

5-19-03

05-19-2003

RECC



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1. **Name of conveying party:** Artromick International, Inc., and Cart Holdings, Inc., each a Delaware corporation
2. **Name and address of receiving party:** 5-19-03
CapitalSource Finance LLC
4445 Willard Avenue, 12th Floor
Chevy Chase, MD 20815
3. **Nature of conveyance and execution date:** Grant of security interest to receiving party by conveying party pursuant to Acknowledgement of Intellectual Property Collateral Lien dated and executed as of March 10, 2003
4. **Application Number(s) or Registration Numbers(s):**

Trademark Application Numbers:	Trademark Numbers:
None	1,033,629
	1,039,454
	1,234,645
	1,234,646
	1,235,267
	1,276,065
	1,279,792
	1,289,311
	1,290,562
	1,290,766
	1,293,152
	1,330,748
	1,412,246
	1,439,938
	1,441,759
	1,442,041
	1,618,757
	1,779,661
	1,826,378
	1,848,552
	1,925,495
	1,985,663
	2,120,845
	2,176,634
	2,205,276
	2,302,079
	2,380,289

05/19/2003 LMUELLER 00000183 1033629

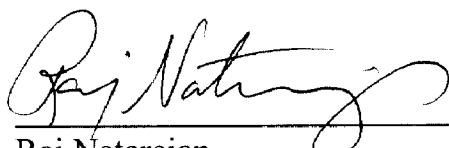
01 FC:8521
02 FC:852240.00 DP
650.00 DP

[end of list of numbers]

144108.00006

\\ODMA\PCDOCS\ATL\677856\1

5. **Mail correspondence concerning document to:**
Raj Natarajan, Esq.
Powell, Goldstein, Frazer & Murphy
191 Peachtree Street, N.E.
Sixteenth Floor
Atlanta, Georgia 30303
6. **Total number of applications and registrations involved:** Twenty-seven (27)
7. **Total fee (37 CFR 3.41), enclosed:** \$690.00 8. **Deposit account number:** N/A
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.


Raj Natarajan

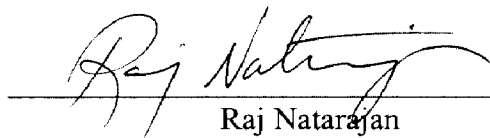
5-16-03
Date

Total Number of Pages for Cover Sheet: Two (2)

Certificate of Express Mailing -- 37 C.F.R. 1.10

Express Mail mailing label number: EF009191832US

I hereby certify that this paper is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on **May 16, 2003** and is addressed to the Commissioner of Patents and Trademarks, Washington, D.C. 20231.


Raj Natarajan

**ACKNOWLEDGEMENT OF
INTELLECTUAL PROPERTY COLLATERAL LIEN**

This Acknowledgement of Intellectual Property Collateral Lien (this "Acknowledgement") is dated as of March 10, 2003, by each of **ARTROMICK INTERNATIONAL, INC.**, **CART HOLDINGS, INC.** (each a "Grantor" and, collectively, the "Grantors"), in favor of CapitalSource Finance LLC, a Delaware limited liability company, as administrative agent and collateral agent for the Lenders under the Loan Agreement (in such capacities, "Secured Party").

WITNESSETH:

WHEREAS, pursuant to that certain Revolving Credit, Term Loan and Security Agreement dated as of the date hereof among Grantors, Secured Party and the Lenders (as the same exists and may be amended, restated, supplemented, extended, renewed, replaced or otherwise modified from time to time, the "**Loan Agreement**"), the Lenders have agreed to provide Loans to the Borrower upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Grantors granted to Secured Party, for itself and the benefit of the Lenders, certain liens on the Collateral to secure their Obligations under the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement the Grantors are required to execute and deliver this Acknowledgment in favor of Secured Party, for itself and the benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Secured Party and lenders to enter into the Loan Documents and to make Loans to the Grantors thereunder, each Grantor hereby agrees with Secured Party as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement or, to the extent the same are used or defined therein, the meanings provided in Article 9 of the UCC in effect on the date hereof. Whenever the context so requires, each reference to gender includes the masculine and feminine, the singular number includes the plural and vice versa. This Acknowledgement shall mean such agreement as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, from time to time. Unless otherwise specified, all accounting terms not defined in the Loan Documents shall have the meanings given to such terms in and shall be interpreted in accordance with GAAP. References in this Acknowledgement to any Person shall include such Person and its successors and permitted assigns.

