

01-27-2003

1.21.03

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



102347640

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Welcon/Accordé Medical Products, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other Delaware

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Wells Fargo Business Credit, Inc.

Internal

Address:

Street Address: 40 N.E. Loop 410, Suite 340

City: San Antonio State: Texas Zip: 78216

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Minnesota Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: December 27, 2002

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

75/147625; 75/147629 and 76/427538

B. Trademark Registration No.(s)

1557803; 2100816; 2200523; 2152488; 2610633; 2077293; 1788830; 1715406 and 1818427

Additional number(s) attached Yes No

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

Name: James J. Murphy, Esq.

Internal Address: Winstead, Sechrest & Minick PC

Street Address: 1201 Elm Street, Suite 5400

City: Dallas State: Texas Zip: 75270

6. Total number of applications and registrations involved:

12

7. Total fee (37 CFR 3.41) \$ 315.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

23-2426

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

James J. Murphy, Esq.

Name of Person Signing

Signature

21 Jan. 03

Date

Total number of pages including cover sheet, attachments, and document: 11

01/24/2003

ECDOOPER 00000238 75147625

01 FC:8521 02 FC:8522

40.00 275.00 DP

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002658 FRAME: 0594

PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement, dated as of December 27, 2002 (the "Agreement") is made by and between Welcon/Accordé Medical Products, Inc., a Delaware corporation having a business location at the address set forth below next to its signature (the "Debtor"), and Wells Fargo Business Credit, Inc., a Minnesota corporation having a business location at the address set forth below next to its signature (the "Secured Party").

Recitals

The Debtor and the Secured Party are parties to a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtor.

As a condition to extending credit to or for the account of the Debtor, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of the Debtor's right, title and interest in and to:
(i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each,
(ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all

as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Debtor.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) *Existence; Authority*. The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) *Patents*. Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall within 10 days provide written notice to the Secured Party with a replacement Exhibit A attached thereto, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) *Trademarks*. Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's or any Affiliate's business(es). If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Debtor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall within 10 days provide written notice to the Secured Party with a replacement Exhibit B attached thereto, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) *Affiliates*. As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and

deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under

any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after and during the continuance of an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. **Debtor's Use of the Patents and Trademarks.** The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it after the expiration of all applicable grace and cure periods, if any; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. This Agreement can be modified or amended only explicitly in a writing signed by the Secured Party and the Debtor. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Texas without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. Entire Agreement. **THIS AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THE SUBJECT MATTER HEREIN AND THEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

Welcon/Accordé Medical Products, Inc.
99 Hartford Avenue
Providence, Rhode Island 02909
Telephone: (401) 421-0387
Telecopier: (401) 751-6950
Attention: _____
e-mail: _____

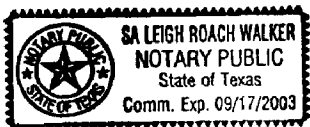
WELCON/ACCORDÉ MEDICAL PRODUCTS, INC.
By Craig D. Porter
Craig D. Porter
President

Wells Fargo Business Credit, Inc.
40 N.E. Loop 410, Suite 340
San Antonio, Texas 78216
Telephone: (210) 856-6026
Telecopier: (210) 856-8989
Attention: Mark L. Odle
e-mail: mark.l.odle@wellsfargo.com

WELLS FARGO BUSINESS CREDIT, INC.
By Mark L. Odle
Mark L. Odle
Vice President

STATE OF TEXAS)
COUNTY OF TARRANT)

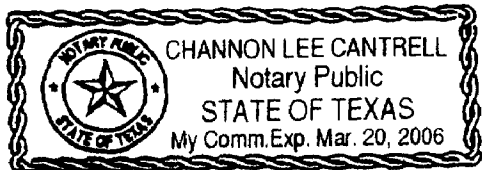
The foregoing instrument was acknowledged before me this __ day of December, 2002, by Craig D. Porter, the President of Welcon/Accordé Medical Products, Inc., a Delaware corporation, on behalf of the corporation.



Leigh Roach Walker
Notary Public

STATE OF TEXAS)
COUNTY OF Bexar)

The foregoing instrument was acknowledged before me this __ day of December, 2002, by Mark L. Odle, a Vice President of Wells Fargo Business Credit, Inc., a Minnesota corporation, on behalf of the corporation.



Channon Lee Cantrell
Notary Public

EXHIBIT A

Patents: (assigned to Welcon)

