

12-21-2001

COVER SHEET
FILE

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)



Tab settings

101923640

To the Honorable Commissioner

with the attached original documents or copy thereof.

1. Name of conveying party(ies):
 The Chase Manhattan Bank, as Collateral Agent
 and Administrative Agent
 270 Park Avenue
 New York, NY 10017

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: Hanger Orthopedic Group, Inc.
 Internal Address: _____
 Street Address: Two Bethesda Metro Center,
Suite 1200
 City: Bethesda State: MD ZIP: 20814

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State MD
 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 Partial Termination and Release
Agreement

Execution Date: October 10, 2001

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

A. Trademark Application No.(s)
 B. Trademark Registration No.(s)

See Attached

Additional numbers attached? Yes No

6. Total number of applications and registrations involved: 29

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

Name: Penelope Agodoa
 Internal Address: Federal Research Corp.

Street Address: 400 Seventh Street, N.W.,
Suite 101
 City: Washington State: DC ZIP: 20004

7. Total fee (37 CFR 3.41).....\$ 740.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

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

12/26/2001 JJALLAH2 00000008 13/5699 DO NOT USE THIS SPACE

FC:481 40.00 OP
 FC:482 700.00 OP

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.

Oghale Jituboh Oghale Jituboh December 20, 2001
 Name of Person Signing Signature Date

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

Pat. No. 1004716	Netherlands	App. No. 1004716	Filed 12/6/96	Issued 7/20/98	Expires 7/20/00
Ortho-Mold	Orthopedic device and process				
Pat. No. 4,572,167	United States	App. No. 539,545	Filed 10/6/83	Issued 2/25/86	Expires 10/6/03
Post Op Leg Brace	Modular orthopedic brace				
Pat. No. 5,449,338	United States	App. No. 08/133,500	Filed 10/7/93	Issued 9/12/95	Expires 10/7/13
ROM Control	Range of motion control for brace, adjustment device for an articulated joint brace				
Pat. No. 4,620,532	United States	App. No. 06/536,083	Filed 9/26/83	Issued 11/4/86	Expires 11/4/03
Pat. No. 1390232	Japan	App. No. 245631/1983	Filed 12/28/83	Expires 12/10/01	

Patents Pending

Prosthetic pylon having an enclosed compressible volume of fluid to support a patient's weight
 United States Application Serial No. 09/442,255 Filed 11/17/99

Prosthetic ankle and walking system
 United States Application Serial No. 369,206 Filed 8/05/99

Patents Pending (through HGR acquisition)

Leg brace (LH Custom2)					
Canada	App. No. 2192287	Filed 12/6/96	Expires 12/6/16		
China	App. No. 96121485.6	Filed 12/6/96	Expires 12/6/11	<i>(not yet confirmed by S&S)</i>	
Denmark	App. No. 1396/96	Filed 12/6/96	Expires 12/6/16		
France	App. No. 96 15020	Filed 12/6/96	Expires 12/6/16		
Germany	App. No. 19650782.0	Filed 12/6/96	Expires 12/6/16		
Hong Kong	App. No. 98103653.5	Filed 3/5/99	Expires 3/5/19		
Japan	App. No. 8-328832	Filed 12/9/96	Expires 12/9/16		

Registered Trademarks

AVENGER
 United States, Reg. No. 2,466,603 (7/3/01)

CHILD'S PLAY
 United States, Reg. No. 1,665,445 (11/19/91)

M+IND & Design
 United States, Reg. No. 1,730,863 (11/10/92)

MODEL + INSTRUMENT DEVELOPMENT
 United States, Reg. No. 1,697,225 (6/23/92) - Service Mark
 United States, Reg. No. 1,720,062 (9/29/92) - Trademark

SEATTLE AIRSTANCE
 United States, Reg. No. 2,052,514 (4/15/97)

SEATTLE C STANCE
 United States, Reg. No. 2,131,121 (1/20/98)

SEATTLE FOOT
 United States, Reg. No. 1,492,075 (6/14/88)

SEATTLE LIGHTFOOT
 United States, Reg. No. 1,778,816 (6/29/93)

SEATTLE LIMB SYSTEMS
 United States, Reg. No. 2,369,759 (7/25/00) - Service Mark
 United States, Reg. No. 2,458,912 (6/12/01)

