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FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

09-22-2000

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK



101468177

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

75390513

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

09/21/2000 NTHA11 00000450 75390513

01 FC:481
02 FC:482

40.00 OP
100.00 OP

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

"EXPRESS MAIL" EL 070 380 155 US
TRADEMARK
REEL: 002143 FRAME: 0948

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75390513"/>	<input type="text" value="75390358"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="2311358"/>	<input type="text" value="2311367"/>	<input type="text" value="2318614"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved.

#

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

NICOLE B. EMMONS

Nicole B. Emmons 9-5-00

Name of Person Signing

Signature

Date Signed

COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS)

This Collateral Assignment and Security Agreement (Trademarks) (this "Agreement") is made as of August 15, 2000, by and between Kinesis Medical, Inc., a Minnesota corporation ("Grantor"), and Orthofix Inc., a Minnesota corporation ("Lender").

Preliminary Statements

A. Grantor owns certain Trademarks (as hereinafter defined) which are registered in, or applications for registration which have been filed in, the United States Patent and Trademark Office, and rights under certain Trademark Licenses (as hereinafter defined), all as more fully described on Schedule I attached hereto and by reference made part hereof.

B. Lender has agreed to make certain loans to Grantor pursuant to that certain Loan Agreement, dated of even date herewith, by and between Grantor and Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement;" capitalized terms used herein and not defined shall have the meanings ascribed to them in the Loan Agreement).

C. Grantor and Lender have entered into a Security Agreement, dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement").

D. Pursuant to the Security Agreement, Grantor has assigned and pledged to Lender, all of its right, title and interest in and to, and granted to Lender a security interest in, the property described therein, including, without limitation, (a) all of Grantor's Trademarks, whether presently existing or hereafter acquired or arising, or in which Grantor now has or hereafter acquires rights and wherever located; (b) all of Grantor's Trademark Licenses, whether presently existing or hereafter acquired or in which Grantor now has or hereafter acquire rights and wherever located; and (c) all products and proceeds any of the foregoing, as security for all of the Indebtedness, all to the extent set forth in the Security Agreement.

E. As a condition precedent to the extension of any financial accommodations pursuant to the Loan Agreement and in furtherance of the Security Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, Lender has required that Grantor grant to Lender a security interest in and a collateral assignment of the Property (as herein defined).

Agreement

The parties, intending to be legally bound, agree as follows:

- 1. Definitions.** For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademark License" means any written agreement now or hereafter in existence granting to Grantor any right to use any Trademark, including, without limitation, the agreements listed on Schedule I attached hereto.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious 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, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, 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 thereof or any other country or any political subdivision thereof, including, without limitation, those listed on Schedule I attached hereto together with all the rights, benefits and privileges derived therefrom and the goodwill of the business symbolized thereby; (ii) all renewals thereof; and (iii) all proceeds of the foregoing.

2. **Security Interest.** As security for all of the Indebtedness, Grantor hereby grants and conveys a security interest to Lender in, and collaterally assigns to Lender, all of its right, title and interest in, to and under the following (collectively, the "Property"):

(a) each Trademark now or hereafter owned by Grantor or in which Grantor now has or hereafter acquires rights and wherever located and the goodwill of the business of Grantor relating thereto or represented thereby, including, without limitation, each Trademark referred to in Schedule I hereto;

(b) each Trademark License now or hereafter held by Grantor or in which Grantor now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until Lender exercises the rights and remedies accorded to it under the Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, and until such time Grantor shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in Grantor's business, only in a manner consistent with the

preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property.

3. Representations and Warranties; Covenants. Grantor does hereby further acknowledge and affirm that the representations, warranties and covenants of Grantor with respect to the Property and the rights and remedies of Lender with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Additionally, Grantor covenants that Grantor shall notify Lender in writing immediately (a) of its acquisition after the date hereof of any Property and (b) if it knows, or has reason to know, that any application or registration relating to any Property owned by or licensed to Grantor is reasonably likely to become abandoned or dedicated, or of any material adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Copyright Office, the United States Patent and Trademark Office or any court) regarding Grantor's ownership of any Property, its right to register the same, or to keep and maintain the same. In the event that any Property is infringed, misappropriated or diluted by a third party, Grantor shall notify Lender promptly in writing after it learns thereof and shall, unless Grantor shall reasonably determine that any such action would be of immaterial economic value, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Property. In no event shall Grantor, either itself or through any agent, employee or licensee, file an application for the registration of any Property with the United States Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, unless not less than 30 days prior thereto it informs Lender, and, upon issuance of such Property, executes and delivers any and all agreements, instruments, documents and papers Lender may reasonably request to evidence the Security Interests in such Property and the goodwill and general intangibles of Grantor relating thereto or represented thereby. Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power, being coupled with an interest, shall be irrevocable until the Indebtedness is paid in full.