Country	Serial No.	Filed	Title	Inventors	Patent No.	Issued	Notes:
US	07/601191	Oct 22, 1990	MEDICAL FLUID DELIVERY SYSTEM WITH UNIQUELY CONFIGURED PUMP UNIT AND FLUID DELIVERY SET	Inventor(s): Dikeman, Cary (Leawood, KS)	5147313	Sept 15, 1992	Assignee(s): WELCON ACCORDE MEDICAL PRODUCTS, INC. 99 HARTFORD AVENUE PROVIDENCE RHODE ISLAND 02909 Assignor(s): ENTRACARE CORPORATION Date Signed: August 07, 2002 (20020807) Date Recorded: August 09, 2002 (20020809) Brief: ASSIGNMENT OF ASSIGNORS INTEREST Reel/Frame: 012973/0015
US	07/601332	Oct 22, 1990	MEDICAL FLUID DRIP CONTAINER	Inventor(s): Dikeman, Cary (Leawood, KS)	D383206	Sept 2, 1997	Assignee(s): WELCON ACCORDE MEDICAL PRODUCTS, INC. 99 HARTFORD AVENUE PROVIDENCE RHODE ISLAND 02909 Assignor(s): NUTRICARE MEDICAL PRODUCTS, INC. Date Signed: August 07, 2002 (20020807) Date Recorded: August 09, 2002 (20020809) Brief: ASSIGNMENT OF ASSIGNORS INTEREST Reel/Frame: 012973/0018 Term of Patent: 14 Years
US	08/46620	Apr 14, 1993	MEDICAL FLUID PUMP APPARATUS	Inventor(s): Smith, Larry C. (Shawnee, KS)	5374251	Dec 20, 1994	Assignee(s): WELCON ACCORDE MEDICAL PRODUCTS, INC. 99 HARTFORD AVENUE PROVIDENCE RHODE ISLAND 02909 Assignor(s): ENTRACARE CORPORATION Date Signed: August 07, 2002 (20020807) Date Recorded: August 09, 2002 (20020809) Brief: ASSIGNMENT OF ASSIGNORS INTEREST Reel/Frame: 012973/0015 Term of Patent: 14 Years
US	72873	June 3, 1997	URINARY DRAINAGE BAG	Inventor(s): Leigh, Brendan M. (Fort Worth, TX)	D399307	Oct 6, 1998	Patent Assignee: Welcon, Inc. (Fort Worth, TX) Term of Patent: 14 Years

Country	Serial No.	Filed	Title	Inventors	Patent No.	Issued	Notes:
US	08/662437	6/10/96	IV Pole Bag Fabricated from Anti-Microbial Material	Inventor(s): Frey, John W. (Justin, TX), Hird, George A. (West Gloucester, RI)	6033392	3/7/00	Assignee(s): Welton/Accorde Medical Products, Inc. 99 Hartford Avenue, Providence RI 02909 Assignor(s): Frey, John W. and Hird, George A. Date Signed: May 20, 1996 (19960520) Date Recorded: June 10, 1996 (19960610) Brief: ASSIGNMENT OF ASSIGNORS INTEREST Reel/Frame: 008051/0963

Copyrights:

Reg. No.	Date	Title of Work	Notes:

Domain Names:

Domain Name:	Created on	Expires on	Record last updated on	Administrative Contact:	Technical Contact, Zone Contact:

EXHIBIT B

U.S. Trademarks:

Serial No.	Filed	Mark	Reg. No.	Issued	Notes:
73749016	Aug 29, 1988	ACCORDE (Stylized)	1557803	Sep 26, 1989	ASSIGNMENTS Reel/Frame 1257/0386 Assignor(s) WELCON, INC. (RI CORP.) Assignee(s) WELCON/ACCORD MEDICAL PRODUCTS, INC. (DE CORP.) Date Sgnd/Ack Nov 14, 1994 Date Recorded Nov 30, 1994 Brief Assigns the entire interest and goodwill
75040255	Jan 4, 1996	THE GERM BUSTER	2100816	Sep 30, 1997	Registrant WELCON/ACCORD MEDICAL PRODUCTS, INC. (DE CORP.)
75147625	Aug 9, 1996	POLE BAG			Applicant WELCON/ACCORD MEDICAL PRODUCTS, INC. (DE CORP.)
75147629	Aug 9, 1996	POLE SAK			Applicant WELCON/ACCORD MEDICAL PRODUCTS, INC. (DE CORP.)
75264549	Mar 26, 1997	HUEVU	2200523	Oct 27, 1998	Registrant WELCON, INC. (TX CORP.)
75284167	Apr 30, 1997	TRACHTAPE	2152488	Apr 21, 1998	Registrant WELCON/ACCORDE MEDICAL PRODUCTS, INC., DBA WELCON, INC. (DE CORP.)
76232241	Mar 26, 2001	PLAIN JANE	2610633	Aug 20, 2002	Registrant WELCON, INC. (TX CORP.)
76427538	Jul 5, 2002	COMFORTBAND			Applicant WELCON, INC. (TX CORP.)

Trademarks for EntraCare (not assigned to Welcon): Welcon acquired EntraCare Enteral Pump and Device product line. See press release dated Monday, February 12, 2001. Assignment was not recorded for trademarks.

Serial No.	Filed	Mark	Reg. No.	Issued	Notes:
75110239	May 24, 1996	NUTRICARE	2077293	Jul 8, 1997	Registrant ENTRACARE CORPORATION (NV CORP.)
74249266	Feb 25, 1992	RATE SAVER	1788830	Aug 17, 1993	Registrant ENTRACARE CORPORATION (NV CORP.)
74232303	Dec 20, 1991	ULTRAFLO	1715406	Sep 15, 1992	ASSIGNMENTS Reel/Frame 1795/0629 Assignor(s) ENTRACARE CORPORATION (NV CORP.) Assignee(s) ENTRACARE CORPORATION (KS CORP.), Date Sgnd/Ack Aug 2, 1995 Date Recorded Sep 17, 1998 Brief CHANGE OF ADDRESS AND STATE OF INCORPORATION
7417720	Jun 19, 1991	AUTOFLUSH	1818427	Jan 25, 1994	ASSIGNMENTS Reel/Frame 0834/0727 Assignor(s) CLINICAL SYSTEMS, INC. (MO CORP.) Assignee(s) ENTRACARE CORPORATION (NV CORP.) Date Sgnd/Ack Dec 12, 1991 Date Recorded Dec 20, 1991 Brief Assigns the entire interest and goodwill

Foreign Trademarks: (not searched)

Country	Serial No.	Filed	Mark	Reg. No.	Issued	Notes: