedness of the Pledgors to the Secured Parties or any of them, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter arising, including without limitation any and all other fees, premiums, and penalties owing by the Pledgors to the Secured Parties or any of them.

Section 3. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or impose any obligation on the Collateral Agent to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or impose any liability on the Collateral Agent for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement or any other Facility Document or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 3 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder and under the other Facility Documents.

Section 4. Supplements; Further Assurances. Each Pledgor (1) agrees that it will join with the Collateral Agent in executing and, at its own expense, will file and refile, or permit the Collateral Agent to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement and exclusive licenses to use software and other property protected by copyright), in such offices (including, without limitation, the United States Patent and Trademark Office, appropriate state trademark offices and the United States Copyright Office), as the Collateral Agent may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect and/or preserve the rights and interests granted to the Collateral Agent hereunder, and (2) hereby authorizes the Collateral Agent to file financing statements and amendments, relative to all or any part thereof, without the signature of such Pledgor where permitted by law and agrees to do such further acts and things, and to

execute and deliver to the Collateral Agent such additional assignments, agreements, powers and instruments, as the Collateral Agent may reasonably require to carry into effect the purposes of this Agreement or better to assure and confirm unto the Collateral Agent its rights, powers and remedies hereunder. Each Pledgor shall, upon the reasonable request of the Collateral Agent, and hereby authorizes the Collateral Agent to, take any and all such actions as may be deemed advisable by the Collateral Agent to perfect and/or preserve the rights and interests granted to the Collateral Agent with respect to the Pledged Collateral wherever located. All of the foregoing shall be at the sole cost and expense of such Pledgor.

Section 5. Representations and Warranties of Each Pledgor. Each Pledgor hereby represents and warrants to the Secured Parties as follows:

(a) Such Pledgor is, and, as to Pledged Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole and exclusive owner or, as applicable, licensee of all Pledged Collateral which on the schedules attached hereto is designated as being owned by such Pledgor. The pledge and security interest created by this Agreement shall not at any time be subject to any prior lien, pledge, security interest, encumbrance, license, assignment, collateral assignment or charge of any kind, including, without limitation, any filing or agreement to file a financing statement as debtor under the UCC or any similar statute or any subordination arrangement in favor of any party other than such Pledgor (collectively, "Liens"), except as expressly permitted hereunder or under the Credit Agreement. Such Pledgor further represents and warrants to the Collateral Agent that the portions of Schedules A, B and C hereto, respectively applicable to such Pledgor, are true, correct and complete lists as of the date hereof of all Patents, Trademarks and Copyrights owned by such Pledgor and that Schedules D and E hereto are true and correct with respect to the matters set forth therein applicable to such Pledgor as of the date hereof.

(b) Such Pledgor has full corporate power, authority and legal right to pledge and grant a security interest in the Pledged Collateral in accordance with the terms of this Agreement and this Agreement constitutes the legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms.

(c) Except as set forth on Schedule D hereto and except for filings with the Patent and Trademark Office, under the UCC and under applicable foreign law, no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court (other than in connection with the exercise of judicial remedies), governmental agency or regulatory authority, or with any securities exchange or any other Person is required in connection with (1) the pledge by such Pledgor of the Pledged Collateral pursuant to this Agreement, or the execution, delivery or performance by such Pledgor of this Agreement, (2) the grant of a security interest (including the priority thereof when the appropriate filings have been made and accepted) in the Pledged Collateral by such Pledgor in the manner and for the purpose contemplated by this Agreement or (3) the exercise of the rights and remedies of the Collateral Agent created hereby.

(d) Such Pledgor has made and will continue to make all necessary filings and recordations from time to time and use appropriate statutory notice to protect its interests in the Pledged Collateral, including, without limitation, recordations of all its interests in the Patents

and Trademarks in the United States Patent and Trademark Office and in corresponding offices throughout the world and its claims to Copyrights in the United States Copyright Office, in each case including exclusive licenses and as otherwise requested from time to time by Collateral Agent and in a manner consistent with prudent business practices.