Section 2. Reaffirmation of Grant of Security Interest in Intellectual Property Collateral. Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor, hereby reaffirms its grant to Secured Party, for itself and the benefit of the Lenders, of a first priority security interest in the Collateral, and further collaterally assigns, conveys, mortgages, pledges, hypothecates and transfers to Secured Party, for itself and the benefit of the Lenders, and grants to Secured Party, for itself and the benefit of the Lenders, a lien on and security interest in all of its right, title and interest in, to and under the following

Collateral of such Grantor, whether presently existing or hereafter created or acquired (herein referred to as "Intellectual Property Collateral");

(a) all of its owned Trademarks and Trademark Licenses to which it is a party, including those referred to on Schedule I hereto;

all renewals, reissues, continuations or extensions of the foregoing;

all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License;

all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License;

(b) all of its Copyrights and Copyright Licenses to which it is a party, including those referred to on Schedule II hereto;

all renewals, reissues, continuations or extensions of the foregoing; and

all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present, future infringement or dilution of any Copyright or Copyright licensed under any Copyright License; and

(c) all of its Patents and Patent Licenses to which it is a party, including those referred to on Schedule III hereto;

all renewals, reissues, continuations or extensions of the foregoing; and

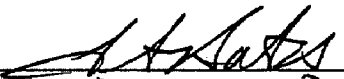
all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Patent License.

Section 3. Acknowledgement. The security interests reaffirmed herein are granted in conjunction with the security interest granted to Secured Party, for itself and the benefit of the Lenders, pursuant to the Loan Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party and Lenders with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent that there is any conflict or inconsistency between this Acknowledgement and the Loan Agreement, the terms and conditions of the Loan Agreement shall govern.

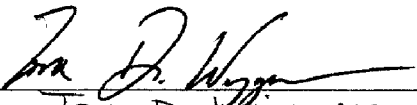
[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Acknowledgment of Intellectual Property Collateral Lien to be executed and delivered by its duly authorized officer as of the date first set forth above.

ARTROMICK INTERNATIONAL, INC., a Delaware corporation

By: 
Name: James A. Bates
Title: Treasurer

CART HOLDINGS, INC., a Delaware corporation

By: 
Name: Tom D. Whippman
Title: Secretary

CAPITALSOURCE FINANCE LLC, as Secured Party

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each Grantor has caused this Acknowledgment of Intellectual Property Collateral Lien to be executed and delivered by its duly authorized officer as of the date first set forth above.

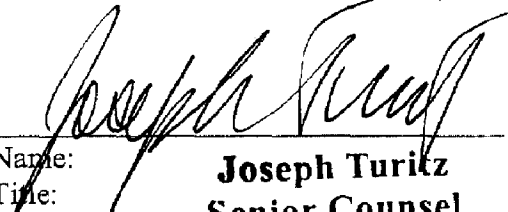
ARTROMICK INTERNATIONAL, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

CART HOLDINGS, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

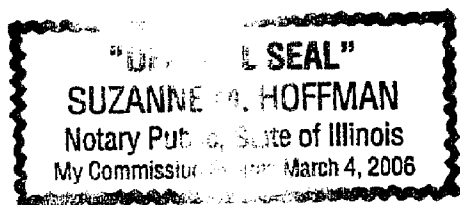
CAPITALSOURCE FINANCE LLC, as Secured Party

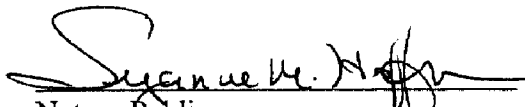
By:  _____
Name: **Joseph Turitz**
Title: **Senior Counsel**

ACKNOWLEDGEMENT OF ARTROMICK INTERNATIONAL, INC.

