

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
APEX MEDICAL CORPORATION, individually and doing business as CAREX HEALTH BRANDS		09/17/2010	CORPORATION: NORTH DAKOTA
RECEIVING PARTY DATA			
Name:	ZIONS FIRST NATIONAL BANK		
Street Address:	One South Main Street, Suite 200		
City:	Salt Lake City		
State/Country:	UTAH		
Postal Code:	84111		
Entity Type:	Financial Institution: UNITED STATES		
PROPERTY NUMBERS Total: 17			
Property Type	Number	Word Mark	
Registration Number:	3596711	STEP N REST	
Registration Number:	2144591	APEX	
Registration Number:	2396943	VITASYSTEMS	
Registration Number:	1674129	CAREX	
Registration Number:	2666240	CAREX	
Registration Number:	2683055	PILL GRIP	
Registration Number:	1936367	BED BUDDY	
Registration Number:	3146200	CARING FOR YOU	
Registration Number:	3121364	ULTRA BUBBLE-LOK	
Registration Number:	3547252	UNI-CRUTCH	
Registration Number:	3547253	THERMATHERAPY	
Registration Number:	3547251	EXPLORER	
Registration Number:	3562214	SOFT GRIP	

Registration Number:	3349254	CAREX CARING FOR YOU
Registration Number:	2326102	BEST CARE
Registration Number:	2170753	BESTCARE
Registration Number:	3768425	SAFE LOCK

CORRESPONDENCE DATA

Fax Number: (801)799-5700
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 801-799-5800
Email: pastivers@hollandhart.com
Correspondent Name: Joanna L. Radmall
Address Line 1: 222 S. Main Street, Suite 2200
Address Line 4: Salt Lake City, UTAH 84101

ATTORNEY DOCKET NUMBER:	17173.0085
NAME OF SUBMITTER:	Joanna L. Radmall
Signature:	/Joanna L. Radmall/
Date:	09/23/2010

Total Attachments: 19
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**SECURITY AGREEMENT
(Intellectual Property)**

This Security Agreement (the "Security Agreement") is made between Apex Medical Corporation, individually and doing business as Carex Health Brands ("Borrower"), a South Dakota corporation, and Zions First National Bank ("Lender") pursuant to a Loan Agreement between Lender and Borrower dated of September 17, 2010 (the "Loan Agreement").

For good and valuable consideration, receipt of which is hereby acknowledged, Borrower and Lender hereby agree as follows:

1. Definitions. Except as otherwise provided herein, terms defined in the Loan Agreement shall have the same meanings when used herein. Terms defined in the singular shall have the same meaning when used in the plural and vice versa. Terms defined in the Uniform Commercial Code which are used herein shall have the meanings set forth in the Uniform Commercial Code, except as expressly defined otherwise. As used herein, the term:

"Collateral" means the collateral described in Section 2, Grant of Security Interest.

"Copyrights" shall have the meaning set forth in Section 2, Grant of Security Interest.

"Default Rate" means the default interest rate provided in the Promissory Notes.

"Intellectual Property" shall have the meaning set forth in Section 2, Grant of Security Interest.

"Licenses" shall have the meaning set forth in Section 2, Grant of Security Interest.

"Liquidation Costs" means the reasonable costs and out of pocket expenses incurred by Lender in obtaining possession of any Collateral, in storage and preparation for sale, lease or other disposition of any Collateral, in the sale, lease, or other disposition of any or all of the Collateral, and/or otherwise incurred in foreclosing on any of the Collateral, including, without limitation, (a) reasonable attorneys fees and legal expenses, (b) transportation and storage costs, (c) advertising costs, (d) sale commissions, (e) sales tax and license fees, (f) costs for improving or repairing any of the Collateral, and (g) costs for preservation and protection of any of the Collateral.

"Patents" shall have the meaning set forth in Section 2, Grant of Security Interest.

"Permitted Encumbrances" means liens for taxes and assessments not yet due and payable or, if due and payable, those being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained, security interests and liens created by the Loan Documents, security interest and liens permitted by the Loan Agreement, and security interests and liens authorized in writing by Lender.

