

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Primus Sterilizer Company, LLC		02/17/2011	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	Texas Capital Bank, National Association		
Street Address:	114 West 7th Street		
Internal Address:	Suite 300		
City:	Austin		
State/Country:	TEXAS		
Postal Code:	78701		
Entity Type:	National Banking Association: UNITED STATES		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2481700	BIO PHARMA	
Registration Number:	2691853	PRI-MATIC	
Registration Number:	2818622	PRIMUS STERILIZER CO. INC.	
Registration Number:	2499679	PRI-MIRROR	
CORRESPONDENCE DATA			
Fax Number:	(512)457-8008		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	512-457-8000		
Email:	cheusmann@dbcllp.com		
Correspondent Name:	Coti Heusmann		
Address Line 1:	700 Lavaca Street		
Address Line 2:	Suite 1300		
Address Line 4:	Austin, TEXAS 78701		
ATTORNEY DOCKET NUMBER:	762-77		

OP \$115.00 2481700

900186303

TRADEMARK
REEL: 004498 FRAME: 0025

NAME OF SUBMITTER:	Coti Heusmann
Signature:	/Coti Heusmann/
Date:	03/15/2011
Total Attachments: 16 source=Primus Security Agreement_Borrower_Executed (2)#page1.tif source=Primus Security Agreement_Borrower_Executed (2)#page2.tif source=Primus Security Agreement_Borrower_Executed (2)#page3.tif source=Primus Security Agreement_Borrower_Executed (2)#page4.tif source=Primus Security Agreement_Borrower_Executed (2)#page5.tif source=Primus Security Agreement_Borrower_Executed (2)#page6.tif source=Primus Security Agreement_Borrower_Executed (2)#page7.tif source=Primus Security Agreement_Borrower_Executed (2)#page8.tif source=Primus Security Agreement_Borrower_Executed (2)#page9.tif source=Primus Security Agreement_Borrower_Executed (2)#page10.tif source=Primus Security Agreement_Borrower_Executed (2)#page11.tif source=Primus Security Agreement_Borrower_Executed (2)#page12.tif source=Primus Security Agreement_Borrower_Executed (2)#page13.tif source=Primus Security Agreement_Borrower_Executed (2)#page14.tif source=Primus Security Agreement_Borrower_Executed (2)#page15.tif source=Primus Security Agreement_Borrower_Executed (2)#page16.tif	

TEXAS CAPITAL BANK, NATIONAL ASSOCIATION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (as it may be amended, restated or modified from time to time, this "Security Agreement") is entered into effective as of February 17, 2011 ("Effective Date"), by and between PRIMUS STERILIZER COMPANY, LLC, a Delaware limited liability company ("Pledgor"), and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, a national banking association ("Bank"). Pledgor and Bank agree as follows:

Article One
Definitions

1.1 **Terms Defined in Code.** Terms (whether or not capitalized) defined in the Code which are not otherwise defined in this Security Agreement are used herein as defined in the Code as in effect on the date hereof.

1.2 **Definitions of Certain Terms Used Herein.** As used in this Security Agreement, the following terms shall have the following meanings:

"Account Debtor" means any Person who is or who may become obligated to Pledgor under, with respect to, or on account of an Account.

"Accounts" mean any "account," as such term is defined in Chapter 9 of the Code, now owned or hereafter acquired by Pledgor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Pledgor: (a) all rights of Pledgor to payment for goods sold or leased or services rendered or the license of Intellectual Property, whether or not earned by performance, (b) all accounts receivable of Pledgor, (c) all rights of Pledgor to receive any payment of money or other form of consideration, (d) all security pledged, assigned, or granted to or held by Pledgor to secure any of the foregoing, and (e) all guaranties of, or indemnifications with respect to, any of the foregoing.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Bank" includes Bank's successors and assigns.

"Code" means the Uniform Commercial Code as in effect in the State of Texas, as the same has been or may be amended or revised from time to time, or, if so required with respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

"Collateral" means all Accounts, Equipment, Inventory, and the Other Collateral wherever located, in which Pledgor now has or hereafter acquires any right or interest, and the Proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"Control" shall have the meaning set forth in Chapter 8 and Chapter 9 of the Code.

"Effective Date" means the date of this Security Agreement.