STATE OF Illinois)
) ss.
COUNTY OF Cook)

On this 7th day of March, 2003 before me personally appeared Jama A. Bates proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of **ARTROMICK INTERNATIONAL, INC.**, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its respective Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.




Notary Public

141108.00000
::ODMA\PCDOCS\ATL\657160\1

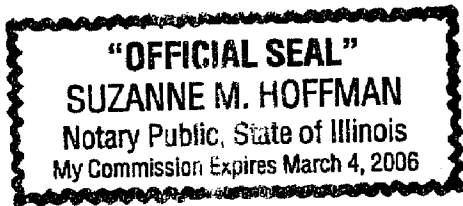
ARTROMICK INTERNATIONAL, INC.
PATENT SECURITY AGREEMENT
Acknowledgement Signature Page

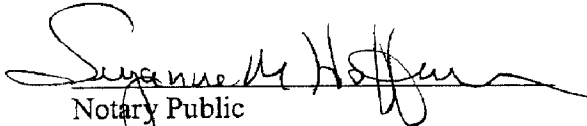
TRADEMARK
REEL: 002734 FRAME: 0497

ACKNOWLEDGEMENT OF CART HOLDINGS, INC.

STATE OF Illinois)
) ss.
COUNTY OF Coole)

On this 7th day of March, 2003 before me personally appeared Tom D., proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of **CART HOLDINGS, INC.**, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its respective Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



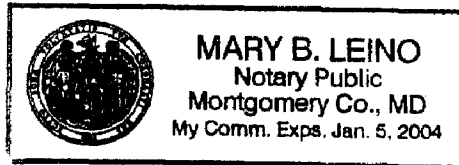

Notary Public

ACKNOWLEDGEMENT OF CAPITALSOURCE FINANCE LLC

STATE OF MARYLAND)
) ss.
COUNTY OF MONTGOMERY)

On this 11TH day of MARCH, 2003 before me personally appeared JOSEPH TURITZ, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of **CAPITALSOURCE FINANCE LLC**, who being by me duly sworn did depose and say that he is an authorized officer of said company, that the said instrument was signed on behalf of said company as authorized by its managing member(s) and that he acknowledged said instrument to be the free act and deed of said company.

Mary B. Leino
Notary Public



SCHEDULE I
to
ACKNOWLEDGEMENT OF INTELLECTUAL PROPERTY LIEN
TRADEMARK REGISTRATIONS

(See Attached)

A. REGISTERED TRADEMARKS

Including Mark Reg. No. and Date

B. TRADEMARK APPLICATIONS

C. TRADEMARK LICENSES

Including Name of Agreement, Parties and Date of Agreement

U.S. Registered Trademarks

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
PCI	1,033,629	February 17, 1976
CONTROLLED DOSAGE SYSTEM	1,039,454	May 11, 1976
LOOSPAK STYLIZED	1,234,645	April 12, 1983
MAX 7 AND DESIGN	1,234,646	April 12, 1983
ARTROMICK DESIGN	1,235,267	April 19, 1983
MEDICATION ON THE DOT	1,276,065	May 1, 1984
LOOSPAK	1,279,792	May 29, 1984
DESIGN (BLACK DOTS)	1,289,311	August 7, 1984
PUNCH PAK AND DESIGN	1,290,562	August 14, 1984
VISCHARXT DESIGN	1,290,766	August 21, 1984
DESIGN (COLOR DOTS)	1,293,152	September 4, 1984
ARTROMICK AND DESIGN	1,330,748	April 16, 1985
PHARMACART	1,412,246	October 7, 1986
PHARMABLISTERS	1,439,938	May 19, 1987
PHARMABIN	1,441,759	June 9, 1987
PHARMACARD	1,442,041	June 9, 1987
ARTROPAK	1,618,757	October 23, 1990
BOA	1,779,661	June 29, 1993
SLIDEPAK 7	1,826,378	March 15, 1994
LIDPAK	1,848,552	August 9, 1994
BOA	1,925,495	October 10, 1995
BOA	1,985,663	July 9, 1996
PCI TRANSAID	2,120,845	December 16, 1997
PINTRAX	2,176,634	July 28, 1998
NEXPAK	2,205,276	November 24, 1998
AUTO GO ^{22/}	2,302,079	December 21, 1999
SPOOLSTOR	2,380,289	August 29, 2000