(e) Such Pledgor owns or has rights to use all the Pledged Collateral which on the schedules attached hereto is designated as being owned or used by such Pledgor and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Facility Documents. To such Pledgor's best knowledge after due inquiry, the use of such Pledged Collateral and all rights with respect to the foregoing by such Pledgor does not infringe on the rights of any Person and, except as set forth on Schedule E attached hereto, no material claim has been made and remains outstanding that such Pledgor's use of the Pledged Collateral does or may violate the rights of any third Person.

(f) Upon filings of appropriate financing statements and the acceptance thereof in the appropriate offices in the applicable jurisdiction under the UCC as in effect in each applicable jurisdiction, the security interest in the Pledge Collateral purported to be pledged under this Agreement will be a valid and duly perfected first priority Lien under the UCC as in effect in each applicable jurisdiction to the extent that the Pledged Collateral constitutes "general intangibles," "equipment," or "inventory" (each such term as defined in Article 9 of the UCC as in effect in the applicable jurisdiction), subject to no Liens other than those expressly permitted hereunder or under the Credit Agreement. This Agreement has been duly and validly executed and delivered by such Pledgor, constitutes the legal, valid and binding obligation of such Pledgor and is enforceable against such Pledgor in accordance with its terms.

Section 6. Covenants.

(a) On a continuing basis, each Pledgor will, at the expense of such Pledgor, subject to any prior licenses, Liens and restrictions, make, execute, acknowledge and deliver, and file and record in the proper filing and recording offices, all such instruments or documents, including, without limitation, appropriate financing and continuation statements, exclusive licenses and collateral agreements, and take all such action (limited, as aforesaid, if applicable) as may reasonably be deemed necessary or appropriate by the Collateral Agent (1) to carry out the intent and purposes of this Agreement, (2) to assure and confirm to the Collateral Agent the grant or perfection of a security interest in the Pledged Collateral for the benefit of the Secured Parties, and (3) during the continuation of an Event of Default, to enable the Secured Parties to exercise and enforce their rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, each Pledgor:

(A) will not enter into any agreement that would impair or conflict with such Pledgor's obligations hereunder;

(B) will, from time to time, upon the Collateral Agent's request, cause its books and records to be marked with such legends or segregated in such manner as the Collateral Agent may specify and take or cause to be taken such other action and adopt such procedures as the Collateral Agent may specify to

give notice of or to perfect the security interest in the Pledged Collateral intended to be conveyed hereby;

(C) will, promptly following its becoming aware thereof, notify the Collateral Agent of:

(i) any materially adverse determination in any proceeding in the United States Patent and Trademark Office or United States Copyright Office with respect to any Patent, Trademark or Copyright material to such Pledgor's business; or

(ii) the institution of any proceeding or any materially adverse determination in any federal, state, local or foreign court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Pledged Collateral, its right to register the Pledged Collateral, or its right to keep and maintain such registration in full force and effect;

(D) will properly maintain and protect the Pledged Collateral to the extent necessary or appropriate for the conduct of such Pledgor's business (as presently conducted and as contemplated by the Facility Documents) and consistent with such Pledgor's current practice in accordance with applicable statutory requirements;

(E) will not grant or permit to exist any Lien upon or with respect to the Pledged Collateral or any portion thereof except Liens in favor of the Collateral Agent for itself and on behalf of the other Secured Parties or as permitted under this Agreement or the Credit Agreement and Liens permitted by Section 7 hereof, and will not execute any security agreement or financing statement covering any of the Pledged Collateral except in the name of the Collateral Agent for itself and on behalf of the other Secured Parties or as permitted under this Agreement or the Credit Agreement;

(F) except in accordance with prudent business practices, will not permit to lapse or become abandoned, settle or compromise any pending or future litigation or administrative proceeding with respect to the Pledged Collateral without the consent of the Secured Parties, or contract for sale or otherwise dispose of the Pledged Collateral or any portion thereof except pursuant to Section 7 hereof;

