

PATENT ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Prismmedical Corporation	10/15/2008
RECEIVING PARTY DATA	
Name:	GF Private Equity Group, LLC
Street Address:	175 Mercado Street, Suite 201
City:	Durango
State/Country:	COLORADO
Postal Code:	81301
PROPERTY NUMBERS Total: 28	
Property Type	Number
Patent Number:	4871463
Patent Number:	5259954
Patent Number:	5725777
Patent Number:	6274103
Patent Number:	6426056
Patent Number:	6428505
Patent Number:	6520932
Patent Number:	6527738
Patent Number:	6562002
Patent Number:	6605214
Patent Number:	6623709
Patent Number:	6676632
Patent Number:	6719745
Patent Number:	6814724
Patent Number:	6805685

OP \$1120.00 4871463

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PATENT
REEL: 022727 FRAME: 0486

Patent Number:	6858139
Patent Number:	6878338
Patent Number:	6916305
Patent Number:	6932791
Patent Number:	6986872
Patent Number:	7250619
Patent Number:	7300636
Application Number:	10874630
Application Number:	10997096
Application Number:	12173636
Application Number:	10177718
Application Number:	11181029
Application Number:	11333949

CORRESPONDENCE DATA

Fax Number: (303)573-0769
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 303-573-1600
 Email: adamf@joneskeller.com
 Correspondent Name: Adam J. Fogoros
 Address Line 1: 1625 Broadway, Sixteenth Floor
 Address Line 4: Denver, COLORADO 80202

ATTORNEY DOCKET NUMBER:	11808.060
NAME OF SUBMITTER:	Adam Fogoros

Total Attachments: 15

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "*Agreement*"), is dated as of January 21, 2009, and is entered into by and among **Prismedical Corporation**, a Delaware corporation (the "*Company*") and **GF Private Equity Group, LLC**, a Colorado limited liability company and its respective successors, endorsees, transferees and assigns (collectively, the "*Secured Party*"), with reference to the following:

WHEREAS, Secured Party agreed to loan \$250,000 to Company pursuant to the terms and conditions of a Senior Convertible Secured Promissory Note executed by and between Company and Secured Party, dated October 15, 2008 (the "*Original Note*") and thereafter amended and restated on January 21, 2009 (the "*New Note*") and, together with any senior convertible secured promissory note by and between the Company and the Secured Party entered into after the date hereof ("*Future Notes*," collectively with the New Note, the "*Notes*"), with the Notes along with this Agreement, as the same may now exist or may hereafter be amended, modified, renewed, extended or supplemented, being collectively referred to herein as the "*Operative Documents*". All capitalized terms used but not defined herein shall have the meanings given to them in the Notes.

WHEREAS, to secure payment of the Company's obligations under the Notes and as a condition for Secured Party to make the loan to the Company pursuant to the Notes, Company is willing to grant to Secured Party a first priority security interest in the Collateral (as defined below in Section 1) pursuant to the terms and conditions of this Agreement; and

WHEREAS, in order to induce the Secured Party to make the loan and any further loan to the Company, the Company has agreed to execute and deliver to the Secured Party this Agreement for the benefit of the Secured Party and to grant to the Secured Party, a first priority security interest in certain property of the Company to secure the prompt payment, performance and discharge in full of all of Company's obligations under the Notes.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1.

(a) "*Business Day*" means any day that is not a Saturday, Sunday or U.S. Federal Government Holiday.

(b) "*Collateral*" means the collateral in which the Secured Party is granted a security interest pursuant this Agreement and which shall include all right, title and interest of the Company in and to all of the following types of property, wherever located and whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and

accounts thereof, including, without limitation, all proceeds from the sale, assignment, license or other transfer or disposition thereof and all proceeds of insurance covering the same and all proceeds of any tort claims in connection therewith:

(i) All Copyrights, Trademarks, Patents, Trade Secrets and goodwill of the Company;

(ii) Any and all claims for damages by way of past, present and future infringement of any of the rights included in subparagraph (a)(i) above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the rights identified therein;

(iii) All assignments, licenses, agreements or other permissions in favor of Company pertaining to any Copyrights, Trademarks, Patents or Trade Secrets of others, and all rights and remedies arising out of same;

(iv) All assignments, licenses, agreements or other permissions pertaining to any Copyrights, Trademarks, Patents or Trade Secrets granted by the Company to others, and all license fees, royalties, right and remedies arising from such grants of permissions; and

(v) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding anything to the contrary contained herein, the grant of the security interest herein shall not extend to, and the term "Collateral" shall not include any "intent to use" trademark applications filed with the United States Patent and Trademark Office unless and until the mark subject to such "intent to use" trademark application has been used in commerce in the United States in a manner that would support the filing of a "Statement of Use" with respect to such mark with the United States Patent and Trademark Office.