"Equipment" means any "equipment," as such term is defined in Chapter 9 of the Code, now owned or hereafter acquired by Pledgor and, in any event, shall include, without limitation, all machinery, equipment, furnishings, fixtures and vehicles now owned or hereafter acquired by Pledgor and any and all additions, substitutions, and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment, and accessories installed thereon or affixed thereto.

"Intellectual Property" means the copyrights, copyright licenses, patents, patent licenses, trademarks, and trademark licenses now owned or hereafter acquired by Pledgor.

"Inventory" means any "inventory," as such term is defined in Chapter 9 of the Code, now owned or hereafter acquired by Pledgor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Pledgor: (a) all goods and other personal property of Pledgor that are held for sale or lease or to be furnished under any contract of service, (b) all raw materials, work-in-process, finished goods, inventory, supplies, and materials of Pledgor, and (c) all goods that have been returned to, repossessed by, or stopped in transit by Pledgor.

"Indebtedness" means (a) all indebtedness, obligations and liabilities of Pledgor to Bank of any kind or character, now existing or hereafter arising, including but not limited to the Note, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several or joint and several, and regardless of whether such indebtedness, obligations and liabilities may, prior to their acquisition by Bank be or have been payable to or in favor of a third party and subsequently acquired by Bank (it being contemplated that Bank may make such acquisitions from third parties), including without limitation all indebtedness, obligations and liabilities of Pledgor to Bank now existing or hereafter arising by note, draft, acceptance, guaranty, endorsement, letter of credit, assignment, purchase, overdraft, discount, indemnity agreement or otherwise, (b) all accrued but unpaid interest on any of the indebtedness described in (a) above, (c) all obligations of Pledgor to Bank (both including monetary and non-monetary) under any documents evidencing, security, governing and/or pertaining to all or any part of the indebtedness described in (a) and (b) above, (d) all costs and expenses incurred by Bank in connection with the collection and administration of all or any part of the indebtedness and obligations described in (a), (b) and (c) above or the protection or preservation of, or realization upon, the collateral security all or any part of such indebtedness and obligations, including without limitation all reasonable attorneys' fees, and (e) all renewals, extensions, modifications, increases, and rearrangements of the indebtedness and obligations described in (a), (b), (c) and (d) above.

"Lien" means any lien, security interest, Tax lien, mechanic's lien, materialman's lien, or other encumbrance, whether arising by contract or under Law.

"Loan Agreement" means the Loan and Security Agreement dated of even date herewith between Bank and Pledgor, as borrower, as such may be amended, replaced, renewed and extended from time to time.

"Loan Documents" means the Loan Agreement, this Security Agreement, the Note (including any renewals, extensions and refinancings thereof) and all other documents which secure, guarantee, or otherwise relate to the Note, as such may be amended or replaced from time to time.

"Note" means, collectively, as they may be amended, increased, restated, renewed and extended from time, the (i) Promissory Note of even date with this Security Agreement in the original principal amount of in the original principal amount of \$1,000,000.00, and (ii) Promissory Note of even date with this Security Agreement in in the original principal amount of \$2,593,507.00, each executed by Pledgor and payable to the order of Bank.

"Obligated Party" means any party other than Pledgor who secures, guarantees and/or is otherwise obligated to pay all or any portion of the Indebtedness.

"Other Collateral" means all other property of Pledgor now owned or hereafter acquired, other than real estate, not included within the specifically defined terms of Accounts, Equipment, and Inventory including Chattel Paper, Instruments, Commercial Tort Claims, Deposit Accounts, Documents, Fixtures, General Intangibles, Health Care Insurance Receivables, Intellectual Property, Instruments, Financial Assets, Investment Property and Letter of Credit Rights. Certain items of the Other Collateral are more fully described in Schedule One attached.

"Proceeds" means any "proceeds," as such term is defined in Chapter 9 of the Code and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to Pledgor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Tribunal (or any person acting under color of Tribunal), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Security Agreement" means this Security Agreement and all amendments, replacements, renewals, and extensions to this Security Agreement.

"Tribunal" means any state, commonwealth, federal, foreign, territorial, or other court or governmental department, commission, board, bureau, agency, or instrumentality.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

Article Two **Grant of Security Interest**

2.1 **Security Interest.** Pledgor hereby pledges, assigns and grants to Bank a continuing security interest in all of Pledgor's right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Indebtedness and the performance of Pledgor's obligations under the Loan Documents.