4. Termination. This Agreement shall terminate upon termination of the Security Agreement in accordance with Section 9.1 thereof. At any time and from time to time prior to such termination, Lender may terminate its security interest in or reconvey to Grantor any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from Grantor, Lender shall, at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as Grantor may reasonably request (but without recourse or warranty by Lender) in order to evidence such termination.

5. Future Trademarks and Trademark Licenses. If at any time before the termination of this Agreement in accordance with Article 4, Grantor shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Article 2 shall automatically apply thereto. Grantor authorizes Lender to modify this Agreement by amending Schedule 1 to include any future Trademarks and Trademark Licenses covered by Article 2 or by this Article.

6. Other Rights of Lender. Grantor further agrees that (a) Lender shall not have any obligation or responsibility to protect or defend the Property and Grantor shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Security Agreement and (b) if Grantor fails to comply with the requirements of the preceding clause (a), the Lender may do so in Grantor's name or in its own name, but in any case at Grantor's expense, and Grantor hereby agrees to reimburse Lender for all expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Property.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas. Any legal action or proceeding with respect to this Agreement, the Note, or any other Loan Document shall be brought in any Texas state or federal court sitting in Collin County, Texas, and, by execution and delivery of this Agreement, Grantor hereby accepts for itself and in respect of the Property, generally and unconditionally, the jurisdiction of the aforesaid courts. Grantor 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.

8. Captions; Arrangements; References. The headings, captions, and arrangements used herein are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify, or modify the terms hereof nor affect the meaning thereof. Whenever herein the singular number is used, the same shall include the plural where appropriate, and vice versa; and words of any gender herein shall include each other gender where appropriate. The words "herein," "hereof," and "hereunder," and other words of similar import refer to this Agreement as a whole and not to any particular part or subdivision hereof. Reference herein to "Articles" and "Sections" are to articles and sections of this Agreement.

The parties hereto have executed and delivered this Agreement as of the date indicated in the first sentence of this Agreement.

KINESIS MEDICAL, INC.

By: *Kevin J. Nickels*
Kevin Nickels, President

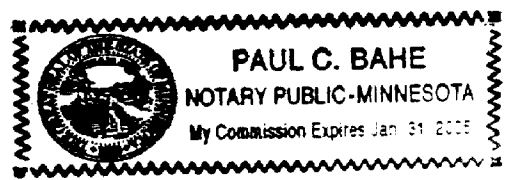
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this 15th day of August, 2000, before me personally came Kevin Nickels to me known, who, being by me duly sworn, did say that he is the President of Kinesis Medical, Inc., a Minnesota corporation, and that the foregoing instrument was signed on behalf of said corporation and said instrument is the act and deed of that corporation and the facts stated therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year in first above written.

(SEAL) *Paul C. Bahe*
Notary Public in and for the State of Minnesota

My commission expires: 1/31/05



[Signature Page to Collateral Assignment of Trademarks]

ORTHOFIX INC.

By: [Signature]
Gary Henley, Senior Vice-President

STATE OF Minnesota)
) ss.
COUNTY OF Hennepin)

On this 15th day of August, 2000, before me personally came Gary Henley, to me known, who, being by me duly sworn, did say that he is the Senior Vice-President of Orthofix Inc, a Minnesota corporation, and that the foregoing instrument was signed on behalf of said company and said instrument is the act and deed of that company and the facts stated therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year in first above written.

(SEAL)

[Signature]
Notary Public in and for the State of Minnesota

My commission expires: 1/1/05



[Signature Page to Collateral Assignment of Trademarks]

SCHEDULE I

REGISTERED U.S. TRADEMARKS

REGISTRATION NO. DATE MARK

SEE EXHIBIT A ATTACHED
AND INCORPORATED IN THIS SCHEDULE

PENDING U.S. TRADEMARK APPLICATIONS

SERIAL NO. FILING DATE MARK

SEE EXHIBIT A ATTACHED
AND INCORPORATED IN THIS SCHEDULE

TRADEMARK LICENSES

Trademark Licenses with respect to which
Grantor is a licensor:

NONE

Trademarks and Trademark Applications with respect to which
Grantor is a licensee:

NONE

Exhibit A
Marks

Docket No.	Title	Filed	Serial #	Reg. #
1958.09-US-01	TM: Orthotrac	10/14/1997	75390358	
1958.10-US-01	TM: Kinesis Medicat	10/14/1997	75390352	
1958.16-US-01	SM: Innovative Products for Sale in Motion	10/17/1998		25371368
1958.17-US-01	SM: Air Care for the Back	10/13/1998		25371367
1958.18-US-01	SM: Miscellaneous Designs Kicking K	10/13/1998		25371364

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