(c) "**Copyrights**" means any and all legally recognized rights and remedies arising out of the copyright laws of the United States or any foreign government, international body or any international treatise or convention with respect to any original work of authorship or any reproduction, display, derivative work, public performance, distribution or import or export of any original work of authorship, whether published or unpublished, whether such rights and/or remedies accrue in favor of the Company as author, assignee, employer, transferee or otherwise, including, without limitation, all registrations, applications for registration, supplemental registrations, renewals, continuations, notices and supplements thereto, pertaining to copyrighted works.

(d) "**Obligations**" means all debt, principal, interest, expenses and other amounts owed to Secured Party pursuant to the Notes whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest, late charges or fees that may accrue after the commencement of an insolvency proceeding.

(e) ***“Patents”*** means all right, title and interest in and to inventions, whether arising out of Title 35 of the United States Code, the Patent Cooperation Treaty, the patent or industrial property laws of any foreign country or international body, any international treaty, convention, or agreement or otherwise, and further including, without limitation, any and all issued patents and invention registrations, and all applications for patents and invention registrations, in each case, whether issued by or filed with the United States Patent and Trademark Office or by or with the patent or industrial property office of any foreign country or international organization, including, without limitation, provisional and nonprovisional patent applications, continuations, continuations-in-part, divisional applications, reissues, reexaminations, substitutes, extensions, renewals and reinstatements, international applications, applications under the Patent Cooperation Treaty, requests for and results of international searches and examinations, search reports and opinions, publications, all rights to claim priority as a result of any of the foregoing, and all rights to prosecute, maintain, renew, reply to, petition and appeal from adverse actions with respect to any of the foregoing.

(f) ***“Trade Secrets”*** means any information subject to protection as a “trade secret” as that term is defined under the Uniform Trade Secrets Act as adopted under the laws of the State of Colorado, including, without limitation, any non-public technical or business information, know-how, show-how, current and future products and services, research, engineering, designs, financial information, procurement requirements, manufacturing, customers, customer lists, customer data, customer preferences, histories and patterns, business forecasts, all inventions, invention disclosures, idea submissions, research, development, test plans, test results, inventor notes other inventive work product to the extent not included in “Patents” as herein defined, marketing plans and information other than information that has tangible value to the Company and is not generally known outside of the Company.

(g) ***“Trademarks”*** means all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, whether or not registered, all registrations, applications for registration, recordings and filings thereof, whether with the United States Patent and Trademark Office, any agency or office of a State of the United States, any agency or office of a foreign government or international body or otherwise, and all other assets, rights and interests that uniquely reflect or embody the goodwill of the Company, except that “Trademarks” does not include any “Intent to Use” trademark applications filed with the United States Patent and Trademark Office unless and until the mark subject to such “Intent to Use” trademark application has been the subject of “use in commerce” sufficient to support the filing of a “statement of use” thereon with the United States Patent and Trademark Office.

(h) ***“UCC”*** means the Uniform Commercial Code as currently in effect in the State of Delaware.

SECTION 2. Grant of Security Interest. The Company hereby pledges and grants to the Secured Party, a security interest in all of Company's right, title and interest in and to all Collateral, including, without limitation, all Patents and Trademarks referenced in Schedule "A" attached hereto, whether now owned or hereafter acquired and in all proceeds and products thereof.

SECTION 3. Security for Obligations. This Agreement and the security interest granted herein secures the timely payment and performance of all Obligations, whether direct or indirect, absolute or contingent, including without limitation, all interest, principal, late charges, expenses, attorneys' fees and other sums chargeable to the Company under the Notes, all amounts owed under modifications, renewals or extensions of any of the foregoing Obligations and any of the foregoing that arise after the filing of a petition by or against the Company under United States Bankruptcy Code Section 362 or otherwise.

SECTION 4. Representations and Warranties. The Company represents and warrants to the Secured Party, the following:

(a) The Company has full authority, evidence of which has been provided to Secured Party, to enter into, deliver and perform in accordance with the terms of this Agreement, and grant the security interest in Collateral to the Secured Party as provided herein and neither said grant of the security interest herein provided nor any other aspect of this Agreement contravenes or violates any agreement, law or document applicable to the Company.