(G) upon such Pledgor obtaining knowledge thereof, will promptly notify the Collateral Agent in writing of any event which may reasonably be expected to materially affect the value or utility of the Pledged Collateral or any portion thereof, the ability of such Pledgor or the Collateral Agent to dispose of the Pledged Collateral or any portion thereof or the rights and remedies of the Collateral Agent in relation thereto including, without limitation, a levy or threat of levy or any legal process against the Pledged Collateral or any portion thereof;

(H) until the Collateral Agent exercises its rights to make collection, will diligently keep adequate records respecting the Pledged Collateral;

(I) will furnish to the Collateral Agent from time to time statements and amended schedules further identifying and describing the Pledged Collateral and such other materials evidencing or reports pertaining to the Pledged Collateral as the Collateral Agent may from time to time request, all in reasonable detail;

(J) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Pledged Collateral unless contesting in good faith by appropriate proceedings and for which appropriate reserves have been established;

(K) will comply in all material respects with all laws, rules and regulations applicable to the Pledged Collateral; and

(L) will deposit with the Collateral Agent as the Collateral Agent shall reasonably request, subject to appropriate confidentiality restrictions, copies of all source code of all software owned by such Pledgor which is material to the operation of such Pledgor's business and such source code copy shall be of the most current version of all software and shall include all modifications and enhancements thereto and shall be annotated so as to be easily understood by a software technician of reasonable proficiency.

(b) If, before the Secured Obligations shall have been paid and satisfied in full in cash or cash equivalents, any Pledgor shall, (1) obtain any rights to any additional Pledged Collateral or (2) become entitled to the benefit of any additional Pledged Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any item enumerated in clause 6(b)(1) or clause 6(b)(2) with respect to such Pledgor shall automatically constitute Pledged Collateral if such would have constituted Pledged Collateral at the time of execution of this Agreement, and be subject to the assignment, Lien and security interest created by this Agreement without further action by any party. Each Pledgor shall promptly provide to the Collateral Agent written notice of any of the foregoing. Each Pledgor shall, at least once in each calendar quarter, provide written notice to the Collateral Agent of all applications for Patents and all applications for registration of Trademarks or Copyrights made during the preceding calendar quarter. Each Pledgor agrees, promptly following the written request by the Collateral Agent, to confirm the attachment of the lien and security interest created by this Agreement to any rights described in clause 6(b)(1) or clause 6(b)(2) above if such would have constituted Pledged Collateral at the time of execution of this Agreement by execution of an instrument in form acceptable to the Collateral Agent.

(c) Each Pledgor authorizes the Collateral Agent to modify this Agreement by amending Schedules A, B and/or C annexed hereto to include any future Pledged Collateral of such Pledgor, including, without limitations any of the items listed in Section 6(b).

(d) Each Pledgor shall file and prosecute diligently all applications for Patents, Trademarks or Copyrights now or hereafter pending that would be useful or beneficial to the businesses of such Pledgor to which any such applications pertain, and to do all acts necessary to preserve and maintain all rights in the Pledged Collateral unless such Pledged Collateral has become obsolete to such Pledgor's business, as reasonably determined by such Pledgor consistent with prudent business practices. Any and all costs and expenses incurred in connection with any such actions shall be borne by such Pledgor. Except in accordance with prudent business practices, such Pledgor shall not abandon any right to file a Patent, Trademark or Copyright application or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright without the consent of the Collateral Agent.

Section 7. Transfers and Other Liens. No Pledgor will (a) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral except for licensing in the ordinary course of business and such other transactions as may be permitted under the Credit Agreement or (b) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral, except for Liens for taxes, assessments or government charges or claims the payment of which is not at the time required and inchoate Liens imposed by law (each of which shall, except to the extent otherwise required by law, be subordinate to the Lien created by this Agreement) and the Lien granted to the Collateral Agent under this Agreement.

