

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|-----------------------|-------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|------------------------------|----------|----------------|-------------------------|
| Paragon Medical, Inc. | | 12/19/2005 | CORPORATION: INDIANA |
| Mark Machine, Inc. | | 12/19/2005 | CORPORATION: NEW JERSEY |
| Ortho-Craft, Inc. | | 12/19/2005 | CORPORATION: NEW JERSEY |
| Ortho-Precision, LLC | | 12/19/2005 | CORPORATION: NEW JERSEY |
| Osteomac, Inc. | | 12/19/2005 | CORPORATION: FLORIDA |
| Pendleton Technologies, Inc. | | 12/19/2005 | CORPORATION: INDIANA |

RECEIVING PARTY DATA

| | |
|-----------------|-----------------------------------|
| Name: | LaSalle Bank National Association |
| Street Address: | 135 South LaSalle Street |
| City: | Chicago |
| State/Country: | ILLINOIS |
| Postal Code: | 60603 |
| Entity Type: | National Banking Association: |

PROPERTY NUMBERS Total: 1

| Property Type | Number | Word Mark |
|----------------------|---------|-----------|
| Registration Number: | 2418364 | PARADYME |

CORRESPONDENCE DATA

Fax Number: (312)609-5005
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-609-7838
 Email: tsettle@vedderprice.com
 Correspondent Name: Tammy S. Settle
 Address Line 1: 222 North LaSalle Street
 Address Line 4: Chicago, ILLINOIS 60601

CH \$40.00 2418364

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|-------------------------|-------------------|
| ATTORNEY DOCKET NUMBER: | 27941.00.0119/TSS |
| NAME OF SUBMITTER: | Tammy S. Settle |
| Signature: | /tsettle/ |
| Date: | 04/04/2006 |

Total Attachments: 9

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PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of December 19, 2005, by PARAGON MEDICAL, INC., an Indiana corporation (the "Company"), MARK MACHINE, INC., a New Jersey corporation ("MMI"), ORTHO-CRAFT, INC., a New Jersey corporation ("Ortho-Craft"), ORTHO-PRECISION, LLC, a New Jersey limited liability company ("Ortho-Precision"), OSTEOMAC, INC., a Florida corporation ("Osteoma"), PENDLETON TECHNOLOGIES, INC., an Indiana corporation ("Pendleton") (the Company together with MMI, Ortho-Craft, Ortho-Precision, Osteomac, and Pendleton each individually, a "Grantor", and collectively, the "Grantors"), in favor of LASALLE BANK NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS

A. The Company has entered into a Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with various financial institutions (the "Lenders") and the Administrative Agent, pursuant to which such financial institutions have agreed to make loans to, and issue or participate in letters of credit for the account of, the Company and/or its affiliates.

B. The Company has entered into a Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") with the Administrative Agent pursuant to which certain obligations owed to the Lenders are secured.

C. The Grantors have entered into a Guaranty and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Collateral Agreement") with the Administrative Agent pursuant to which certain obligations owed to the Lenders are secured.

D. Pursuant to the Security Agreement, the Company is required to execute and deliver to the Administrative Agent, for the ratable benefit of the Lenders, this Agreement.

E. Pursuant to the Guaranty and Collateral Agreement, Pendleton, MMI, Ortho-Craft, Ortho-Precision and Osteomac (collectively, the "Guarantors") are required to execute and deliver to the Administrative Agent, for the ratable benefit of the Lenders, this Agreement.

F. Pursuant to the terms of the Security Agreement, the Company has granted to the Administrative Agent, for the benefit of the Lenders, a security interest in substantially all the assets of the Company, including all right, title and interest of the Company in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Company under the Credit Agreement.

G. Pursuant to the terms of the Guaranty and Collateral Agreement, the Guarantors have granted to the Administrative Agent, for the benefit of the Lenders, a security interest in substantially all the assets of each Guarantor, respectively, including all right, title and interest of

such Guarantor in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Company under the Credit Agreement.

In consideration of the mutual agreements set forth herein and in the Credit Agreement, each Grantor does hereby grant to the Administrative Agent, for the benefit of the Lenders, a continuing security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark and trademark application, including, without limitation, each trademark and trademark application referred to in Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (2) each trademark license, including, without limitation, each trademark license listed on Schedule 1 annexed hereto, together with all goodwill associated therewith;
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future infringement of any trademark, including, without limitation, any trademark referred to in Schedule 1 annexed hereto, any trademark issued pursuant to a trademark application referred to in Schedule 1 and any trademark licensed under any trademark license listed on Schedule 1 annexed hereto (items 1 through 3 being herein collectively referred to as the "Trademark Collateral");
- (4) each patent and patent application, including, without limitation, each patent and patent application referred to in Schedule 2 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (5) each patent license, including, without limitation, each patent license listed on Schedule 2 annexed hereto, together with all goodwill associated therewith;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in Schedule 2 annexed hereto, any patent issued pursuant to a patent application referred to in Schedule 2 and any patent licensed under any patent license listed on Schedule 2 annexed hereto (items 4 through 6 being herein collectively referred to as the "Patent Collateral").