(b) The chief place of business and chief executive office of the Company and the office where the Company keeps its records concerning its operations is as indicated on the signature page hereof. The Company's state of incorporation is Delaware. The Company's exact legal name is set forth in the first paragraph of this Agreement and in the signature block of this Agreement. The Company's Federal Employer Identification Number and its Delaware State ID Number are accurately set forth underneath the Company's signature herein.

(c) Except as otherwise previously disclosed in writing to Secured Party, all Collateral is owned by the Company (or, in the case of after-acquired Collateral, at the time the Company acquires rights in the Collateral, the Company will be the owner thereof) and is and will be free and clear of any lien, security interest, charge or encumbrance except for the security interests created by this Agreement. No financing statement covering any Collateral or any proceeds thereof is on file in favor of anyone other than the Secured Party. The Company has no trade name, except as previously disclosed in writing to the Secured Party.

(d) Insurance will be maintained with respect to the Collateral in such form and amounts as may be reasonably required by the Secured Party.

(e) Except to the extent that a control agreement is required in order to create a security interest, such as referenced in Section 18 below, this Agreement creates a valid first

priority security interest in all Collateral securing the payment of the Obligations, and all actions necessary or desirable to perfect and protect such security interest under the laws of the United States of America and the State of Delaware have been duly taken.

(f) No authorization, approval or other action by and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Company of the security interest granted herein or for the execution, delivery or performance of this Agreement by Company, or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder in the United States or any state of the United States.

SECTION 5. Further Assurances. Company authorizes Secured Party to file one or more financing statements describing the Collateral with the offices of the Delaware Secretary of State, the United States Patent and Trademark Office, the European, Japanese, Canadian, Mexican, Indian and Chinese patent offices, and such other and further offices, agencies and bodies as the Secured Party in its sole discretion may deem necessary or advisable. The Company agrees that from time to time, at the expense of the Company, the Company will promptly execute and deliver all further instruments and documents, and take all further actions that may be necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

SECTION 6. Transfers and Other Liens. The Company shall not:

(a) Lease, sell, assign (by operation of law or otherwise) or otherwise dispose of any interest in the Collateral without the Secured Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, except that the Company may provide nonexclusive licenses of Collateral in the ordinary course of the Company's business under terms and conditions similar to those pursuant to which the Company has previously licensed its intellectual property, so long as the Company notifies the Secured Party of the identity of the licensee and principal terms of the License within thirty (30) days of entering into same.

(b) Create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for the security interests created by this Agreement and any other charge or security interest expressly permitted by the Secured Party in advance in writing.

SECTION 7. Secured Party Appointed Attorney-in-Fact. The Company hereby irrevocably appoints the Secured Party as the attorney-in-fact for the Company, which power of attorney is coupled with an interest, with full authority in the place and stead of the Company and in the name of the Company, as applicable, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents or chattel paper in connection with the Collateral, or any of it;

(c) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral;

(d) to prosecute and further all applications for Patents, Trademarks and Copyrights, and to maintain and extend the registration of all Patents, Copyrights and Trademarks, including, without limitation, as applicable, filing affidavits of use, renewals and payment of maintenance fees;

(e) to sell, assign, transfer, pledge or otherwise enter into agreements in connection with or otherwise deal with, any or all of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes. Upon the occurrence of an Event of Default (as defined in Section 10 below) and at any time thereafter, the Secured Party shall have the right to take possession of all Collateral; and

(f) to obtain and adjust insurance required to be paid to the Secured Party pursuant to this Agreement.

SECTION 8. Secured Party May Perform. If the Company fails to perform any agreement or obligation contained herein, the Secured Party may itself perform, or cause performance of, such agreement or obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Company.

SECTION 9. Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession, the accounting for moneys actually received by it hereunder, and any duties expressly imposed upon the Secured Party by the UCC, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 10. Default. An Event of Default shall exist hereunder if:

(a) Any of the Company's obligations hereunder are not paid or performed promptly when due;

(b) The Company breaches any representation, warranty, covenant or term of this Agreement, or if any representation or warranty made by the Company pursuant to this Agreement was materially false, incomplete or misleading when made;

(c) Any material part of the Collateral is lost, destroyed, abandoned without the Secured Party's prior written consent, attached, encumbered or otherwise impaired; or

(d) Any Event of Default shall have occurred under the Notes.

SECTION 11. Remedies/Foreclosure Procedures. Upon the happening of any of any Event of Default:

(a) The Secured Party may accelerate all amounts owing under the Notes or any other Obligation secured hereby.

