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

102410478

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

1. Name of conveying party(ies):

Celleration, Inc.

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

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

2. Name and address of receiving party(ies)

Name: Transamerica Technology Finance Corporation

Internal

Address:

Street Address: 76 Batterson Park Road

City: Farmington State: CT Zip: 06032

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State CT 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: 3/27/03

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

A. Trademark Application No.(s) 76/414,216; 76/417,534; 76/485,305

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name:

Internal:

Federal Research Company, LLC 1030 15th Street, NW, Suite 920 Washington, DC 20005

Street Address:

City: State: Zip:

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41):

\$ 90.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Allen M. Sailer, Senior Vice President

Signature

Date 3/31/03

Name of Person Signing

00000038 76414216

Signature

Date

Total number of pages including cover sheet, attachments, and document: 7

04/08/2003

FC:85:21 FC:85:22

40.00 50.00

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

TRADEMARK REEL: 002706 FRAME: 0688

P Agreement Short Form (Patents and Trademarks)

PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of March 11, 2003, is entered into between **CELLERATION, INC.**, a Minnesota corporation ("Grantor"), which has a mailing address at 6570 Edenvale Boulevard, Eden Prairie, Minnesota 55346, and **TRANSAMERICA TECHNOLOGY FINANCE CORPORATION** ("TTFC"), a Delaware corporation, having its principal office at 9399 West Higgins Road, Suite 600, Rosemont, Illinois 60018 and having an office at 76 Batterson Park Road, Farmington, CT 06032.

RECITALS

A. Grantor and TTFC are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"). Unless otherwise defined herein, initially capitalized terms used in this Agreement have the meanings given them in the Loan Agreement; and

B. Grantor is the owner of certain intellectual property, identified below, in which Grantor is granting a security interest to TTFC.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. GRANT OF SECURITY INTEREST.

To secure the complete and timely payment and performance of all Obligations, and without limiting any other security interest Grantor has granted to TTFC, Grantor hereby grants, assigns, and conveys to TTFC a security interest in Grantor's entire right, title, and interest in and to the following, whether now owned or hereafter acquired (the "Collateral"):

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Grantor's right, title and interest to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Grantor's right, title and interest to the patents and patent applications listed on Exhibit B attached hereto, as the same may be updated hereafter from time to time;

(v) All of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark

registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of TTFC for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Grantor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Grantor or in the name of TTFC for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vii) The entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(viii) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(ix) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

4. AFTER-ACQUIRED PATENT OR TRADEMARK RIGHTS.

If Grantor shall obtain rights to any new trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to TTFC with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Without limiting Grantor's obligation under this Section 2, Grantor authorizes TTFC to modify this Agreement by amending Exhibits A or B to include any such new patent or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Exhibits A or B shall in any way affect, invalidate or detract from TTFC's continuing security interest in all Collateral, whether or not listed on Exhibit A or B.

5. GENERAL PROVISIONS.

3.1 Rights Under Loan Agreement. This Agreement has been granted in conjunction with the security interest granted to TTFC under the Loan Agreement. The rights and remedies of TTFC with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Loan Agreement, all terms and provisions of which are incorporated herein by reference.

3.2 Successors. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Grantor may not transfer any of the Collateral or any rights hereunder, without the prior written consent of TTFC, except as specifically permitted hereby.

3.3 Amendment; No Conflict. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 2 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving TTFC greater rights or

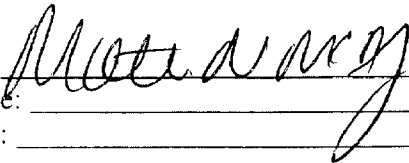
remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to TTFC under the Loan Agreement.

3.4 Governing Law. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

TRANSAMERICA TECHNOLOGY FINANCE CORPORATION

CELLERATION, INC.

By: 
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Matthew N. McAlpine
Senior Vice President

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

TRANSAMERICA TECHNOLOGY FINANCE
CORPORATION

CELLERATION, INC.

By: _____
Name: _____
Title: _____

By: *Kevin L. Nickels*
Name: KEVIN L. NICKELS
Title: President / CEO

Exhibit "A"

REGISTERED TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
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PENDING TRADEMARKS

<u>Trademark</u>	<u>Filing Date</u>	<u>Serial No.</u>
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Celleration	June 3, 2002	76/414,216
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Healing through Ultrasonic Innovation	June 3, 2002	76/417,534
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Celleration Mist Therapy System	January 27, 2003	76/485,305
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Exhibit "B"PATENTS

<u>Patent Description/Title</u>	<u>Issue Date</u>	<u>Patent No.</u>	<u>Name of Inventor</u>
Device for Ultrasonic Atomizing of Liquid Medium	Dec. 31, 1991	5,076,266	Eliaz Babaev
Ultrasonic Method and Device for Wound Treatment	Nov. 12, 2002	6,478,754	Eliaz Babaev
Wound Treatment Method and Device with Combination Ultrasound and Laser	Mar. 18, 2003	6,533,803	Eliaz Babaev

PATENT APPLICATIONS

<u>Description</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Name of Inventor</u>
Nozzle for Ultrasound Wound Treatment	Oct. 6, 2000	09/684,044	Eliaz Babaev
Method and Device for Ultrasound Drug Deliver	Nov. 1, 2000	09/704,099	Eliaz Babaev
Ultrasound Wound Treatment Method and Device Using Standing Waves	Jan. 30, 2001	09/774,145	Eliaz Babaev
Ultrasound Catheter Drug Delivery Method and Device	Mar. 21, 2001	09/813,577	Eliaz Babaev
Ultrasound Method and Device for Wound Treatment	Sept. 25, 2000	09/669,312	Eliaz Babaev
Displacement Measurement Method and Device	Aug. 7, 2002	60/401,818	Eliaz Babaev
Device and Method for Ultrasound Wound Debridement	Aug. 7, 2002	60/401,685	Eliaz Babaev