SEATTLE LIMB SYSTEMS LOGO DESIGN (Body and Circle)
 United States, Reg. No. 2,367,430 (7/18/00) - Service Mark
 United States, Reg. No. 2,302,703 (12/21/99) - Trademark

SEATTLE NATURAL FOOT
 United States, Reg. No. 2,046,993 (3/25/97)

SEATTLE SELECT
United States, Reg. No. 2,110,992 (11/4/97)

SEATTLE SHAPEMAKER
United States, Reg. No. 1,768,469 (5/4/93)

VOYAGER
United States, Reg. No. 2,221,591 (2/2/99)

Registered Trademarks (through HGR acquisition)

CASH
United States, Reg. No. 1,375,699 (12/17/85)

DEROTATION
Argentina, Reg. No. 1,303,375 (8/8/88)
Austria, Reg. No. 107,469 (11/27/84)
Benelux, Reg. No. 397,332 (3/12/84)
Brazil, Reg. No. 811533603 (7/23/85)
Canada, Reg. No. 293,332 (7/20/84)
France, Reg. No. 1,264,200 (3/5/84)
Italy, Reg. No. 501255 (3/30/84)
Japan, Reg. No. 1,913,059 (11/27/86)
Taiwan, Reg. No. 337952 (9/1/86)
United States, Reg. No. 1,134,530 (5/6/80)

LENOX HILL
Australia, Reg. No. A382,014 (10/5/82)
Austria, Reg. No. 101,697 (1/18/83)
Benelux, Reg. No. 384,208 (10/8/82)
Brazil, Reg. No. 810993228 (2/14/84)
Canada, Reg. No. 286,920 (1/13/84)
France, Reg. No. 1,214,751 (10/6/82)
Germany, Reg. No. 1,050,618 (7/6/83)
Italy, Reg. No. 404,069 (2/17/86)
Japan, Reg. No. 2,368,269 (12/25/91)
Switzerland, Reg. No. 321,859 (5/21/83)
Taiwan, Reg. No. 337951 (9/1/86)
United Kingdom, Reg. No. 1 182 804 (10/4/82)
United States, Reg. No. 957,912 (4/24/73)

LENOX HILL LOGO (Lenox Hill stylized)
United States, Reg. No. 2,164,013 (6/9/98)
United States, Reg. No. 2,026,381 (12/31/96)

LENOX HILL DEROTATION
Australia, Reg. No. A483477 (3/16/88)
Germany, Reg. No. 1,078,175 (6/14/85)
Switzerland, Reg. No. 334,862 (12/14/84)
United Kingdom, Reg. No. 1 252 681 (10/22/85)

LH CUSTOM 2
United States, Reg. No. 2,223,914 (2/16/99)

ORTHO-MOLD
Canada, Reg. No. 334,839 (12/4/87)
Germany, Reg. No. 1,159,973 (12/21/88)
United States, Reg. No. 1,412,186 (10/7/86)

Trademarks Pending

CHALLENGER
United States, 75/907,540 (Appl. 2/1/00)

CROSSTRAINER
United States, 75/907,541 (Appl. 2/1/00)

SEATTLE LOCK
United States, Serial No. 76/199,563 (App. 1/23/01)

PARTIAL TERMINATION AND RELEASE AGREEMENT, dated as of the 10th day of October, 2001 ("Agreement"), by and among HANGER ORTHOPEDIC GROUP, INC. (the "Borrower" or "Hanger"), and THE CHASE MANHATTAN BANK, as Administrative Agent and as Collateral Agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (as defined below).

WHEREAS, the parties to this agreement are parties to a Credit Agreement, dated as of June 16, 1999, an Amended and Restated Credit Agreement, dated as of March 29, 2000, Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of March 16, 2001, and an Amendment No. 2 to the Amended and Restated Credit Agreement, dated as of June 22, 2001 (collectively, the "Credit Agreement"), pursuant to which the Lenders loaned certain funds to the Borrower for the purposes of accomplishing the Acquisition, all upon the terms and conditions set forth therein;

WHEREAS, Borrower is currently negotiating to sell certain assets of Borrower and of Seattle Orthopedic Group, Inc. ("Seller"), a wholly-owned subsidiary of Borrower, to United States Manufacturing Company, LLC ("Purchaser") (the "Asset Sale") for a purchase price of Fifteen Million Four-Hundred Twenty Three Thousand Seven Hundred Seven Dollars (\$15,423,707.00) in cash ("Cash Consideration") plus an additional Three Million Dollars (\$3,000,000.00) in contingent, future consideration, with the Asset Sale scheduled to close on October 9, 2001;

WHEREAS, the Asset Sale will result in the Borrower selling all assets located at the Seattle, Washington facility of the Seller and the Intellectual Property listed on Schedule I attached hereto. Such sale is of a certain portion of Seller's business, with that portion of the business being described as the business of designing, manufacturing and selling prosthetic and orthotic components and products and the fabrication of customized orthoses, including, without limitation, custom and non-custom limb segments, braces, materials, compositions, components, processes for making and using the foregoing; provided, however, that the foregoing description of Seller's business shall specifically exclude (i) all rights with regard to the creation, promotion and sale of the Charleston Bending Brace, (ii) central fabrication facilities and business of the Seller relating to its facilities located in Alpharetta, Georgia; Orlando, Florida; Ft. Lauderdale, Florida; Anaheim, California; Livermore, California; Tempe, Arizona, and Kansas City, Missouri (collectively, "Sea Fab facilities") and (iii) the historical and on-going activities of Hanger and its other subsidiaries in the distribution, sale and provision of orthotic and prosthetic services and devices (the "Business"); and

WHEREAS, Borrower intends to pay Fourteen Million Eight-Hundred Sixty Three Thousand Seven Hundred Seven Dollars (\$14,863,707.00) of the Cash Consideration to the Lenders to reduce the principal amounts of the Tranche A Term Loan and Tranche B Term Loan pro-rata and to utilize Five Hundred Sixty Thousand Dollars (\$560,000.00) of the Cash Consideration to pay certain taxes and costs.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound do hereby agree as follows:

1. Incorporation of Introductory Paragraphs. The foregoing introductory paragraphs of this Agreement are hereby incorporated in their entirety into this Agreement as if fully set forth herein.

2. Conditions. The parties agree that this Agreement shall be binding only upon (a) the consummation of the Asset Sale, as described in the Asset Purchase Agreement (the "Asset Agreement"), dated as of the 9th day of October, 2001, by and among Purchaser, Seller and Borrower, and that if the Asset Sale shall not take place, then this Agreement shall be considered null and void and of no effect whatsoever; (b) the application of proceeds as set forth herein; and (c) confirmation (the "Confirmation") of the transfer by Federal wire to the accounts specified on Annex C hereto of an amount equal to \$15,423,707.00. The Confirmation shall be deemed to have occurred on the date and at the time a Federal wire reference number relating to such transfer shall have been provided orally to Concetta Prainito of the Administrative Agent by direct telephone contact at 212-552-7241.

3. Assets Sold. The Asset Sale shall include, among other things, all of the Seller's assets located in the Poulsbo and Seattle, Washington locations including the Intellectual Property of Seller and Borrower listed on Schedule I hereto. The assets to be sold by Seller and Borrower and purchased by Purchaser, including contracts, goodwill and claims and rights of Seller, all as more specifically set forth in the Asset Agreement, pursuant to this Paragraph 3 are hereinafter collectively referred to as the "Purchased Assets."

4. Excluded Assets. The Asset Sale shall not include, and Purchaser shall not acquire: (i) anything related to the mark and/or name of Sabolich and anything related to the patented Sabolich Socket Technology owned by Hanger and/or its subsidiaries (all such items only as listed on Schedule 1.2(iii) to the Asset Agreement), (ii) any and all assets and liabilities related solely to the Sea Fab facilities, except as otherwise provided in the Asset Agreement, (iii) the Excluded Receivables, (iv) anything related to the Charleston Bending Brace, (v) cash, and (vi) the historical and on-going activities of Hanger and its other subsidiaries in the distribution, sale and provision of orthotic and prosthetic services and devices (collectively the "Excluded Assets").

5. Delivery and Release of the UCC Termination Statements and Other Security Interests. Upon Confirmation, the Collateral Agent agrees to promptly execute and deliver to the Borrower: (a) Uniform Commercial Code termination statements terminating each of the financing statements listed on Annex A hereto and relating to the Purchased Assets; (b) Uniform Commercial Code termination or amendment statements either terminating or modifying each of the financing statements listed on Annex B hereto such that they no longer include any security interest in any of the Purchased Assets; and (c) the release and/or termination of security interests held by the Administrative Agent (for the benefit of the Secured Parties) in the Intellectual Property listed on Schedule I. The Administrative

Agent/Collateral Agent agrees that upon such Confirmation, neither it nor any of the other Lenders under the Credit Agreement shall have any security interest or lien in any of the Purchased Assets, and that Purchaser, as purchaser under the Asset Sale, and KeyBank, who is providing certain credit facilities to Purchaser and taking a security interest in the Purchased Assets, may rely on this assurance.

6. Further Assurances. Each party agrees, upon the reasonable request of the other party, at any time and from time to time, promptly to execute and deliver all such further documents (including, without limitation, lien releases and Uniform Commercial Code termination statements), and promptly to take and forbear from all such action as may be reasonably necessary or appropriate in order to confirm or carry out the provisions of this Agreement.

7. Liens on Excluded Assets. The liens of the Lenders on the Excluded Assets shall remain in full force and effect.

8. Amendments. This Agreement may not be amended, modified or waived except in writing signed by the party against whom enforcement of such amendment, modification or waiver is sought.

9. Successors and Assigns; Beneficiaries. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

10. Governing Law. THE PARTIES AGREE THAT THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICTS OF LAWS PRINCIPLES.

11. Choice of Law. The parties further agree that any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties hereto in the courts of the State of New York, County of New York, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of New York, and each of the parties hereto consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

12. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

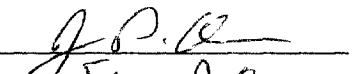
13. Invalidity of Part of Agreement. In the event any provision of this Agreement shall be held invalid or unenforceable, it shall be deemed modified, only to the extent necessary to make it lawful. To effect such modification, the said provision shall be deemed deleted, added to

and/or rewritten, whichever shall most fully preserve the intentions of the parties as originally expressed herein.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

HANGER ORTHOPEDIC GROUP, INC.,

By: 
Name: Jason P. Owen
Title: Treasurer

THE CHASE MANHATTAN BANK, individually
and as Administrative Agent,

By: Robert Bottamedi
Name: ROBERT BOTTAMEDI
Title: VICE PRESIDENT

Intellectual Property Owned by Seattle Orthopedic Group, Inc.