Section 8. Remedies upon Default.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may to the full extent permitted by law, (1) exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including, without limitation, perfecting assignment of any and all consensual rights and powers with respect to the Pledged Collateral and (2) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use any or all of the Pledged Collateral (in the case of Trademarks, along with the goodwill associated therewith) or any part thereof, in each case, free of all rights and claims of any Pledgor therein and thereto. In accordance with such rights, the Collateral Agent shall have the (A) right to cause any or all of the Pledged Collateral to be transferred of record into the name of the Collateral Agent or its nominee and (B) the right to impose (i) such limitations and restrictions on the sale or assignment of the Pledged Collateral as the Secured Parties may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to the sale or assignment, and (ii) any necessary or appropriate requirements for any required governmental approvals or consents.

(b) Except as provided in this Section 8 and other express notice provisions of the Facility Documents, each Pledgor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Secured Parties of any of their rights and remedies hereunder.

(c) Each Pledgor agrees that, to the extent notice of sale shall be required by law, ten (10) days' prior written notice from the Collateral Agent of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. In addition to the rights and

remedies provided in this Agreement and in the other Facility Documents, the Secured Parties shall have all the rights and remedies of a secured party under the UCC.

(d) Except as otherwise provided herein, each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Pledged Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which Pledgor would otherwise have under law, and such Pledgor hereby further waives to the extent permitted by applicable law: (1) all damages occasioned by such taking of possession; (2) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Parties' rights hereunder; and (3) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of any Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against any Pledgor and against any and all Persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under any Pledgor.

Section 9. Application of Proceeds. The proceeds of any Pledged Collateral obtained pursuant to the exercise of any remedy set forth in Section 8 shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, promptly by the Collateral Agent:

First, to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization, including, without limitation, reasonable reimbursement to the Collateral Agent, the other Secured Parties and their agents and counsel for all reasonable costs, expenses, fees, liabilities and advances made or incurred by them in connection therewith, together with interest on each duplicating such amount at the rate then in effect under the Credit Agreement;

Second, to the payment of all other reasonable costs and expenses of such sale, collection or other realization, including, without limitation, reasonable reimbursement to the Secured Parties and their agents and counsel for all reasonable cost, expenses, fees, liabilities and advances made or incurred by them in connection therewith, together with interest on each such amount at the highest rate then in effect under the Credit Agreement from twenty (20) days after receipt by such Pledgor of demand by the Collateral Agent therefrom until the date such costs and expenses are paid;

Third, to the indefeasible payment in full in cash of the Secured Obligations, ratably according to the unpaid amounts thereof, without preference or priority of any kind among amounts so due and payable; and

Fourth, to the appropriate Pledgor, or its successors or assigns, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such Proceeds.

Section 10. Expenses. Each Pledgor will, if not paid pursuant to Section 9 or otherwise herein, pay on demand all reasonable expenses of the Collateral Agent and the other Secured Parties in connection with the preparation, waiver or amendment of this Agreement or other Facility Documents executed in connection therewith, or in connection with the Collateral Agent's exercise, preservation or enforcement of any of its rights, remedies or options thereunder, including, without limitation, reasonable fees and disbursements of outside legal counsel or accounting, consulting, brokerage or other similar professional fees or expenses, and any reasonable fees or expenses associated with any travel or other costs relating to any necessary appraisals or examinations conducted in connection with the Secured Obligations or any Pledged Collateral therefor, and the amount of all such expenses shall, from twenty (20) days after receipt by such Pledgor of demand by the Collateral Agent therefrom until the date such expenses are paid, bear interest at the rate applicable to principal under the Credit Agreement (including any default rate).

Section 11. No Waiver; Cumulative Remedies.

(a) No failure on the part of the Collateral Agent or the Secured Parties to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(b) In the event the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this instrument by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case, each Pledgor and the Collateral Agent shall, to the extent permitted by applicable law, be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

Section 12. The Collateral Agent May Perform; the Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to do any act or thing that it has covenanted to do hereunder or any warranty on the part of such Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by the Collateral Agent shall be paid by such Pledgor promptly upon demand therefor, with interest at the highest rate then in effect under the Credit Agreement during the period from and including the date on which such funds were so expended to the date of repayment. Such Pledgor's obligations under this Section 12 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact with an interest, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Collateral Agent's reasonable discretion to take any action and to execute any instruments consistent with the terms of this Agreement and the other Facility Documents which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant

of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of such appointment.