"Trademarks" shall have the meaning set forth in Section 2, Grant of Security Interest.

"Trade Secrets" shall have the meaning set forth in Section 2, Grant of Security Interest.

“Uniform Commercial Code” means the Uniform Commercial Code as adopted now or in the future in the State of Utah.

2. Grant of Security Interest.

a. Patents. Borrower hereby grants to Lender a security interest in all right, title and interest of Borrower in and to the patent applications and patents listed on the Schedule of Patents hereto, which is incorporated herein by reference, including, without limitation, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world, and all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof (collectively, the “Patents”).

b. Trademarks. Borrower hereby grants to Lender a security interest in all right, title and interest of Borrower in and to the trademark applications and trademarks listed on the Schedule of Trademarks hereto, which is incorporated herein by reference, including, without limitation, all renewals thereof, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, and all rights corresponding thereto throughout the world (collectively, the “Trademarks”), and the good will of the business to which each of the Trademarks relates.

c. Copyrights. Borrower hereby grants to Lender a security interest in all copyrights of Borrower and all rights and interests of every kind of Borrower in copyrights and works protectable by copyright, whether now owned or hereafter acquired or created, and all renewals and extensions thereof, including, without limitation, the copyrights listed on the attached Schedule of Copyrights, which is incorporated herein by reference, and in and to the copyrights and rights and interests of every kind or nature in and to all works based upon, incorporated in, derived from, incorporating or relating to any of the foregoing or from which any of the foregoing is derived, and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, and all rights corresponding thereto throughout the world (collectively, the “Copyrights”).

d. Trade Secrets. Borrower hereby grants to Lender a security interest in all of Borrower’s trade secrets and other proprietary information, now existing or created in the future, and all proceeds thereof (collectively, the “Trade Secrets”).

e. Intellectual Property. Borrower hereby grants to Lender a security interest in all general intangibles of Borrower, presently existing or hereafter created, including general intangibles as defined in the Uniform Commercial Code, trademarks, service marks, business names, and goodwill relating thereto, copyrights (including, without limitation, copyrights for computer programs), whether or not published, unpatented inventions (whether or not patentable), patents, patent applications, all internet domain names and addresses, license agreements relating to any of the foregoing and all royalties and other income therefrom, books, records, computer tapes, disks and drives, flow diagrams, specification sheets, source codes, object codes, and all other physical manifestations of the foregoing, the right to sue for all past, present and future infringements of the foregoing, any and all claims for damages relating

thereto, all rents, profits and issues thereof, and all proceeds thereof (collectively, the "Intellectual Property").

f. Licenses. Borrower hereby grants Lender a security interest in all right, title, and interest of Borrower in, to and under the license agreements and contracts identified on the Schedule of Intellectual Property Licenses attached hereto, which is incorporated herein by reference, all other license agreements and contracts concerning the Collateral (as defined below), now existing or created in the future, all amendments, modifications, and replacements thereof, all royalties and other amounts owing thereunder, and all proceeds thereof (collectively, the "Licenses").

(The Patents, Trademarks, Copyrights, and Intellectual Property are collectively referred to herein as the "Collateral".)

Borrower and Lender acknowledge their mutual intentions that the security interests contemplated herein are given as a contemporaneous exchange for new value to Borrower, regardless of when advances to Borrower are actually made or when the Collateral is created or acquired.

3. Debts Secured. The security interest granted by this Security Agreement shall secure all of Borrower's present and future debts, obligations, and liabilities of whatever nature to Lender, including, without limitation, (a) the Promissory Note (Amortizing Term Loan) of Borrower in favor of Lender dated September 17, 2010, in the original principal amount of eleven million dollars (\$11,000,000.00), and all renewals, extensions, modifications and replacements thereof (including any which increase the original principal amount); (b) the Promissory Note (Revolving Line of Credit) of Borrower in favor of Lender dated September 17, 2010, in the original principal amount of five million dollars (\$5,000,000.00), and all renewals, extensions, modifications and replacements thereof (including any which increase the original principal amount); (c) all obligations of Borrower arising from or relating to the Loan Documents, including, without limitation, this Security Agreement; (d) transactions in which the documents evidencing the indebtedness refer to this grant of security interest as providing security therefor, and (e) all overdrafts on any account of Borrower maintained with Lender, now existing or hereafter arising.

