

TRADEMARKS ONLY

TRADEMARKS ONLY

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

1. Name of Party(ies) conveying an interest:

VALVE SPECIAL PURPOSE CO., LLC
8200 Cameron Road, Suite A-196
Austin, Texas 78754

Entity:

Individual(s) Association

General Partnership Limited Partnership

Other: Delaware limited liability company

Other _____

Additional name(s) of conveying party(ies) attached:

yes no

2. Name and Address of Party(ies) receiving an interest:

Name: Paul Capital Royalty Acquisition Fund, L.P.

Street Address: Two Grand Central Tower

140 East 45th Street, 44th Floor

City: New York

State/Zip Code: New York 10017

Entity:

Individual(s) Association

General Partnership Limited Partnership

Corporation

Other Delaware limited partnership

Citizenship _____

If not domiciled in the United States, a domestic representative designation is attached:

yes no

(The attached document must not be an assignment)

Additional name(s) and addresses attached:

yes no

3. Description of the Interest conveyed:

Assignment Change of Name Other:

Security Agreement Merger

Effective date of the attached document: November 6, 2002

Execution dates of the attached document: November 5, 2002 & November 15, 2002

4. Application number(s) or registration number(s). Additional sheet attached? yes no

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,993,995

2,107,844

2,533,890

2,474,130

2,595,348

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

Name: Willem F. Gadiano, Esq.

FIRM: McDermott, Will & Emery

Address: 600 13th Street, N.W.

City/State/Zip: Washington, D.C. 20005-3096

6. Number of applications and registrations involved: 5

7. The \$ _____ filing fee is enclosed.

8. Please charge the \$140.00 filing fee to Deposit Account No. 500417. (duplicate copy of this page attached)

9. Please charge any deficiencies in fees or credit any overpayment to Deposit Account No. 500417.

DO NOT USE THIS SPACE

10. 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.

Willem F. Gadiano, Esq.
Name of Person Signing

Signature

February 26, 2003

Date

Total number of pages comprising coversheet: 1

**AGREEMENT
(TRADEMARK)**

This AGREEMENT (TRADEMARK) (this "Agreement"), dated as of November 6, 2002, is made by Valve Special Purpose Co., LLC, a Delaware limited liability company, (the "Grantor"), in favor of Paul Capital Royalty Acquisition Fund, L.P., a Delaware limited partnership (the "Grantee").

RECITALS

Pursuant to the terms of that certain Security Agreement, dated as of November 6, 2002 (as may be amended, extended and replaced from time to time, the "Security Agreement"), made by the Grantor in favor of the Grantee, the Grantor granted the Grantee a security interest in certain of the Grantor's patents, trademarks, copyrights and other intellectual property and agreed to execute and deliver certain supplemental documents, including, without limitation, this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor agrees, for the benefit of the Grantee, as follows:

1. Definitions

Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

2. Grant of Security Interest

As collateral security for the prompt and complete payment and performance of the Obligations, the Grantor hereby assigns and pledges to the Grantee and hereby grants to the Grantee a security interest in, all of the Grantor's right, title and interest in and to the following, whether now or hereafter existing or acquired (collectively, the "Trademark Collateral"):

- (a) all trademarks and service marks of the Grantor related to the Products, including all registrations and recordings thereof, and all applications for registrations thereof, including without limitation those registrations and applications for registration of trademarks and service marks that are listed in Item A of Attachment 1 hereto (collectively, the "Trademarks");
- (b) all licenses of Trademarks to or by the Grantor, including without limitation each Trademark license referred to in Item B of Attachment 1 hereto (collectively, the "Trademark Licenses");
- (c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) above;

- (d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b) above; and
- (e) all proceeds of, and rights associated with, any of the foregoing, including any claim by the Grantor against third parties for past, present, or future infringement or dilution of any Trademark or Trademark Licenses or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any of the Trademark Licenses.

3. Security Agreement

This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Grantee in the Trademark Collateral with the Trademark Offices listed on Attachment 2 attached hereto (each, a "PTO"). The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Grantee under the Security Agreement. The Security Agreement (and all rights and remedies of the Grantee thereunder) shall remain in full force and effect in accordance with its terms.

4. Additional Representation and Warranty and Covenant

In addition to all representations and warranties, covenants and agreements set forth in the Security Agreement, the Grantor hereby represents and warrants that Attachment 1 attached hereto sets forth an accurate and complete list of all Trademarks and Trademark Licenses owned by the Grantor which are registered with the appropriate PTO.

5. No Present Assignment; Release of Security Interest

(a) Neither the Security Agreement, this Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Trademark Collateral. Subject to the rights of the Grantor under the Security Agreement and this Agreement, it is the intention of the parties hereto that Grantor continue to own the Trademark Collateral.