Section 13. Indemnity.

(a) **Indemnity.** Each Pledgor agrees to indemnify, reimburse and hold the Collateral Agent and its successors, assigns, employees, agents and servants (collectively, "Indemnitees") harmless from and against any and all liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all reasonable costs and expenses (including, without limitation, attorneys' fees and expenses and the allocated costs of internal counsel) of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement or the other Facility Documents or in any other way connected with the administration of the transactions contemplated hereby or the enforcement of any of the terms hereof, or the preservation of any rights hereunder, or in any way relating to or arising out of the manufacture, processing, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Pledged Collateral (including, without limitation, latent or other defects, whether or not discoverable, and any claim for patent, trademark, trade secret or copyright infringement), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee)), or property damage, or contract claim; provided that such Pledgor shall have no obligation to an Indemnitee hereunder to the extent it is finally judicially determined that such indemnified liabilities arise from the gross negligence or willful misconduct of that Indemnitee. Upon written notice by any Indemnitee of the assertion of such a liability, obligation, damage, injury, penalty, claim, demand, action, judgment or suit, the Pledgors shall assume full responsibility for the defense thereof. If any action, suit or proceeding arising from any of the foregoing is brought against any Indemnitee, the Pledgors shall, if requested by such Indemnitee, resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel reasonably satisfactory to such Indemnitee. Each Indemnitee shall, unless any other Indemnitee has made the request described in the preceding sentence and such request has been complied with, have the right to employ its own counsel (or internal counsel) to investigate and control the defense of any matter covered by the indemnity set forth in this Section 13 and the reasonable fees and expenses of such counsel shall be paid by the Pledgors; provided that, only to the extent that no conflict exists between or among the Indemnitees as reasonably determined by the Indemnitees, the Pledgors shall not be obligated to pay the fees and expenses of more than one counsel for all Indemnitees as a group with respect to any such matter, action, suit or proceeding.

(b) **Misrepresentations.** Without limiting the application of subsection 13(a), each Pledgor agrees to pay, indemnify and hold each Indemnitee harmless from and against any loss, costs, damages and expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of any material misrepresentation by such Pledgor in this Agreement or any of the other Facility Documents or in any statement or writing contemplated by or made or delivered pursuant to or in connection with this Agreement or any of the other Facility Documents.

(c) Contribution. If and to the extent that the obligations of any Pledgor under this Section 13 are unenforceable for any reason, such Pledgor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations that is permissible under applicable law.

(d) Survival. The obligations of each Pledgor contained in this Section 13 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder and under the other Facility Documents.

(e) Reimbursement. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Pledged Collateral.

Section 14. Litigation. (a) Each Pledgor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such applications for protection of Pledged Collateral, suits, proceedings or other actions for infringement, counterfeiting, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Pledged Collateral. Such Pledgor shall promptly notify the Collateral Agent in writing as to the commencement and prosecution of any such actions, or threat thereof relating to the Pledged Collateral and shall provide to the Collateral Agent such information with respect thereto as may be reasonably requested. The Collateral Agent shall provide all reasonable and necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party.

(b) Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Pledged Collateral and/or bring suit in the name of any Pledgor, the Collateral Agent or the Lenders to enforce the Pledged Collateral and any license thereunder; in the event of such suit, each Pledgor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly, upon demand, reimburse and indemnify the Collateral Agent, as the case may be, for all reasonable costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 14. In the event that the Collateral Agent shall elect not to bring suit to enforce the Pledged Collateral, the Pledgors agree to use all measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, counterfeiting or other diminution in value of any of the Pledged Collateral by others and for that purpose agree to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement as is in the reasonable business judgment of the Pledgors necessary to protect the Pledged Collateral and the Collateral Agent shall provide, at the Pledgors' expense, all necessary and reasonable assistance to the Pledgors to maintain such action.