2.2 **Pledgor Remains Liable.** Notwithstanding anything to the contrary contained herein, (a) Pledgor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, and (b) Bank shall not have any obligation or liability under any of the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall Bank be obligated to perform any of the obligations or duties of Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

2.3 **Authorization to File Financing Statements.** Pledgor hereby irrevocably authorizes Bank at any time and from time to time to prepare and file one or more financing statements describing the Collateral as the Collateral exists on the effective date of this Security Agreement and, also, as the description and type of the Collateral may change in the future.

Article Three
Representations and Warranties

Pledgor represents and warrants to Bank that:

3.1 **Title, Authorization, Validity and Enforceability.** Pledgor has good and valid rights in and title to the Collateral, free and clear of all Liens except for Liens described in Schedule One, and has full power and authority to grant to Bank the security interest in such Collateral pursuant hereto. The execution and delivery by Pledgor of this Security Agreement has been duly authorized by proper entity proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of Pledgor and creates a security interest which is enforceable against Pledgor in all now owned and hereafter acquired Collateral. When financing statements have been filed in the appropriate offices against Pledgor, Bank will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens described in Schedule One.

3.2 **Conflicting Laws and Contracts.** Neither the execution and delivery by Pledgor of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Pledgor or Pledgor's articles or certificate of incorporation, bylaws, articles of organization or operating agreement or other charter documents, as the case may be, the provisions of any indenture, instrument or agreement to which Pledgor is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of Bank).

3.3 **Principal Location.** Pledgor's mailing address and the location of its chief executive office are disclosed in Schedule Two.

3.4 **Property Locations.** The Inventory and Equipment and Fixtures are located solely at the locations described in Schedule Two. All of said locations are owned by Pledgor unless otherwise noted in Schedule Two.

3.5 **Litigation.** There is no litigation investigation or governmental proceeding threatened against Pledgor or any of its properties which if adversely determined would have a material adverse effect on the Collateral or the financial condition, operations, or business of Pledgor.

3.6 **No Other Names.** Pledgor has not conducted business under any name except the name in which it has executed this Security Agreement.

3.7 **No Event of Default.** No Event of Default exists.

3.8 **Accounts.** Each Account represents the valid and legally binding indebtedness of a bona fide Account Debtor arising from the sale or lease by Pledgor of goods or the rendition by Pledgor of services and is not subject to contra accounts, setoffs, defenses or counterclaims by or available to account debtors obligated on the Accounts except as disclosed by Pledgor to Bank from time to time in writing. The amount shown as to each Account on Pledgor's books is the true and undisputed amount owing and unpaid thereon, subject only to discounts, allowances, rebates, credits and adjustments to which the Account Debtor has a right and which have been disclosed to Bank in writing.

3.9 **Inventory.** The security interest in Inventory shall continue through all stages of manufacture and shall, without further action, attach to the Accounts or other Proceeds resulting from the sale or other disposition thereof and to all such Inventory as may be returned to Pledgor by its Account Debtors.

3.10 **Deposit Accounts, Instruments and Investment Property.** Schedule One correctly identifies and describes all Deposit Accounts (maintained with institutions other than Bank), Securities Accounts, Instruments, Financial Assets, Investment Property, and other Securities that are part of the Collateral. Pledgor is the direct and beneficial owner of each Deposit Account, Securities Account, Instrument, Investment Property and Security, free and clear of any Liens except in favor of Bank and Liens in favor of a Securities Intermediary or Broker.

3.11 **Intellectual Property.** Schedule One correctly identifies and describes all material Intellectual Property owned or used by the Borrower that is part of the Collateral. Pledgor is the direct and beneficial owner of, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted except for such Intellectual Property the failure of which to own or license could not reasonably be expected to have a material adverse effect.

Article Four **Affirmative and Negative Covenants**

From the Effective Date and thereafter until this Security Agreement is terminated:

4.1 General.

(a) **Records and Reports; Notification of Event of Default.** Pledgor will maintain complete and accurate books and records with respect to the Collateral, and furnish to Bank such reports relating to the Collateral as Bank shall from time to time reasonably request. Pledgor will give prompt notice in writing to Bank of the occurrence of any Event of Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral.