Patents Owned

2000 Scanner Pat. No. 5,886,775	Noncontact digitizing imaging system United States	App. No. 08/815,092	Filed 3/12/97	Issued 3/23/99	Expires 3/12/17
Flared Pylons Pat. No. 5,545,231 Pat. No. 2,160,322	Angular adjustment system for pylon/prosthetic foot interface United States Canada	App. No. 08/321,254 App. No. 2,160,322	Filed 10/11/94 Filed 10/11/95	Issued 8/13/96 Issued 4/12/96	Expires 10/11/14 Expires 10/11/15
Laminating Anchor Pat. No. 5,957,980	Reinforcement assembly for laminated structures United States	App. No. 926,172	Filed 9/9/97	Issued 9/28/99	
Multiaxis ankle Pat. No. 5,571,212	Prosthetic ankle joint for pivotally connecting a residual limb to a prosthetic foot United States	App. No. 08/371,024	Filed 1/10/95	Issued 11/5/96	Expires 1/10/15
Provel Digitizer Pat. No. 5,252,822	Contact wheel automated digitizer with visible sensing of marked reference points United States	App. No. 951,907	Filed 9/28/92	Issued 10/12/93	
	Through Assignment, SOGI Purchased Provel Corp. 1993				
Seattle AirStance Pat.No. 6,086,615 Pat. No. 5,702,488 Pat. No. 2,305,126	Prosthetic pylon having an enclosed compressible volume of fluid to support a patient's weight United States United States United Kingdom	App. No. 939,134 App. No. 08/527,514 App. No. 961.8955.0	Filed 9/29/97 Filed 9/12/95 Filed 9/11/96	Issued 7/11/00 Issued 12/30/97 Issued 9/15/99	Expires 9/12/15
Seattle ALS Adapter Pat. No. 6,013,105	Connector and alignment assembly United States	App. No. 038357	Filed 3/10/98	Issued 1/11/00	
Sea. Dynamic Pylon Pat. No. 5,464,442	Tubular support pylon and retainer for prosthetic foot United States	App. No. 090608	Filed 6/12/93	Issued 11/7/95	
Sea. Endo. Cosmesis Pat. No. D364,925	Design for endoskeletal cosmesis United States	App. No. 29/016,065	Filed 12/6/93	Issued 12/5/95	Expires 12/5/09
Seattle Foot Pat. No. 4,645,509 Pat. No. 594096 Pat. No. 1,233,003	Prosthetic foot having a cantilever spring keel United States Australia Canada	App. No. 07/619,190 App. No. 64944/86 App. No. 1,233,003	Filed 6/11/84 Filed 11/7/86 Filed 6/10/85	Issued 2/24/87 Issued 6/18/90 Issued 2/23/88	Expires 6/11/04 Expires 11/7/06 Expires 2/23/05
Seattle LightFoot Pat. No. 629922 Pat. No. 2,014,250 Pat. No. 5,066,305	Prosthetic foot having a low profile cantilever spring keel Australia Canada United States	App. No. 53080/90 App. No. 2,014,250 App. No. 07/262,464	Filed 4/10/90 Filed 4/10/90 Filed 10/25/88	Issued 2/16/93 Issued 10/10/91 Issued 11/19/91	Expires 4/10/10 Expires 4/10/10 Expires 11/19/08
Seattle Natural Foot Pat. No. 5,549,711 Pat. No. 720456	Prosthetic foot and keel therefor having progressive stiffening under increasing load United States Eur. Pat. Convent	App. No. 08/129,844 App. No. 94928171.1	Filed 9/30/93 Filed 9/20/94	Issued 8/27/96 Issued 7/10/96	Expires 9/30/13 Expires 9/20/14
Seattle Select Pylon Pat. No. 5,571,207 Pat. No. 729326	Prosthetic pylon having uniform flexure characteristics United States Eur. Pat. Convent	App. No. 08/308,092 App. No. 95934423.5	Filed 9/16/94 Filed 9/15/95	Issued 11/5/96, Expires 9/16/14 Issued 9/4/96	Expires 9/15/15
Seattle Voyager Foot Pat. No. 5,800,568	Prosthetic ankle and walking system United States	App. No. 08/602,241	Filed 2/16/96	Issued 9/1/98	Expires 2/16/16

Patents Owned (through HGR acquisition)

CASH Brace Pat. No. 5,135,471	Cruciform anterior spinal hyperextension United States	App. No. 756,352	Filed 9/9/91	Issued 10/4/92	
LH Custom 2 Pat. No. 5,891,071 Pat. No. 1289719 Pat. No. 1012196A5	Leg brace United States Italy Belgium	App. No. 08/577,835 App. No. TO96A000991 App. No. 09601025	Filed 12/22/95 Filed 12/6/96 Filed 12/9/96	Issued 4/6/99 Issued 10/16/98 Issued 7/4/00	Expires 12/22/15 Expires 12/6/16 Expires 7/27/00

License Agreements

1. (a) Amended and Restated Patent License Agreement - Ernest M. Burgess MD & Pros. Outreach Foundation
 - Seattle Foot (25% assignment)
US 4,645,509 Prosthetic foot having a cantilever spring keel
 - Seattle Ankle (50% assignment)
US 4,792,340 Prosthetic ankle

- (b) Agreement for Assignment of Tradename/Trademark - Ernest M. Burgess MD & Pros. Outreach Foundation
 - Seattle Foot US Reg. No. 1492075
 - Seattle ShapeMaker US Reg. No. 1768469

2. License Agreement with Ernest M. Burgess MD dba Prosthetics Research Study
 - Nylon socket adapter (50% assignment)
US 5,139,524 Prosthetic alignment device supplementally secured by hoop stress

3. License Agreement with Drew A. Hittenberger.
 - Seattle Foot (25% assignment)
US 4,645,509 Prosthetic foot having a cantilever spring keel

4. Letter Agreement in connection with Burgess License Agreement with Alan Aulie.
 - Seattle Ankle (50% assignment)
US 4,792,340 Prosthetic ankle
 - Nylon socket adapter (50% assignment)
US 5,139,524 Prosthetic alignment device supplementally secured by hoop stress

5. Seattle ShapeMaker Software Distribution Agreement and Addendum - Jon S. Harlan, Bio-Logic, Inc.
 - Originally as distribution, now through assignment. SOGI purchased ShapeMaker and JH became employee and has since been terminated.