Section 15. Modifications in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by any Pledgor from the terms of any provision of this Agreement, shall be effective only in the

specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Facility Document, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

Section 16. Termination; Release. When all the Secured Obligations (other than Secured Obligations in the nature of continuing indemnities or expense reimbursement obligations not yet due and payable) have been paid in full and have been terminated and the Revolving Credit Commitments of the Secured Parties to make any Loan under the Credit Agreement have expired, this Agreement shall terminate. Upon termination of this Agreement or any release of Pledged Collateral in accordance with the provisions of the Credit Agreement, the Collateral Agent shall, upon the request and at the expense of the Pledgors, forthwith assign, transfer and deliver to the Pledgors against receipt and without recourse to or warranty by the Collateral Agent, such of the Pledged Collateral to be released (in the case of a release) as may be in the possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, on the order of and at the expense of the Pledgors, and proper instruments (including UCC termination statements on Form UCC-3 and documents suitable for recordation in the United States Patent and Trademark Office, the United States Copyright Office or similar domestic or foreign authority) acknowledging the termination of this Agreement and/or the release of such Pledged Collateral, as the case may be.

Section 17. Reinstatement. Notwithstanding the provisions of Section 16, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Collateral Agent in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Pledgor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, any Pledgor or any substantial part of its properties, or otherwise, all as though such payments had not been made.

Section 18. Credit Agreement. Notwithstanding any other provision of this Agreement, the rights of the parties hereunder are subject to the provisions of the Credit Agreement, including the provisions thereof pertaining to the rights and responsibilities of the Collateral Agent. Unless the context shall otherwise clearly indicate, the terms "Secured Party" and "Secured Parties" as used herein shall be deemed to include the Collateral Agent acting on behalf of the Secured Parties pursuant to the Credit Agreement. The term "Collateral Agent" as used herein shall include Chase and any other Person acting as Collateral Agent for the Secured Parties pursuant to the terms of the Credit Agreement and this Agreement.

Section 19. Notices. All notices, requests and demands to be made hereunder shall be made as set forth in the Credit Agreement.

Section 20. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the payment in full in cash of all Secured Obligations, (b) be binding upon each Pledgor, its successors and assigns, and (c) inure, together with the rights and remedies of the Secured Parties hereunder, to the benefit of the Collateral Agent, for itself and on behalf of the other Secured Parties, and its successors, transferees and assigns; no other Persons (including, without

limitation, any other creditor of the Pledgors) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause Section 20(c), the Collateral Agent may assign or otherwise transfer any Indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Collateral Agent, herein or otherwise, subject however, to the provisions of the Credit Agreement.

Section 21. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR PLEDGED COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 22. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE TRIAL BY JURY, AND EACH PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. IN THE EVENT THAT SUCH PLEDGOR DESIGNATES AND APPOINTS ANY PERSON AS ITS AGENT AND SUCH PERSON IRREVOCABLY AGREES IN WRITING TO SO SERVE AS SUCH PLEDGOR'S AGENT TO RECEIVE ON SUCH PLEDGOR'S BEHALF, SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE IS HEREBY ACKNOWLEDGED BY SUCH PLEDGOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO SUCH PLEDGOR AT ITS ADDRESS PROVIDED FOR BY REFERENCE IN SECTION 19 HEREOF. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, EACH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION.

Section 23. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision or provisions in any other jurisdiction.

Section 24. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

Section 25. Headings. The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 26. Waiver of Single Action. Each Pledgor hereby waives to the greatest extent permitted under law the right to a discharge of any of the Secured Obligations under any statute or rule of law now or hereafter in effect which provides that the exercise of any particular right or remedy as provided for herein (by judicial proceedings or otherwise) constitutes the exclusive means for satisfaction of the Secured Obligations or which makes unavailable any further judgment or any other right or remedy provided for herein because the Collateral Agent elected to proceed with the exercise of such initial right or remedy or because of any failure by the Collateral Agent to comply with laws that prescribe conditions to the entitlement to such subsequent judgment or the availability of such subsequent right or remedy. In the event that, notwithstanding the foregoing waiver, any court shall for any reason hold that such subsequent judgment or action is not available to the Collateral Agent, each Pledgor shall not (a) introduce in any other jurisdiction any judgment so holding as a defense to enforcement against such Pledgor of any remedy in the Credit Agreement or executed in connection with the Credit Agreement or (b) seek to have such judgment recognized or entered in any other jurisdiction, and any such judgment shall in all events be limited in application only to the state or jurisdiction where rendered and only with respect to the collateral referred to in such judgment.