(b) **Inspection.** Pledgor will permit Bank, by its representative and agent and during normal business hours with reasonable advance notice to Pledgor (i) to inspect the Collateral, (ii) to examine and make copies of the records of Pledgor relating to the Collateral, and (iii) to discuss the Collateral and the related records of Pledgor with, and to be advised as to the same by, Pledgor's officers and employees.

(c) **Taxes.** Pledgor will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

(d) **Defense of Title.** Pledgor will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of Bank in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(e) **Disposition of Collateral.** Pledgor will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of an Event of Default, dispositions expressly permitted by the Loan Documents or otherwise by Bank, (ii) until such time following the occurrence of an Event of Default, as Pledgor receives a notice from Bank instructing Pledgor to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii)

until such time as Pledgor receives a contrary notice from Bank, proceeds of Inventory and Accounts collected in the ordinary course of business.

(f) Liens. Pledgor will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, and (ii) other Liens permitted pursuant to the Loan Documents and/or listed on Schedule One.

(g) Change in Location, Jurisdiction of Organization or Name. Pledgor will not (i) have any Inventory, Equipment or Fixtures or proceeds or products thereof at a location other than a location specified in Schedule Two, (ii) maintain a place of business at a location other than a location specified on Schedule Two, (iii) change its name or taxpayer identification number, (iv) change its mailing address, or (v) change its jurisdiction of organization, unless Pledgor shall have given Bank not less than 30 days' prior written notice thereof, and Bank shall have determined that such change will not adversely affect the validity, perfection or priority of Bank's security interest in the Collateral.

(h) Other Financing Statements. Pledgor will not sign or authorize the preparation and filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by the Loan Documents.

4.2 Accounts.

(a) Collection of Accounts. Except as otherwise provided in this Security Agreement, Pledgor will collect and enforce, at Pledgor's sole expense, all amounts due or hereafter due to Pledgor under the Accounts.

(b) Verification of Accounts. Bank shall have the right, at any time or times hereafter, in its name or in the name of a nominee of Bank, to verify the validity, amount or any other matter relating to any Accounts, by mail, telephone, telegraph or otherwise.

(c) Appointment of Bank as Attorney-in-Fact. Pledgor hereby irrevocably designates, makes, constitutes and appoints Bank (and all persons designated by Bank), exercisable after the occurrence of an Event of Default, as its true and lawful attorney-in-fact, and authorizes Bank, in Pledgor's or Bank's name, to: (i) demand payment of Accounts; (ii) enforce payment of Accounts by legal proceedings or otherwise; (iii) exercise all of Pledgor's rights and remedies with respect to proceedings brought to collect an Account; (iv) sell or assign any Account upon such terms, for such amount and at such time or times as Bank deems advisable; (v) settle, adjust, compromise, extend or renew an Account; (vi) discharge and release any Account; (vii) take control in any manner of any item of payment or proceeds thereof; (viii) prepare, file and sign Pledgor's name on any proof of claim in bankruptcy or other similar document against an Account Debtor; (ix) endorse Pledgor's name upon any items of payment or proceeds thereof and deposit the same in Bank's account on account of the Indebtedness; (x) notify the post office authorities to change the address for delivery of Pledgor's mail to an address designated by Bank, have access to any lock box or postal box into which any of Pledgor's mail is deposited, and open and dispose of all mail addressed to Pledgor, and (xi) do all acts and things which are necessary, in Bank's sole discretion, to fulfill Pledgor's obligations under this Security Agreement. The preceding establishes a power of attorney coupled with an interest.

(d) Notice to Account Debtor. Bank may, in its sole discretion, either prior to or following the occurrence of an Event of Default, and without prior notice to Pledgor, notify any or all Account Debtors that the Accounts have been assigned to Bank and that Bank has a security

interest therein. After an Event of Default has occurred and is continuing, Bank may direct any or all Account Debtors to make all payments upon the Accounts directly to Bank. Bank will use its best efforts to furnish Pledgor with a copy of such notice, but failure to do so will not have an adverse effect on Bank's rights under this Security Agreement.

4.3 Inventory and Equipment.

(a) Maintenance of Goods. Pledgor will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition. Pledgor has the risk of loss with regard to the Inventory and Equipment.