(b) The Secured Party may exercise with respect to the Collateral, any remedy provided for herein, under any other agreement or otherwise available to it, and all other rights and remedies of a secured party on default under the UCC (including the right to any deficiency remaining after disposition of the Collateral for which Company agrees to remain fully liable).

(c) The Secured Party may exercise any other rights or remedies the Secured Party may have either at law or in equity.

(d) Without limiting any of the foregoing, the Secured Party may (i) require the Company to, and the Company hereby agrees that it will at its expense and upon request of the Secured Party forthwith, assemble or all or part of the Collateral as directed by the Secured Party and make such Collateral available to the Secured Party at a place and in a manner to be designated by the Secured Party which is reasonably convenient to both parties and (ii) without notice except as specified below and with or without legal process, sell, assign, lease, license or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale or other disposition, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery and upon such other terms as the Secured Party may deem commercially reasonable. The Company agrees that, to the extent notice of sale or other disposition of the Collateral shall be required by law, at least ten (10) days' notice to the Company of the time and place of any public sale or other disposition or of the date and time after which any private sale or other disposition is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make or complete any sale or other disposition of Collateral as to which notice of sale or other disposition has been given. The Secured Party may adjourn any public or private sale or other disposition from time to time by announcement at the time and place fixed therefore, and such sale or other disposition may, without further notice, be made at the time and place to which it was so adjourned. The Secured Party has no obligation to prepare the Collateral for sale or other disposition.

(e) All proceeds received by the Secured Party in respect of any collection or other realization upon all or any part of the Collateral may, at the discretion of the Secured Party, be applied in whole or in part by the Secured Party against all or any part of the

Obligations in such order and manner as the Secured Party shall elect. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of all the Obligations shall be paid over to the Company or to whosoever may be lawfully entitled to receive such surplus.

(f) The Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and the Secured Party may release, modify or waive any Collateral provided by any other person to secure any of the Obligations, all without affecting the Secured Party's rights against the Company. The Company waives any right it may have to require the Secured Party to pursue any third person for any of the Obligations.

(g) The Secured Party may sell, assign or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any of it. The Secured Party may specifically disclaim any and all warranties of title, merchantability, fitness for any particular purpose, noninfringement and all other warranties as to the Collateral. Such disclaimers and lack of warranties by the Secured Party will not be considered to adversely affect the commercial reasonableness of any sale or other disposition of any of the Collateral.

SECTION 12. Indemnity and Expenses.

(a) The Company agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities (including, without limitation, the reasonable fees and costs of attorneys, accountants, expert consultants and expert witnesses through appeal) growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Secured Party's, gross negligence, willful misconduct, or failure to comply with applicable law.

(b) The Company will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts, consultants and agents, through appeal, which the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale or other disposition of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder, or (iv) the failure by the Company to perform or observe any of the provisions hereof.

SECTION 13. Security Interest Absolute. All rights of the Secured Party and the security interest hereunder, shall be absolute and unconditional, irrespective of:

(a) any lack of validity or enforceability of any of the Notes or other agreement or instrument delivered to the Secured Party;

(b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Obligations or any other amendment or waiver of or any consent to any departure from any agreement, note, or document or instrument delivered to the Secured Party;

(c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations and the Company hereby waives any and all rights conferred by Colorado Revised Statutes §§ 13-50-101 – 13-50-103, inclusive, or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Company.

SECTION 14. General Agreements.

(a) The Company agrees to pay the costs of filing this Agreement, any financing statements, or any similar filings or recordings necessary or convenient to perfect or provide notice of the security interest herein given and of conducting searches in connection with this Agreement and the Collateral.

(b) The Company agrees to allow the Secured Party, through any of its officers or agents, at all reasonable times and without disruption to the Company's business, to examine or inspect any of the Collateral and to examine, inspect and make extracts from the Company's books and records relating to the Collateral.

(c) At its option, the Secured Party may (but shall not be obligated to) discharge taxes, liens or security interests or other encumbrances at any time levied or placed on or in respect of the Collateral.

(d) The Secured Party shall not be deemed to have waived any of its rights hereunder or under any other agreement, instrument or paper signed by the Company unless such waiver is in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy. A waiver upon any one occasion shall not be construed as a bar or waiver of any right or remedy on any future occasion. All of the rights and remedies of the Secured Party, whether evidenced hereby or by any other agreement, instrument or paper, or by operation of law, shall be cumulative and may be exercised consecutively or concurrently.

(e) This Agreement shall terminate upon the payment in full of all Obligations and the termination of all agreements giving rise thereto in accordance with their respective terms.

(f) The Secured Party and the Company are not and shall not be considered as joint venturers, partners or agents for purpose of fulfilling the obligations of this Agreement

and neither shall have the power to bind or obligate the other. Neither the Secured Party nor the Company shall be liable for any of the debts or other liabilities contracted by or due from the other and each will hold the other free and harmless therefrom.

(g) All references herein in the singular shall be construed to include the plural where applicable, and the masculine to include the feminine or neuter gender where applicable, and all covenants, agreements and obligations herein assumed by the Company and any other person or entity shall be deemed to be joint and several covenants, agreements and obligations. The captions used in this Agreement are for identification only and are not part of this Agreement.

(h) If any provision of this Agreement or its application to any person, entity or circumstance is invalid or unenforceable, then the remainder of this Agreement or the application of such provision to other persons, entities or circumstances shall not be affected thereby.

(i) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original document, but all of which taken together shall be deemed one and the same agreement.

(j) This Agreement is an integrated agreement and replaces and supersedes any and all prior or contemporaneous agreements, understandings, discussions, and/or courses of dealing with respect to the subject matter of this Agreement, all of which are merged into this Agreement.

SECTION 15. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Secured Party herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Notices. Unless otherwise specifically provided herein, any consent, notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy (or on the next Business Day if such telecopy is received on a non-Business Day or after 5:00 p.m. on a Business Day) or four (4) Business Days after deposit in the United States mail (registered or certified, with postage prepaid and properly addressed). Notices to the Secured Party shall not be effective until received by the Secured Party. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section 16) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties provided in accordance with this Section 16.

SECTION 17. Waiver of Notice of Acceptance. The Company waives notice of acceptance of this Agreement by the Secured Party.

SECTION 18. Control. If and to the extent requested to do so by the Secured Party, the Company will cooperate with the Secured Party in obtaining control (as that term is used in Articles 8 and 9 of the UCC) with respect to any and all Collateral the perfection of a security interest in which requires control pursuant to Articles 8 and 9 of the UCC.

SECTION 19. Applicable Law, Venue. This Agreement shall be construed in accordance with the laws of the State of Colorado without regard to Colorado law concerning conflicts of law, except that the validity, perfection, and priority of the security interest herein granted shall be construed under the laws of the State of Delaware without regard to Delaware law regarding choice of law. Each of the parties hereto irrevocably submits to the jurisdiction of any Colorado state court or United States federal court, in either case, located in the City and County of Denver, Colorado, with respect to any action or proceeding arising out of or relating to this Agreement or the security interest herein given, and the parties hereto hereby irrevocably agree that all claims in respect of any such action or proceeding may be heard and determined in any such state or federal court located in the City and County of Denver, Colorado. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. The parties hereto further waive any objection to venue in the City and County of Denver, State of Colorado and any objection to any action or proceeding therein on the basis of inconvenience or otherwise.

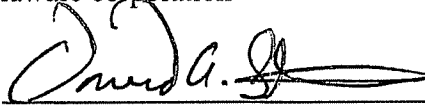
SECTION 20. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SECURITY INTEREST GIVEN HEREIN AND AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED TO A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY. THE SCOPE OF THIS WAIVER OF JURY TRIAL IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES THAT MAY BE FILED IN ANY COURT OR OTHER TRIBUNAL AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT OR THE SECURITY INTEREST GIVEN HEREIN, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, PRIORITY CLAIMS, DAMAGE CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO THE TRANSACTION DESCRIBED HEREIN, THAT EACH PARTY HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by an officer thereunto duly authorized and empowered as of the date first written above.

COMPANY:

PRISMEDICAL CORPORATION
a Delaware corporation

By: 

Name: David A. Strickler

Title: CEO and Chairman

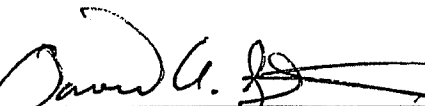
Federal Tax ID No.: 68-0382898

Delaware ID No.: 3962640

Address: 175 Mercado Street, Suite 201
Durango, CO 81301

SECURED PARTY:

GF PRIVATE EQUITY GROUP, LLC

By: 