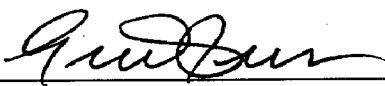
Section 27. Future Advances. This Agreement shall secure the payment of any amounts advanced from time to time pursuant to the Credit Agreement.

[Signature Pages Follow]


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

PLEDGORS

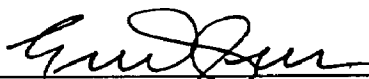
LIONHEART TECHNOLOGIES, INC.

By: 
Name: Eric Perron
Title: Vice President


BIO-TEK INSTRUMENTS, INC.

By: 
Name: Eric Perron
Title: President


DNI NEVADA, INC.

By: 
Name: Eric Perron
Title: President

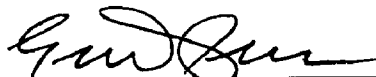
DALE TECHNOLOGY, INC.

By: 
Name: Eric Perron
Title: Vice President

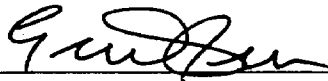
LTE HOLDINGS, INC.

By: 
Name: Eric Perron
Title: Executive Vice President


LIONHEART DISTRIBUTION, INC.

By: 
Name: Eric Perron
Title: President

BIO-TEK EXPORT, INC.

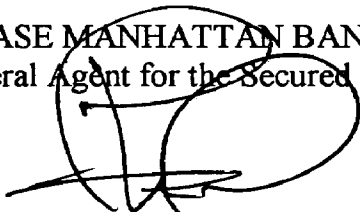
By: 
Name: Eric Perron
Title: President

BTI HOLDINGS, INC.

By: 
Name: Eric Perron
Title: President

COLLATERAL AGENT

THE CHASE MANHATTAN BANK
as Collateral Agent for the Secured Parties

By: 
Name: John H. Watt, Jr.
Title: Vice President.

PATENTS
(including exclusive licenses)

U.S. PATENTS

<u>Patent No.</u>	<u>Invention</u>	<u>Date Issued</u>
5,348,005	Simulator for Pulse Oximeter	September 20, 1994
5,439,826	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	August 8, 1995

FOREIGN PATENTS

<u>Country</u>	<u>Patent No.</u>	<u>Invention</u>	<u>Date Issued</u>
Australia	626946	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	December 7, 1992
France	0 372 755	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	May 17, 1995
Germany	0 372 755	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	May 17, 1995
Great Britain	0 372 755	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	May 17, 1995

Italy	0 372 755	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	May 17, 1995
Spain	0 372 755	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	May 17, 1995

FOREIGN PATENT APPLICATION

<u>Country</u>	<u>Patent Application Serial No.</u>	<u>Invention</u>	<u>Filing Date</u>
Canada	2,003,948-5	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	November 27, 1989
Japan	1-310804	Method of Distinguishing Among Strips of Different Assays in an Automated Instrument	December 1, 1989
Europe	94 916 572.4	Simulator for Pulse Oximeter	May 2, 1994
PCT	PCT/US94/04544	Simulator for Pulse Oximeter	May 2, 1994

PATENT LICENSES (ONI)

<u>Patent No.</u>	<u>Date of License</u>	<u>Licensor</u>
4,765,325	January 1, 1990 (Amended November 1, 1995)	Clifton D. Crutchfield
4,621,643 4,700,708 4,770,179	September 24, 1995	Nellcor Duritan Bennet Incorporated
5,027,641	December 1, 1994	Clinical Dynamics Corporation

PATENT LICENSE (BIO-TEK)

Patent No.