(b) Insurance. Pledgor will (i) maintain fire and extended coverage insurance on the Inventory and Equipment and on such Other Collateral as requested by Bank containing a lender's loss payable clause in favor of Bank, and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to Bank, (ii) maintain such other insurance on the Collateral for the benefit of Bank as Bank shall from time to time request, and (iii) furnish to Bank upon the request of Bank from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance.

(c) Safekeeping of Inventory; Inventory Covenants. Bank shall not be responsible for: (i) the safekeeping of the Inventory; (ii) any loss or damage thereto or destruction thereof occurring or arising in any manner or fashion from any cause; (iii) any diminution in the value of Inventory; or (iv) any act or default of any carrier, warehouseman, bailee or forwarding agency or any other Person in any way dealing with or handling the Inventory, except to the extent that Pledgor incurs any loss, cost, claim or damage from any of the foregoing as a result of the gross negligence or willful misconduct of Bank. All risk of loss, damage, distribution or diminution in value of the Inventory shall, except as noted in the previous sentence, be borne by Pledgor.

(d) Records and Schedules of Inventory. Pledgor shall keep correct and accurate daily records on a basis reasonably acceptable to Bank, itemizing and describing the kind, type, quality and quantity of Inventory and other information reasonably requested by Bank. A physical count of the Inventory shall be conducted no less often than annually and a report based on such count of Inventory if requested by Bank shall promptly thereafter be provided to Bank together with such supporting information, as Bank shall request.

4.4 Instruments, Securities and Chattel Paper.

(a) Possession. Pledgor will deliver to Bank the originals (now and hereafter received by Pledgor) of all Chattel Paper, certificated Securities and Instruments which constitute Collateral.

(b) Control. If the Collateral which is Investment Property is uncertificated or held by a Securities Intermediary, Pledgor will take any actions necessary to cause (i) the issuers of uncertificated securities which are Collateral, and (ii) any financial intermediary which is the holder of any Investment Property, to cause Bank to have Control over such Collateral through a control agreement or similar arrangement which is satisfactory to Bank. Pledgor will permit any Collateral which is registerable, to be registered in Bank's, or its nominee's, name.

(d) Securities. The issuer of privately held Securities which serve as Collateral shall not dilute Pledgor's ownership interest. After an Event of Default occurs and is continuing, with regard to Securities which constitute Collateral, (i) Pledgor shall permit Bank to exercise all

voting rights, and (ii) Pledgor shall provide to Bank all cash and stock dividends which are distributed by the issuer.

4.5 **Deposit Accounts.** Each Account Debtor will notify each financial institution (other than Bank) in which it maintains a Deposit Account that constitutes Collateral of Bank's Lien, and cause each such financial institution to acknowledge such Lien in a form reasonably acceptable to Bank.

4.6 **Intellectual Property.** Pledgor will maintain the patenting and registration of all Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or other appropriate laws, rules, regulations, and orders of any court or governmental authority, and Pledgor will promptly patent or register, as the case may be, all new Intellectual Property and notify the Bank in writing five business days prior to filing any such new patent or registration.

4.6 **Landlord Subordinations.** Pledgor shall cause each landlord of real property leased by Pledgor to execute and deliver instruments satisfactory in form and substance to Bank by which such landlord subordinates its rights, if any, in the Collateral.

4.7 **Compliance with Agreements.** Pledgor shall comply in all material respects with all mortgages, deeds of trust, instruments, and other agreements binding on it or affecting its properties or business.

4.8 **Compliance with Laws.** Pledgor shall comply with all applicable laws, rules, regulations, and orders of any court or governmental authority.

4.9 **Performance by Bank.** If Pledgor fails to perform any agreement or obligation provided herein, Bank may itself perform, or cause performance of, such agreement or obligation, and the expenses of Bank incurred in connection therewith shall be a part of the Indebtedness, secured by the Collateral and payable by Pledgor on demand.

4.10 **Further Assurances.** At any time and from time to time, upon the request of Bank, and at the sole expense of Pledgor, Pledgor shall promptly execute and deliver all such further instruments and documents and take such further action as Bank may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Security Agreement, including, without limitation, (a) the preparation (and execution, if necessary) and filing of such financing statements as Bank may require and (b) the deposit of all certificates of title issuable with respect to any of the Collateral and noting thereon the security interest hereunder.