Borrower and Lender expressly acknowledge their mutual intent that the security interests created by this Security Agreement secure any and all present and future debts, obligations, and liabilities of Borrower to Lender without any limitation whatsoever.

4. Location of Borrower and Collateral. Borrower represents and warrants that:
- a. Borrower is a corporation organized under the laws of the State of South Dakota.
 - b. The complete and exact name of Borrower is Apex Medical Corporation.
 - c. The organizational identification number, if any, assigned to Borrower by Borrower's state of organization is DB024875.

d. During the five (5) years preceding the date of this Security Agreement:

(i) Borrower has not been known by nor used any legal, fictitious or trade name, except Carex Health Brands and Apex-Carex Healthcare Products;

(ii) Borrower has not changed its name in any respect;

(iii) Borrower has not been the surviving entity of a merger or consolidation;

(iv) Borrower has not acquired all or substantially all of the assets of any person or entity, except that (a) Borrower has acquired the assets of Bed Buddy Partners, L.P., pursuant to that certain Asset Purchase Agreement dated May 4, 2006, by and among Borrower, Ichauway Mills, Ltd., Bed Buddy Partners, L.P. and the Bernard and Aussie Cappelli Trust; and (b) Borrower has acquired all of the shares of stock of Thera-Med, Inc., pursuant to that certain Stock Purchase Agreement dated May 4, 2007, by and among the stockholders of Thera-Med, Inc. and Borrower.

e. Borrower's chief executive office is located at 921 Amidon Street, Sioux Falls, South Dakota.

f. During the five (5) years preceding the date of this Security Agreement, there has not been any change in the above location.

Borrower agrees that it will not change its state of incorporation, or the above location or create any new locations without giving Lender at least thirty (30) days prior written notice thereof.

5. Representations and Warranties Concerning Collateral. Borrower represents and warrants that:

a. Borrower is the sole owner of the Collateral.

b. The Collateral is not subject to any license, security interest, lien, assignment, or other encumbrance of any nature whatsoever except for nonexclusive licenses granted in the ordinary course of business and Permitted Encumbrances.

c. All information set forth in the Schedules attached hereto is correct, accurate, and complete.

d. Each of the Patents is valid and enforceable. No claim has been made that the use of any of the Patents violates or may violate the rights of any person or entity. Borrower has used proper statutory notice in connection with all uses of the Patents.

e. Each of the Trademarks is valid and enforceable. No claim has been made that the use of any of the Trademarks violates or may violate the rights of any person or entity. Borrower has used proper statutory notice in connection with all uses of the Trademarks.

Borrower has used consistent standards of quality in the manufacture of products and in providing services sold under the Trademarks.

f. Each of the Copyrights is valid and enforceable. No claim has been made that any of the Copyrights violates or may violate the rights of any person or entity. Borrower has used proper statutory notice in connection with all uses of the Copyrights.

g. The Licenses have been executed and delivered by licensor and Borrower and each is a legal, valid, and binding agreement enforceable in accordance with its respective terms. The Licenses are in full force and effect, no default or event which, with the passage of time or the giving of notice or both, would constitute a default, has occurred thereunder, and the Licenses have not been modified or amended.

h. Except as set forth on the attached Schedule of Patents, Schedule of Trademarks, Schedule of Copyrights, and Schedule of Intellectual Property Licenses, Borrower has no right, title, or interest in, or license to use, any patents, patent applications, unpatented inventions, trademarks, or copyrights which are material to the operation and conduct of Borrower's business as presently operated and conducted and as anticipated to be operated and conducted.

6. Covenants Concerning Collateral. Borrower covenants that:

a. Borrower will keep the Collateral free and clear of any and all security interests, liens, assignments or other encumbrances and licenses, except nonexclusive licenses granted in the ordinary course of business, the Licenses identified on the attached Schedule of Intellectual Property Licenses and Permitted Encumbrances.

b. Borrower hereby authorizes Lender to file UCC Financing Statements concerning the Collateral. Borrower agrees to execute and deliver any documents (properly endorsed, if necessary) reasonably requested by Lender for perfection or enforcement of any security interest or lien, and to give good faith, diligent cooperation to Lender, and to perform such other acts reasonably requested by Lender for perfection and enforcement of any security interest or lien. Lender is authorized to file, record, or otherwise utilize such documents as it deems necessary to perfect and/or enforce any security interest or lien granted hereunder.

c. Borrower shall promptly advise Lender of any material change in the Collateral, any material claim concerning the Collateral, including without limitation, the development of any new Collateral or any modification to the Collateral, any claim of infringement, any claim challenging the validity or enforceability of any Collateral, and any other event which may have a material, adverse effect upon any of the Collateral and/or the rights and remedies of Lender concerning the Collateral.

d. Borrower will at all times comply with and timely and properly perform all of its obligations and duties under the Licenses. Borrower will not terminate, or modify or amend, in any material respect, the Licenses without giving Lender thirty (30) days prior written notice. Borrower will promptly notify Lender of any default or event which, with the passage of time or the giving of notice or both, would constitute a default under the Licenses.

7. Patent Provisions. So long as any obligations secured by this Security Agreement are outstanding and unpaid, if Borrower shall obtain any rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patents or any improvement on any Patent, this Security Agreement shall automatically apply thereto and Borrower shall give Lender prompt notice thereof in writing.

Borrower hereby authorizes Lender to modify this Security Agreement by amending the Schedule of Patents to include any future patents and patent applications of Borrower.

Borrower shall use commercially reasonable efforts, through counsel acceptable to Lender, to prosecute diligently any patent applications currently pending or hereafter filed, and to preserve and maintain all material rights in patent applications and patents, including, without limitation, payment of all maintenance fees. Any expenses incurred in connection with such actions shall be paid by Borrower. Borrower shall not abandon any pending patent application or any patent without the written consent of Lender, which written consent shall not be unreasonably conditions, delayed or withheld.

So long as no event of default has occurred under this Security Agreement, Borrower shall have the right, with the consent of Lender, to bring suit in its own name, and to join Lender, if necessary, as a party to such suit so long as Lender is satisfied that such joinder will not subject Lender to any risk of material liability, to enforce the Patents and any licenses thereunder. Borrower shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable legal fees, incurred by Lender pursuant to this Section 7.

8. Trademark Provisions. Borrower hereby grants Lender and its representatives the right to visit Borrower's offices, plants, and facilities to inspect products, materials, and quality control records relating to the Trademarks at reasonable times during regular business hours. Borrower shall do any and all acts reasonably requested by Lender to insure consistent standards of quality in the manufacture of products and in providing services sold under the Trademarks.

Borrower authorizes Lender to modify this Security Agreement by amending the Schedule of Trademarks to include any future trademarks and trademark applications of Borrower.

Borrower shall use commercially reasonable efforts, through counsel acceptable to Lender, to prosecute diligently any trademark applications currently pending or hereafter filed, and to preserve and maintain all material rights in trademark applications and trademarks, including, without limitation, payment of all maintenance fees. Any expenses incurred in connection with such actions shall be paid by Borrower. Borrower shall not abandon any pending trademark application or any trademark without the written consent of Lender, which written consent shall not be unreasonably conditions, delayed or withheld.

So long as no event of default has occurred under this Security Agreement, Borrower shall have the right, with the written consent of Lender, to bring any opposition proceedings, cancellation proceedings, or lawsuit in its own name to protect or enforce the Trademarks, and to

join Lender, if necessary, as a party to such suit so long as Lender is satisfied that such joinder will not subject Lender to any risk of material liability. Borrower shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable legal fees, incurred by Lender pursuant to this Section 8.