This security interest is granted in conjunction with the security interests granted to the Administrative Agent pursuant to the Security Agreement with respect to the Company and Guaranty and Collateral Agreement with respect to the Guarantors and subject to limitations set forth therein. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral and the


Patent Collateral made and granted hereby are more fully set forth in the Credit Agreement, the Security Agreement and the Guaranty and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Guaranty and Security Agreement.

[signature page follows]


Signature Page to Patent & Trademark Security Agreement

The Grantor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.


PARAGON MEDICAL, INC., an Indiana corporation

By: 
Name: Tobias W. Buck
Title: Chairman

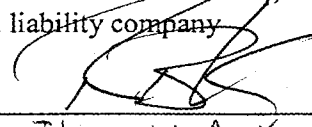
MARK MACHINE INC., a New Jersey corporation

By: 
Name: Tobias W. Buck
Title: Chairman

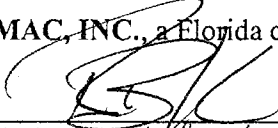
ORTHO-CRAFT, INC., a New Jersey corporation

By: 
Name: Tobias W. Buck
Title: Chairman

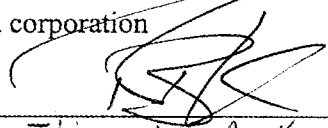
ORTHO PRECISION LLC, a New Jersey limited liability company

By: 
Name: Tobias W. Buck
Title: Chairman

OSTEOMAC, INC., a Florida corporation

By: 
Name: Tobias W. Buck
Title: Chairman

PENDLETON TECHNOLOGIES INC., an Indiana corporation

By: 
Name: Tobias W. Buck
Title: President

STATE OF IL)
) SS
COUNTY OF Cook)

On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Paragon Medical, Inc., and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

STATE OF IL)
) SS
COUNTY OF Cook)

OFFICIAL SEAL
MADELINE J DEC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/22/07

Madeline J Dec
Notary Public

On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Mark Machine Inc., and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

STATE OF IL)
) SS
COUNTY OF Cook)

OFFICIAL SEAL
MADELINE J DEC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/22/07

Madeline J Dec
Notary Public

On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Ortho-Craft, Inc., and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

OFFICIAL SEAL
MADELINE J DEC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/22/07

Madeline J Dec
Notary Public

STATE OF IL)
COUNTY OF Cook) ss

On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Ortho Precision LLC, and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

Modeline J. De
Notary Public

STATE OF IL)
COUNTY OF Cook) ss

On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Osteomac, Inc., and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

Modeline J. De
Notary Public

STATE OF IL)
COUNTY OF Cook) ss


On this 15 day of December, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he/she is the above-indicated officer of Pendleton Technologies Inc., and which executed the above instrument; and that he/she signed his/her name thereto by authority of the board of directors or similar governing of said entity.

Modeline J. De
Notary Public

Signature Page to Patent & Trademark Security Agreement

Acknowledged:

**LASALLE BANK NATIONAL
ASSOCIATION**, as Administrative Agent

By: 

Name: Robert A. Schultz

Title: First Vice President

SCHEDULE 1
TO
PATENT AND TRADEMARK SECURITY AGREEMENT

Trademarks, Trademark Applications and Trademark Licenses

| Trademark Number | Trademark Application Number | Trademark Registration Number | Date of Application | Date of Registration |
|-------------------------|-------------------------------------|--------------------------------------|----------------------------|-----------------------------|
| 1. PARADYME | 75/686995 | 2,418,364 | April 20, 1999 | January 2, 2001 |

Common law trademarks:

PARAGON
PARAGON MEDICAL
(PARAGON MEDICAL & Design)
INSTRUMENTAL IN YOUR SUCCESS

SCHEDULE 2
TO
PATENT AND TRADEMARK SECURITY AGREEMENT

Patents, Patent Applications and Patent Licenses

| Patent Number | Patent Application Number | Date Patent Issued | Date of Patent Application |
|----------------------|----------------------------------|---------------------------|-----------------------------------|
| 6,350,418 | 09/251275 | February 26, 2002 | February 16, 1999 |
| 5,641,065 | 08/493,797 | June 24, 1997 | June 22, 1995 |
| 5,441,707 | 317236 | August 15, 1995 | October 3, 1994 |
| 5,407,648 | 128806 | April 18, 1995 | September 29, 1993 |
| 6,634,499 | 09/877221 | October 21, 2003 | June 8, 2001 |
| 6,592,000 | 09/494560 | July 15, 2003 | January 31, 2000 |
| 6,585,942 | 09/491421 | July 1, 2003 | January 26, 2000 |
| 6,382,575 | 09/627812 | May 7, 2002 | July 28, 2000 |
| 6,099,812 | 09/099261 | August 8, 2000 | June 18, 1998 |
| 6,012,577 | 09/186712 | January 11, 2000 | November 5, 1998 |
| Pending | 11/291045 | | November 30, 2005 |

The Company also has a German Patent number DE10003092