^{22/} The assignment document recorded against this trademark with the PTO incorrectly identifies the Company as an Ohio corporation. Wood, Herron and Evans, requested a correction on March 4, 2003.

Louisiana Trade Name

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
ARTROMICK	3880116	October 7, 1997

Common Law Trademarks and Trade Names

Beyond your Expectations	ConceptOne
CartGuard	InterTech
Nu-Look Conditioning System	UniDrawer
Slot-Lock	Flex-Step
Twin-Turn Casters	Multi-Flex
Service 24	De (Drustar Exclusive logo)
Lock Logic Design	Tru-Trac
DuraTop	Dimension Systems
Auto-Lock	Select Series
Select Series II	Advanta Series
Accord Series	E-Z Pak 30
E-Z Punch	E-Z Pak 7+
E-Z Open	DuraPak
Compatible Series	PC1
Arrange 30	MAP (Marketing Assistance Program)
Tilt-Prevention	Advanta
Artropak II	Avalo
Avalo AL	M Series
MD Series	MDL
MDM	MDS
OSD Series	OSDL
OSDM	OSDS
PC Series	PCL
PCM	PCS
RegALwood	Waltur

Canadian Trademarks

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
DRUSTAR	211,685	January 23, 1976
HAND & DESIGN	211,686	January 23, 1976
SQUARE & DESIGN 211,698	January 30, 1976	
ARTROMICK	278,932	April 22, 1988

SCHEDULE II
to
ACKNOWLEDGEMENT OF INTELLECTUAL PROPERTY LIEN
COPYRIGHT REGISTRATIONS

(See Attached)

A. REGISTERED COPYRIGHTS

Including Copyright Reg. No. and Date

B. COPYRIGHT APPLICATIONS

C. COPYRIGHT LICENSES

Including Name of Agreement, Parties and Date of Agreement

U.S. Copyrights

<u>Application Title</u>	<u>Copyright No.</u>	<u>Registration Date</u>
"Vischart Physician's Order Sheet"	TX1290101	February 16, 1984
"Vischart Medication Administration Record"	TX1290100	February 16, 1984
"Vischart Treatment Record"	TX1290099	February 16, 1984
"PHARMACARD"	211,670	January 26, 1971

Domain Names

www.artromick.com

Registered with Network Solutions/Verisign. Expires March 10, 2006.

Patents Licensed To Company by Pearson Ventures, L.L.C. pursuant to that certain First Amended and Restated License Agreement dated as of January 30, 2001:

- a. Re 35,743
- b. 5,571,258
- c. 5,562,232
- d. 5,490,610
- e. 5,292,029

Software License Agreement between the Company and Vertex Inc., dated March 12, 2001

Software License, Support and Service Agreement between the Company and Mapics, Inc., dated December 7, 2000.

SCHEDULE III
to
ACKNOWLEDGEMENT OF INTELLECTUAL PROPERTY LIEN
PATENT REGISTRATIONS

(See Attached)

A. REGISTERED PATENT

Including Patent Reg. No. and Date

B. PATENT APPLICATIONS

C. PATENT LICENSES

Including Name of Agreement, Parties and Date of Agreement

Pending Applications

- a. 10/001,828^{4/}
- b. 09/571,021^{5/}
- c. 10/361,792^{6/}
- d. 10/361,793^{7/}

Patents

- a. Re. 34,171^{8/}
- b. D336,707^{9/}
- c. D403,570
- d. D406,970^{10/}

^{4/} The assignment document filed with the United States Patent and Trademark Office ("PTO") evidencing the assignment of the interest from the inventor to the Company incorrectly identifies the Company as being an Ohio corporation. A corrected assignment document was filed with the PTO on March 4, 2003, by Wood, Herron & Evans.