9. Right to Perform for Borrower. Upon the occurrence of an Event of Default which is not waived or timely cured, Lender may, in its sole discretion and without any duty to do so, elect to discharge taxes, tax liens, security interests, or any other encumbrance, other than encumbrances permitted under Section 6.16 Negative Pledge of the Loan Agreement, upon the Collateral, perform any duty or obligation of Borrower, pay filing, recording, insurance and other charges payable by Borrower, or provide insurance as provided herein if Borrower fails to do so. Any such payments advanced by Lender shall be repaid by Borrower upon demand, together with interest thereon from the date of the advance until repaid, both before and after judgment, at the Default Rate.

Borrower hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender, as Lender may select in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use, preserve, or protect the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third person, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any third person, provided, however, that such power may not be exercised prior to the occurrence of an event of default hereunder. This power of attorney shall be irrevocable so long as any obligations secured hereby are outstanding and unpaid.

10. Default. Time is of the essence of this Security Agreement. The occurrence of any Event of Default shall constitute a default under this Security Agreement.

No course of dealing or any delay or failure to assert any default shall constitute a waiver of that default or of any prior or subsequent default.

11. Remedies. Upon the occurrence of an Event of Default which is not waived or timely cured, Lender shall have the following rights and remedies, in addition to all other rights and remedies existing at law, in equity, or by statute or provided in the Loan Documents:

a. Lender shall have all the rights and remedies available under the Uniform Commercial Code;

b. Lender shall have the right to enter upon any premises where the Collateral or records relating thereto may be and take possession of the Collateral and such records;

c. Upon request of Lender, Borrower shall, at the expense of Borrower, assemble the Collateral and records relating thereto at a place designated by Lender and tender the Collateral and such records to Lender;

d. Lender may elect to assume all right, title and interest of Borrower under the Licenses;

e. Lender may obtain the appointment of a receiver of the business, property and assets of Borrower; and

f. Lender may sell, lease or otherwise dispose of any or all of the Collateral and, after deducting the Liquidation Costs, apply the remainder to pay, or to hold as a reserve against, the obligations secured by this Security Agreement.

Borrower shall be liable for all deficiencies owing on any obligations secured by this Security Agreement after liquidation of the Collateral. Lender shall not have any obligation to prepare any Collateral for sale, lease or other disposition.

The rights and remedies herein conferred are cumulative and not exclusive of any other rights and remedies and shall be in addition to every other right, power and remedy herein specifically granted or hereafter existing at law, in equity, or by statute which Lender might otherwise have, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Lender may deem expedient. No delay or omission in the exercise of any such right, power or remedy or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver thereof or of any default or to be an acquiescence therein.

In the event of breach or default under the terms of this Security Agreement, Borrower agrees to pay all costs and expenses, including reasonable attorneys fees and legal expenses, incurred by or on behalf of Lender in enforcing, or exercising any remedies under, this Security Agreement, and any other rights and remedies. Additionally, Borrower agrees to pay all Liquidation Costs. Any and all such costs, expenses, and Liquidation Costs shall be payable by Borrower upon demand, together with interest thereon from the date of the advance until repaid, both before and after judgment, at the Default Rate.

Regardless of any breach or default, Borrower agrees to pay all expenses, including reasonable attorneys fees and legal expenses, incurred by Lender in any bankruptcy proceedings of any type involving Borrower, the Collateral, or this Security Agreement, including, without limitation, expenses incurred in modifying or lifting the automatic stay, determining adequate protection, use of cash collateral, or relating to any plan of reorganization.

12. Obligations of Lender on Licenses. This Security Agreement shall not create or impose any obligation or liability on Lender to perform any duty or obligation or pay any liability of Borrower under the Licenses. Lender shall be obligated and liable on the Licenses only if Lender elects to exercise its remedy of assuming all right, title and interest of Borrower under the applicable Licenses or purchases the right, title and interest of Borrower under the applicable Licenses upon foreclosure sale pursuant to this Security Agreement.

13. Notices. All notices or demands by any party hereto shall be in writing and shall be sent as provided in the Loan Agreement.

14. Indemnification. Borrower hereby agrees to indemnify Lender for all liabilities and damages (including contract, tort and equitable claims) which may be awarded against Lender, and for all reasonable attorneys fees, legal expenses and other expenses incurred in defending such claims, arising from or relating in any manner to the negotiation, execution or

performance by Lender of the Loan Documents (including all reasonable attorneys fees, legal expenses and other expenses incurred in defending any such claims brought by Borrower if Borrower does not prevail in such actions), excluding only breach of contract by Lender or liabilities or obligations that arise directly from Lender's gross negligence or willful misconduct. Lender shall have sole and complete control of the defense of any such claims for which it is entitled to indemnification and is hereby given authority to settle or otherwise compromise any such claims for which it is entitled to indemnification as Lender in good faith determines shall be in its best interests.

15. General. This Security Agreement is made for the sole and exclusive benefit of Borrower and Lender and is not intended to benefit any third party. No such third party may claim any right or benefit or seek to enforce any term or provision of this Security Agreement.

Lender and its officers, directors, employees, representatives, agents, and attorneys, shall not be liable to Borrower or any Guarantor for consequential damages arising from or relating to any breach of contract, tort, or other wrong in connection with or relating to this Security Agreement or the Collateral.

If the incurring of any debt by Borrower or the payment of any money or transfer of property to Lender by or on behalf of Borrower or any Guarantor should for any reason subsequently be determined to be "voidable" or "avoidable" in whole or in part within the meaning of any state or federal law (collectively "voidable transfers"), including, without limitation, fraudulent conveyances or preferential transfers under the United States Bankruptcy Code or any other federal or state law, and Lender is required to repay or restore any voidable transfers or the amount or any portion thereof, or upon the advice of Lender's counsel is advised to do so, then, as to any such amount or property repaid or restored, including all reasonable costs, expenses, and attorneys fees of Lender related thereto, the liability of Borrower and any guarantor, and each of them, and this Security Agreement, shall automatically be revived, reinstated and restored and shall exist as though the voidable transfers had never been made.

This Security Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

All references in this Security Agreement to the singular shall be deemed to include the plural if the context so requires and vice versa. References in the collective or conjunctive shall also include the disjunctive unless the context otherwise clearly requires a different interpretation.

All agreements, representations, warranties and covenants made by Borrower shall survive the execution and delivery of this Security Agreement, the filing and consummation of any bankruptcy proceedings, and shall continue in effect so long as any obligation to Lender

contemplated by this Security Agreement is outstanding and unpaid, notwithstanding any termination of this Security Agreement. All agreements, representations, warranties and covenants in this Security Agreement shall bind the party making the same and its heirs and successors, and shall be to the benefit of and be enforceable by each party for whom made and their respective heirs, successors and assigns.

This Security Agreement, together with the Loan Documents, constitute the entire agreement between Borrower and Lender as to the subject matter hereof and may not be altered or amended except by written agreement signed by Borrower and Lender. All other prior and contemporaneous agreements, arrangements, and understandings between the parties hereto as to the subject matter hereof are, except as otherwise expressly provided herein, rescinded.

Dated: September 17, 2010

Lender:

Zions First National Bank

By: 

Name: Donald L. Rands

Title: Vice President

Borrower:

Apex Medical Corporation,
individually and doing business as Carex Health Brands

By: _____

Name: _____

Title: _____

Dated: September 17, 2010

Lender:

Zions First National Bank

By: _____

Name: _____

Title: _____

Borrower:

Apex Medical Corporation,
individually and doing business as Carex Health Brands

By:  _____

Name: Raymond H. Kingbury

Title: Vice President

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF /)

: ss.

COUNTY OF /)

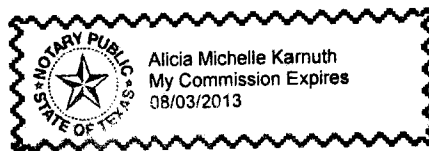
Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 13th day of September, 2010, personally appeared Raymond H. Krasbury to me known personally, and who, being by me duly sworn, deposes and says that he/she is the Vice President of Apex Medical Corporation, individually and doing business as Carex Health Brands, the Borrower in the foregoing Security Agreement (Intellectual Property), and that said instrument was signed and sealed on behalf of said Borrower, and said Alicia Michelle Karnuth acknowledged said instrument to be the free act and deed of said Borrower.

My Commission Expires:

8/3/2013

NOTARY PUBLIC

Residing at: Tarrant



SCHEDULE OF PATENTS

<u>Patent Title</u>	<u>U.S. Patent No.</u>
COMBINATION CONTAINER OPENER	D 447,923
LAMP SWITCH ADAPTER	D 409,156
KEY TURNER	D 396,400
UTENSIL HOLDER	D 441,601
PEN AND PENCIL CUSHION	D 396,059
ZIPPER AND BUTTON PULLER	D 401,389
JAR OPENER AND CLOSER	D 401,127
HINGE ASSEMBLY FOR A CONTAINER	5,529,205
PILL BOX	D 497,246
BATH TUB BOARD	D 366,104
BRACE FOR A WALKER	D 373,555
TRANSFER BENCH FOR BATH TUB	D 375,638
PORTABLE TABLE	D 375,641
LEG FOR CHAIR	D 375,854
TUB HAND HOLD	D 377,827
CANE HANDLE	D 411,343
TOILET TISSUE HOLDER	D 414,638
UNIVERSAL TRANSFER BENCH	D 479,051
PORTABLE COMMODORE	D 377,971
CASTER COVER	D 382,465
HEAT PACK	D 380,050
THERAPEUTIC PILLOW AND METHOD	5,375,278 (EXPIRED)
THERAPEUTIC PILLOW AND METHOD	5,584,086
PILL CONTAINER	D 488,618
WALKER WHEEL	D 420,945
CANE TIP	D 417,070
WALKER ATTACHMENT	D 412,615
PILL CRUSHER	D 337,828 (EXPIRED)
THERAPEUTIC THERMAL PACK	D 556,333
PILL BOX AND SPLITTER WITH BLADE GUARD	7243826
FOLDABLE WALKER	5,579,793
PILL SPLITTER	D 310,731 EXPIRED
DISPOSABLE RECEPTACLE FOR A NEEDLE AND SYRINGE DESTRUCTOR	D 287,756 EXPIRED

SCHEDULE OF TRADEMARKS

STEP N REST	Apex Medical Corporation	3,596,711	March 24, 2009
APEX and Design	Apex Medical Corporation	2,144,591	March 17, 1998
VITASYSTEMS	Apex Medical Corporation	2,396,943	October 24, 2000
CAREX	Apex Medical Corporation	1,674,129	February 4, 1992
CAREX	Apex Medical Corporation	2,666,240	December 24, 2002
PILL GRIP and Design	Apex Medical Corporation	2,683,055	February 4, 2003
BED BUDDY	Apex Medical Corporation	1,936,367	November 21, 1995
CARING FOR YOU	Apex Medical Corporation	3,146,200	September 19, 2006
ULTRA BUBBLE-LOK	Apex Medical Corporation	3,121,364	July 25, 2006
UNI-CRUTCH	Apex Medical Corporation	3,547,252	December 16, 2008
THERMATHERAPY	Apex Medical Corporation	3,547,253	December 16, 2008
EXPLORER	Apex Medical Corporation	3,547,251	December 16, 2008
SOFTGRIP	Apex Medical Corporation	3,562,214	January 13, 2009
CAREX CARING FOR YOU and Design	Apex Medical Corporation	3,349,254	December 4, 2007
BEST CARE and Design	Apex Medical Corporation	2,326,102	March 7, 2000
BESTCARE (canceled)	Apex Medical	2,170,753	July 7, 1998
SAFE LOCK	Apex Medical Corporation	3, 768,425	March 30, 2010