Name: David A. Strickler

Title: President

SCHEDULE "A"
TO THE SECURITY AGREEMENT
LIST OF PATENTS, TRADEMARKS AND APPLICATIONS

Issued Patents

Number	Country	Patent Date	Title
4,871,463	USA	October 3, 1989	Vertical Reaction Chamber
5,259,954	USA	November 9, 1993	Portable Intravenous Solution Preparation Apparatus and Method
5,725,777	USA	March 10, 1998	Reagent/Drug Cartridge
6,274,103 B1	USA	August 14, 2001	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
6,426,056 B2	USA	July 30, 2002	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
6,428,505 B1	USA	August 6, 2002	In-Line IV Drug Delivery Pack with Controllable Dilution
6,520,932 B2	USA	February 18, 2003	In-Line IV Drug Delivery Pack with Controllable Dilution
6,527,738 B1	USA	March 4, 2003	Drug Delivery Pack
6,562,002 B1	USA	May 13, 2003	Single Dose Delivery Device
6,605,214 B1	USA	August 12, 2003	Device for Preparing Hemodialysis Solutions
6,623,709 B2	USA	September 23, 2003	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
6,676,632 B2	USA	January 13, 2004	In-Line IV Drug Delivery Pack with Controllable Dilution
6,719,745 B1	USA	April 13, 2004	Water Purification Pack
6,814,724 B2	USA	November 9, 2004	Water Purification Pack
6,805,685 B2	USA	October 19, 2004	In-Line IV Drug Delivery Pack with Controllable Dilution
6,858,139 B2	USA	February 22, 2005	Methods and Devices for Preparing Hemodialysis Solutions
6,878,338 B2	USA	April 12, 2005	Dual Chamber Dissolution Container with Passive Agitation
6,916,305 B2	USA	July 12, 2005	Method of Loading Drug Delivery Pack
6,932,791	USA	August 23, 2005	Single Dose Drug Delivery Device
6,986,872 B2	USA	January 17, 2006	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
7,250,619	USA	July 31, 2007	Powered Sterile Solution Device
7,300,636	USA	November 27, 2007	Method for Producing a Dialysate Solution
3,190,657	Japan	October 2, 1989	Vertical Reaction Vessel
1,342,877	Canada	September 29, 1989	Vertical Reaction Vessel
251,974	Mexico	November 28, 2007	Improved Water Purification Pack
ZL028117530	China	November 28, 2007	Powered Sterile Solution Device
21642003	India	November 14, 2007	Powered Sterile Solution Device

**Registered
Trademarks**

Number	Country	Date	Trademark
3,030,229	USA	December 13, 2005	TRITON
2,771,955	USA	October 7, 2003	MAINSTREAM

Published Patent Applications (Excludes granted patents, mostly inactive)

Number	Country	Date Published	Title
10/177,718	USA	March 6, 2003	Medical Grade Water Production System
10/874,630	USA	December 18, 2004	Dual Chamber Dissolution Container with Passive Agitation
10/997,096	USA	May 26, 2005	Water Purification Pack
11/181,029	USA	January 26, 2006	Method of Loading Drug Delivery Pack
11/333,949	USA	June 1, 2006	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
12/173,636	USA	January 8, 2009	Modular Water Purification and Delivery System

Other Active Patent Applications

Number	Country	Date Filed	Title
2000-599450	Japan	February 15, 2000	Single Dose Deliver Device
2000-602360	Japan	March 3, 2000	Improved Water Purification Pack
2000-602363	Japan	March 3, 2000	Apparatus and Method for Preparation of a Peritoneal Dialysis Solution
2000-602364	Japan	March 3, 2000	Methods and Devices for Preparing Hemodialysis Solutions
2000-615095	Japan	April 28, 2000	Improved Drug Delivery Pack
2002-544011	Japan	November 20, 2001	In-Line IV Drug Delivery Pack with Controllable Dilution
2,362,260	Canada	February 15, 2000	Single Dose Deliver Device
2,362,774	Canada	March 3, 2000	Improved Water Purification Pack
2,434,758	Canada	November 20, 2001	In-Line IV Drug Delivery Pack with Controllable Dilution
2,448,696	Canada	May 6, 2002	Dual Chamber Dissolution Container with Passive Agitation
926,441.7	Europe	April 28, 2000	Improved Drug Delivery Pack
1,995,871.9	Europe	November 20, 2001	In-Line IV Drug Delivery Pack with Controllable Dilution
2,736,692.1	Europe	May 6, 2002	Dual Chamber Dissolution Container with Passive Agitation
11/767,414	USA	June 22, 2007	Powered Sterile Solution Device
	Hong Kong	May 14, 2002	Powered Sterile Solution Device