6. License with Steeper Europe BVBA.
 - License to distribute Steeper products in the US. (Steeper is also a SOGI distributor in Europe.)

7. License and Settlement Agreement with Flex-Foot
 - Seattle Foot (Flex-Foot has license to use)
US 4,645,509 Prosthetic foot having a cantilever spring keel

8. Patent License Agreement - Stratasys, Inc.
 - ShapeMaker 2000 Scanner
US 5,121,329 Apparatus and method for creating three-dimensional objects
US 5,340,433 Modeling apparatus for three-dimensional objects

9. Patent License Agreement - Board of Regents, University of Texas
 - ShapeMaker 3000 Scanner
US 5,552,883 Noncontact position measurement system using optical sensors
US 5,367,373 Noncontact position measurement systems using optical sensors

10. Patent License Agreement - Sabolich Research & Development, Inc.

11. Patent License Agreement - Sabolich Research & Development, Inc.

US 5,219,365 Prosthetic foot
 Originally part of NovaCare, now part of HGR

12. Sale Agreement between Model + Instrument Development Corporation and Biologic, Inc. executed on November 2, 1993.

13. Cooperative Research and Development Agreement between Sandia Corporation and Seller executed on September 12, 2000.

Item	Location	Contract With	Type
A.	Poulsbo	Sandia National Labs	License Agreement relative to SILL Project
B.	Poulsbo	Sandia National Labs	SILL Project Research and Development Agreement between Sandia Corp. and Seller, dated September 12, 2000
C.	Poulsbo	Flex-Foot License	Royalty Receivable for Pat. 4,645,509-License and Settlement Agreement between Model + Instrument Development Corporation and Flex-Foot executed February 15, 1995.
D.	Poulsbo	Sabolich Research	Sabolich Foot Pat. #5,219,365-License between Seattle Limb Systems and Sabolich Research and Development, Inc., dated March 31, 1998, and Amendment to license agreement between Seller and Sabolich Research and Development, Inc., dated August 2, 2000.
E.	Poulsbo	Sabolich Research	Sense of Feel U.S. Pat. Appln. No. 08/763,012
F.	Poulsbo	University of Texas, S.A. Board of Regents	Scanner Technology License-Technology License Agreement between the Board of Regents of the University of Texas System and Model + Instrument Development Corporation, effective June 1, 1993.
G.	Poulsbo	Stratasys	Use of Pat., 5,121,329 & 5,340,433

License Agreements

1. (a) Amended and Restated Patent License Agreement - Ernest M. Burgess MD & Pros. Outreach Foundation

Seattle Foot (25% assignment)
 US 4,645,509 Prosthetic foot having a cantilever spring keel
 Seattle Ankle (50% assignment)
 US 4,792,340 Prosthetic ankle

(b) Agreement for Assignment of Tradename/Trademark - Ernest M. Burgess MD & Pros. Outreach Foundation

Seattle Foot US Reg. No. 1492075
 Seattle ShapeMaker US Reg. No. 1768469

2. License Agreement with Ernest M. Burgess MD dba Prosthetics Research Study

Nylon socket adapter (50% assignment)
 US 5,139,524 Prosthetic alignment device supplementally secured by hoop stress

3. License Agreement with Drew A. Hittenberger.

Seattle Foot (25% assignment)
 US 4,645,509 Prosthetic foot having a cantilever spring keel

4. Letter Agreement in connection with Burgess License Agreement with Alan Aulie.

Seattle Ankle (50% assignment)
 US 4,792,340 Prosthetic ankle
 Nylon socket adapter (50% assignment)
 US 5,139,524 Prosthetic alignment device supplementally secured by hoop stress

5. Seattle ShapeMaker Software Distribution Agreement and Addendum - Jon S. Harlan, Bio-Logic, Inc.

Originally as distribution, now through assignment. SOGI purchased ShapeMaker and JH became employee and has since been terminated.

6. Product Assignment Agreement-Hanger Orthopedic Group, Inc. and Lonnie Paulos, executed on April 15, 1993.

7. Sale Agreement between Model + Instrument Development Corporation and Biologic, Inc. executed on November 2, 1993.

Intellectual Property Owned by Hanger Orthopedic Group, Inc.