Foreign Trademarks

APEX and Design	Apex Medical Corporation	Spain	M2720969 (Actual Reg. No. 2720969-M5)
CAREX CARING FOR YOU and Design	Apex Medical Corporation	CTM	3687738
CAREX	Apex Medical Corporation	CTM	3170859
MEDICHEST (RENEWAL DUE 12/9/19)	Apex Medical Corporation	CTM	1415736
APEX and Design	Apex Medical Corporation	CTM	860379
CAREX	Apex Medical Corporation	Canada (Assigned to Apex Medical Corporation recorded 10/22/2002)	TMA222558
Bed Buddy	Apex Medical Corporation	Australia	1224294
Bed Buddy	Apex Medical Corporation	Canada	TMA744,082
Bed Buddy	Apex Medical Corporation	Mexico	1,053,658
APEX and Design	Apex Medical Corporation	Australia	850049
Pill Box Splitter and Blade Guard		Europe	4784363.6
CAREX Caring for you	Apex Medical Corporation	China	+ (Class 6, 12 and 20)
The Original Bed Buddy	Apex Medical Corporation	China	6622435 (Class 10)
CAREX CARING FOR YOU and Design***	Apex Medical Corporation	Canada	1207645
APEX For a Healthy Life and Design**	Apex Medical Corporation	Finland	248454
CAREX CARING FOR YOU**	Apex Medical Corporation	China	App. No. 6622442 (Class 11)
APEX THE MEASURE OF EXCELLENCE IN SELF CARE**	Apex Medical Corporation	China	App. No. 6622436 (Class 10)
CAREX CARING FOR YOU	Apex Medical Corporation	China	App. No. 6622440 (Class 18)
CAREX CARING FOR YOU	Apex Medical Corporation	China	App. No. 6622438 (Class 21)
CAREX CARING FOR YOU	Apex Medical Corporation	China	App. No. 6622443 (Class 10)
CAREX Caring for you and Design	Apex Medical Corporation	China	6622439 (Class 20)
CAREX Caring for you and Design	Apex Medical Corporation	China	6622444 (Class 6)
CAREX Caring for you	Apex Medical	China	6622441

and Design	Corporation		(Class 12)
BED BUDDY**	Apex Medical Corporation	New Zealand	784141
THERA-MED and Design	Apex Medical Corporation	China	6622437 (Class 10)

SCHEDULE OF COPYRIGHTS

You can reduce your smoking habit or stop smoking completely, without drugs, weight gain, or excessive nervous tension!	Apex Medical Corporation	TX0001214438 10/27/1983
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SCHEDULE OF INTELLECTUAL PROPERTY LICENSES

- (1) License Agreement, dated May 22, 1996, by and between Vormittag Associates, Inc. and Apex Medical Corporation for the System 2000 software.
- (2) License Agreement, dated September 26, 2002, by and between Vormittag Associates, Inc. and Apex Medical Corporation for the System 2000 software.
- (3) Exclusive License Agreement, dated August 25, 2005, between Apex-Carex Healthcare Products and Arcoa Industries, Inc., relating to Arcoa's products bearing its "E-Z GRABBER" trademark, and relating to the Single Hand Activated Pickup Tool (U.S. Patent No. 5,577,785, issued November 1996) and the Pickup Tool with Variable Position Limiting and Variable Axis of Operation (U.S. Patent No. 10,365,035, issued October 19, 2004). The Apex Companies no longer have exclusivity under the agreement.
- (4) Settlement, Release & License Agreement, dated April 22, 2008, by and between Access Product Marketing, LLC ("APM") and Apex Medical Corporation, pursuant to which APM granted Apex Medical Corporation a license relating to U.S. Patent No. 7,066,484 and U.S. Patent No. 7,073,801.
- (5) Settlement Agreement, dated March 31, 2010, by and between Penco Medical, Inc. and Apex Medical Corporation (d/b/a Carex Health Brands) pursuant to Penco Medical, Inc. granted Apex Medical Corporation a license relating to U.S. Patent No. 5,224,506 and U.S. Patent No. D442,123.
- (6) Software License Agreement, dated September 24, 2002, by and between EXTOL International, Inc., and Apex Medical, for the use of the EXTOL Integrator software.
- (7) Indemnification Agreement, dated January 6, 2010, by and between QVC and Carex Health Brands, pursuant to which Carex grants QVC a license to use certain Footage (as defined in the agreement).