Date of License

Licensors

5348005

Oct. 10, 1997

Metron

5,027,641

Dec. 9, 1994

Bio-Tek
(From Clinical Dynamics Corp.)

TRADEMARKS & SERVICE MARKS
(including registrations and applications and exclusive licenses)

U.S. TRADEMARK REGISTRATIONS

<u>Registration Number</u>	<u>Mark</u>	<u>Date Issued</u>
1,628,064	TURBOTESTER	December 18, 1990
1,223,259	BIO-TEK	January 11, 1983
1,951,497	INDEX	January 23, 1996
1,745,134	OTIS	January 5, 1993

U.S. TRADEMARK APPLICATION

<u>Application No.</u>	<u>Mark</u>	<u>Filing Date</u>
75/078,872	EXTENSIONS	March 26, 1996
75/120,323	ROBOREADER	June 17, 1996
75/120,322	ROBOWASHER	June 17, 1996

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COPYRIGHTS

<u>Registration No.</u>	<u>Title</u>	<u>Expiration Date</u>
A 87761	RMG-3 Instruction Manual	August 14, 1997
A 342487	Leakage Measurements, General	June 6, 2000
A 342488	Receptacle Condition Tests	June 6, 2000
A 342489	EKG Instrument Safety Inspection	June 6, 2000
A 342490	Model 429 Energy Meter Operating and Service Manual	June 6, 2000
A 382110	Model 431 Safety Analyzer Operating and Service Manual	November 12, 2000
A 639222	Cordohmeter, Model 447 Operating and Service Manual	May 26, 2003
A 639223	Electrosurgical Unit Data Sheet	May 26, 2003
A 639224	Ground Path Resistance	May 26, 2003
A 639225	Defibrillator Performance Inspection	May 26, 2003
A 639226	Pulse Calibrator, Model 430 Operating and Service Manual	May 26, 2003
A 639227	Safety Analyzer, Model 431A/431F Operating and Service Manual	May 26, 2003
A 647921	Millidapter, Model 3102 Operating and Service Manual	May 26, 2003
A 647922	Electrosurgical Analyzer, Model 443 Operating and Service Manual	May 26, 2003

REQUIRED CONSENTS AND LICENSES

NONE

CLAIMS, LITIGATION, ETC.

Litigation at Lionheart Technologies is limited to the following:

Bio-Tek Instruments Inc. brought a patent infringement suit against Datrend Systems Inc. and two of their United States Distributors in August of 1997.

Datrend Systems Inc. has brought an antitrust countersuit against Bio-Tek Instruments Inc., DNI Nevada Inc. and Lionheart Technologies Inc. in November of 1997 in response to Bio-Tek's patent infringement suit.

PLEDGORS/Additional Names of Conveying Parties:

Lionheart Technologies, Inc.

Bio-Tek Instruments, Inc.

DNI Nevada, Inc.

Dale Technology, Inc.

LTE Holdings, Inc.

Lionheart Distribution, Inc.

Bio-Tek Export, Inc.

BTI Holdings, Inc.

PALMER & DODGE LLP

ONE BEACON STREET, BOSTON, MA 02108-3190

Felicia Pakalnis
(617) 573-0446
fpakalnis@palmerdodge.com

Telephone: (617) 573-0100
Facsimile: (617) 227-4420

September 22, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Commissioner of Patents and Trademarks
Assignment Branch
Washington, D.C. 20231

**Re: Recordation of Intellectual Property Security Agreement
BTI Holdings, Inc./The Chase Manhattan Bank**

Dear Sir/Madam:

Enclosed for recording please find a Intellectual Property Security Agreement dated August 3, 1998 between BTI Holdings, Inc., and The Chase Manhattan Bank.

A cover sheet as required under 37 C.F.R. §3.31 and a check for \$190.00 to cover the recording fee are also enclosed.

I look forward to return of the original document after recordation. Please contact me if you have any questions.

Sincerely,


Felicia Pakalnis
Legal Assistant

/fp
Enclosure
cc: Jodie E. Salasny

RECORDED: 09/28/1998

TRADEMARK
REEL: 1795 FRAME: 0749