Patents

Prosthetic foot (Sabolich keel)

US 5,219,365 United States App. No. 935683 Filed 8/26/92 Issued 6/15/93

CA 1,328, 150 Canada App. No. 595102 Filed 3/30/89 Issued 4/15/94

Patents Pending

System and method for providing a sense of feel in a prosthetic or sensory impaired limb (Sense of Feel, in dev.)

United States Appl. No. 08/763,012 Filed 12/10/96 Expires 12/10/16

Licenses

Product Assignment Agreement - Lonnie Paulos, executed on April 15, 1993

US 5, 277,697 Patella-femoral brace

ANNEX A

1. UCC-1 (File No. 990000154645; File Date 07/08/99), naming Seattle Othopedic Group, Inc. as Debtor, filed in Florida central filing office.
2. UCC-1 (File No. 1999-0294877; File Date 07/08/99), naming Seattle Othopedic Group, Inc. as Debtor, filed in Orange County, Florida filing office.
3. UCC-1 (File No. 4061771; File Date 07/07/99), naming Seattle Othopedic Group, Inc. as Debtor, filed in Illinois central filing office.
4. UCC-1 (File No.990624; File Date 07/07/99), naming Seattle Othopedic Group, Inc. as Debtor, filed in Kankakee County, Illinois filing office.
5. UCC-1 (File No. 19991870573; File Date 07/06/99), naming Seattle Othopedic Group, Inc. as Debtor, filed in Washington central filing office.



ANNEX B

1. UCC-1 (File No. 20002830010; File Date 10/99/00), naming Hanger Orthopedic Group, Inc. as Debtor, filed in Washington central filing office.
2. UCC-1 (File No. 19991870572; File Date 07/06/99, amended on 4/24/00 by File No. 20001150158 and amended again on 8/8/00 by File No. 20002210225), naming Hanger Prosthetics & Orthotics West, Inc. d/b/a Hanger Prosthetics & Orthotics as Debtor, filed in Washington central filing office.
3. UCC-1 (File No. 19991870575; File Date 07/6/99, amended on 8/9/00 by File No. 20002220125 and amended again on 3/20/01 by File No. 20010790166), naming HPO, Inc. as Debtor, filed in Washington central filing office.
4. UCC-1 (File No. 1991870574; File Date 07/6/99, amended on 4/24/00 by File No. 200001150160 and amended again on 8/9/00 by File No. 20002220124), naming Hanger Prosthetics & Orthotics West, Inc. as Debtor, filed in Washington central filing office.
5. UCC-1 (File No. 19991870576; File Date 07/6/99, amended on 4/24/00 by File No. 20001150161 and amended again on 8/8/00 by File No. 20002210224), naming Hanger Prosthetics & Orthotics West, Inc. as Debtor, filed in Washington central filing office.
6. UCC-1 (File No. 0000000181014925; File Date 08/9/99, amended on 4/24/00 and amended again on 8/9/00), naming HPO, Inc. as Debtor, filed in Maryland central filing office.
7. UCC-1 (File No. 0000000181014926; File Date 08/9/99, amended on 4/24/00 and amended again on 8/9/00), naming HPO, Inc. as Debtor, filed in Maryland central filing office.

ANNEX C

The proceeds of the Asset Sale shall be wire transferred according to the following schedule:

- a) Payment to: HANGER ORTHOPEDIC GROUP, INC.
Amount: \$560,000.00
Name of the Bank: Bank of America, WA
Telephone number of the bank: (206) 358-3012
Name of contact person in the bank's wire department: Gordon Gray
ABA Number: 125-000-024
Account Number: 68764901
Name on the account: DOBI Symplex DBA Seattle Limb Systems

If any questions or if further information is required, please call Ambrose Phillips at Hanger at (301) 280-4509.

- b) Payment to: Chase Manhattan Bank
Amount: \$14,863,707.00
Name of Bank: The Chase Manhattan Bank, NY
Telephone number of Bank: (212) 552-7241
Name of contact person in the bank's wire department: Concetta Prainito
ABA Number: 021000021
Account Number: 323528708
Name on Account: Hanger Orthopedic, Clearing Account