^{5/} The assignment document filed with the PTO evidencing the assignment of the interest from the inventor to the Company incorrectly identifies the Company as being an Ohio corporation. A corrected assignment document is being filed with the PTO by Wood, Herron & Evans.

^{6/} Assignments from the inventors to the Company of all interests in this application are being obtained by Darby & Darby P.C.

^{7/} See footnote 5.

^{8/} An erroneous assignment purported to assign the original patent of this reissue (4,616,890) from Baldt Incorporated, a Delaware corporation., to PDSW Corp., a Pennsylvania corporation subsequently known as Baldt Incorporated. The Baldt Incorporated of Delaware had no right, title or interest in the original patent '890.

^{9/} The Recordation Cover Sheet filed with the PTO evidencing the assignment of the interest in this patent/application from Medicart, L.L.C., a Delaware corporation ("Medicart"), to the Company incorrectly identifies Medicart as an Ohio corporation. The corrected Recordation Cover Sheet was filed by Bingham McCutchen with the PTO on March 4, 2003.

^{10/} Pursuant to the Asset Purchase Agreement (the "Drustar Agreement"), dated as of January 28, 1999, by and among the Company, Drustar, Inc., an Ohio corporation ("Drustar"), and the other parties thereto, this patent application was sold by Drustar to the Company. The appropriate assignment documents, however, were not recorded with the PTO. Furthermore, Drustar is no longer in existence. Michael S. Relyea, the former President of Drustar, has signed an affidavit affirming the facts stated above. Assignment documents, including this affidavit and the pertinent pages from the Drustar Agreement will be filed with the PTO.

e.	D434,507
f.	4,813,753
g.	4,822,116
h.	5,082,113
i.	5,109,984
j.	5,139,321 ^{11/}
k.	5,211,461 ^{12/}
l.	5,251,757
m.	5,259,668 ^{13/}
n.	5,281,020
o.	5,282,678 ^{14/}
p.	5,299,711
q.	5,322,365 ^{15/}
r.	5,356,011
s.	5,377,839
t.	5,437,390
u.	5,489,025
v.	5,579,941
w.	5,743,607 ^{16/}
x.	5,921,433 ^{17/}
y.	6,000,486 ^{18/}

^{11/}See footnote 8.

^{12/}See footnote 8.

^{13/} Due to PTO error, the assignment of the interest in the patent from J&I Industries, an Ohio corporation, to the Company was not recorded. A request for a correction was filed by Bingham McCutchen with the PTO on March 4, 2003.

^{14/} See footnote 12.

^{15/}See footnote 8.

^{16/} The document evidencing the merger and change of name for J&I Industries, an Ohio corporation, and Artromick International, Inc., an Ohio corporation, as of April 11, 1996, was filed by Bingham McCutchen with the PTO on March 4, 2003.

^{17/} The assignment document from the original inventors to Medicart incorrectly identifies Medicart as an Ohio company.

^{18/}See footnote 16.

z. 6,082,544^{19/}
aa. 6,085,936
bb. 6,098,732
cc. 6,378,963^{20/}

Canadian Patents

Pending Applications

a. 2,143,540

Patents

a. 2,062,045
b. 2,080,973
c. 2,088,841
d. 2,088,842
e. 2,406,782^{21/}

^{19/}See footnote 3.

^{20/}Only two of seven inventors (Gary Claypoole and Michael S. Relyea) have assigned their interests in this patent.

^{21/} The assignment document recorded against this patent in the Canadian Intellectual Property Office incorrectly identifies the Company as an Ohio corporation. MacRae & Co., the Company's Canadian patent counsel, filed a certificate of correction on March 6, 2003.