(b) Upon the indefeasible payment and performance in full of the Obligations, the security interest granted herein shall automatically terminate, and all rights of the Grantee under the Security Agreement and this Agreement in and to the Trademark Collateral shall be released and terminated and the Trademark Collateral shall revert to the Grantor. Upon any such termination, the Grantee shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as Grantor shall reasonably request to release the Lien upon the Trademark Collateral which has been granted hereunder to evidence such termination.

6. Acknowledgment

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Grantee with respect to the security interest in the Trademark Collateral granted

hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

7. Transfer of Title

Notwithstanding anything to the contrary, to the extent title in or to the Trademark Collateral is transferred to a third party, the third party shall take its rights in the Trademark Collateral subject to the obligations and duties of Grantor under the applicable Assignor License Agreement.

8. Counterparts

This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute together but one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the day and year first above written.

GRANTOR: VALVE SPECIAL PURPOSE CO., LLC

By: William E. Cooper
Name: William E. Cooper
Title: Chief Financial Officer

ACCEPTED AND ACKNOWLEDGED BY:

PAUL CAPITAL ROYALTY ACQUISITION FUND, L.P.

By: Paul Capital Management, LLC,
its General Partner

By: _____
Name: Walter Flamenbaum, M.D.
Title: Managing Member

[Signature page to Agreement (Trademark) – two acknowledgment pages follow]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the day and year first above written.


GRANTOR: VALVE SPECIAL PURPOSE CO., LLC

By: _____
Name:
Title:

ACCEPTED AND ACKNOWLEDGED BY:

PAUL CAPITAL ROYALTY ACQUISITION FUND, L.P.

By: Paul Capital Management, LLC,
its General Partner

By: 
Name: Walter Flamenbaum, M.D.
Title: Managing Member

[Signature page to Agreement (Trademark)]

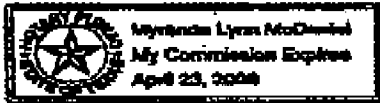
ACKNOWLEDGMENT OF VALVE SPECIAL PURPOSE CO., LLC

STATE OF Texas)

COUNTY OF Travis) ss.

On this 5th day of November, 2002 before me personally appeared William E Cooper, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of VSPC, who being by me duly sworn did depose and say that he is an authorized officer of said limited liability company, that the said instrument was signed on behalf of said limited liability company authorized by its Executive Committee and that he acknowledged said instrument to be the free act and deed of said limited liability company.

Myranda Lynn McDaniel
(seal) Notary Public



[Page 1 of 2 Acknowledgements to Signature page to Agreement (Trademark)]

ACKNOWLEDGMENT OF PAUL CAPITAL ROYALTY ACQUISITION, L.P. _

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 15th day of November in the year 2002 before me, the undersigned, a Notary Public in and for said State, personally appeared Walter Flamenbaum, M.D., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Mina G. Kuhn
{seal} Notary Public

MINA G. KUHN
Notary Public, State Of New York
No. 01KU6057048
Qualified in New York County
Commission Expires April 9, 2003

ATTACHMENT 1
TO AGREEMENT (TRADEMARK)

ITEM A - TRADEMARKS:

U. S. TRADEMARKS

Trademark	Reg. No.	Registration Date	Goods/Classes
ON-X	1,993,995	8/13/96	(Class 1) (Pyrocarbon)
ON-X	2,107,844	10/21/97	(Class 10) (heart valves)
MCRI & Wave Design	2,533,890	1/29/02	(Class 10) (heart valves)
NATURAL BY DESIGN	2,474,130	7/31/01	(Class 10) (heart valves)
CONFORM-X	2,595,348	7/16/02	(Class 10) (heart valves)

FOREIGN TRADEMARKS

COUNTRY	TRADEMARK	REGIS. NO.	REGIS. DATE
Australia	ON-X	832,315	4/18/00
Taiwan	ON-X	933,190	3/1/01
South Korea	ON-X	505,981	11/8/01
China	ON-X	1,605,672	7/21/01
Europe. Cmty.	ON-X	31,492	1/8/98
Europe. Cmty.	MCRI and Design	279,406	1/27/99

COUNTRY	TRADEMARK	APPLN. NO.	FILING DATE
Japan	ON-X	2000-39908	4/14/00

ITEM B - TRADEMARK LICENSES:

None.

ATTACHMENT 2
TO AGREEMENT (TRADEMARK)

TRADEMARK OFFICES

United States Patent and Trademark Office
The Trademark Office in each of the following countries:

Australia

Taiwan

South Korea

China

Japan

European Community:

Austria

Belgium

The Netherlands

Luxembourg

Denmark

France

Finland

Germany

Greece

Ireland

Italy

Portugal

Spain

Sweden

United Kingdom