Article Five

Default

5.1 **Events of Default.** Each of the following constitutes an "Event of Default" under this Security Agreement (subject to all applicable grace and/or notice and cure provisions):

(a) **Failure to Pay Indebtedness.** The failure, refusal or neglect of Pledgor or any Obligated Party to make any payment of principal or interest on the Indebtedness, or any portion thereof, as the same shall become due and payable; or

(b) **Non-Performance of Covenants.** The failure of Pledgor or any Obligated Party to timely and properly observe, keep or perform any covenant, agreement, warranty or condition required herein; or

(c) Default Under Other Loan Documents. The occurrence of an Event of Default or Default under any of the other Loan Documents; or

(d) False Representation. Any representation contained herein is false or misleading in any material respect when made; or

(e) Action by Other Lienholder. The holder of any lien or security interest on any of the assets of Pledgor, including without limitation, the Collateral (without hereby implying the consent of Bank to the existence or creation of any such lien or security interest on the Collateral), declares a default thereunder or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder; or

(f) Liquidation and Related Events. If Pledgor or any Obligated Party is an entity, the voluntary or involuntary liquidation, dissolution, merger or consolidation of any such entity; or

(g) Voluntary Debtor Relief. Pledgor or any Obligated Party shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing; or

(h) Involuntary Debtor Relief. An involuntary proceeding shall be commenced against Pledgor or any Obligated Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official for it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or

(i) Death. If a natural person, Pledgor or any Obligated Party, dies.

Article Six

Remedies

6.1 Remedies Upon Default. If any Event of Default shall occur and be continuing, Bank may without notice declare the Indebtedness or any part thereof to be immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by the Pledgor. If any Event of Default shall occur and be continuing, Bank may exercise all rights and remedies available to it in law or in equity, under the Loan Documents, or otherwise.

6.2 Application of Proceeds. If any Event of Default shall have occurred and be continuing, Bank may at its discretion apply or use any cash held by Bank as Collateral, and any cash proceeds received by Bank in respect of any sale or other disposition of, collection from, or other realization upon, all or any part of the Collateral as follows in such order and manner as Bank may elect:

(a) to the repayment or reimbursement of the reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Bank in connection with (i) the administration of the Loan Documents, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, the Collateral, and (iii) the exercise or enforcement of any of the rights and remedies of Bank hereunder;

(b) To the payment or other satisfaction of any Liens upon the Collateral;

(c) To the satisfaction of the Indebtedness;

(d) To the payment of any other amounts required by applicable law; and

(e) By delivery to Pledgor or any other party lawfully entitled to receive such cash or proceeds whether by direction of a court of competent jurisdiction or otherwise.

6.3 Deficiency. In the event that the proceeds of any sale of, collection from, or other realization upon, all or any part of the Collateral by Bank are insufficient to pay all amounts to which Bank is legally entitled, Pledgor and any Obligated Party shall be liable for the deficiency, together with interest thereon as provided in the Loan Documents.

6.4 Non-Judicial Remedies. In granting to Bank the power to enforce its rights hereunder without prior judicial process or judicial hearing, Pledgor expressly waives, renounces and knowingly relinquishes any legal right which might otherwise require Bank to enforce its rights by judicial process. Pledgor recognizes and concedes that non-judicial remedies are consistent with the usage of trade, are responsive to commercial necessity and are the result of a bargain at arm's length. Nothing herein is intended to prevent Bank or Pledgor from resorting to judicial process at either party's option.

6.5 Other Recourse. Pledgor waives any right to require Bank to proceed against any third party, exhaust any Collateral or other security for the Indebtedness, or to have any third party joined with Pledgor in any suit arising out of the Indebtedness or any of the Loan Documents, or pursue any other remedy available to Bank. Pledgor further waives any and all notice of acceptance of this Security Agreement. Pledgor further waives any defense arising by reason of any disability or other defense of any third party or by reason of the cessation from any cause whatsoever of the liability of any third party. Until all of the Indebtedness shall have been paid in full, Pledgor shall have no right of subrogation and Pledgor waives the right to enforce any remedy which Bank has or may hereafter have against any third party, and waives any benefit of and any right to participate in any other security whatsoever now or hereafter held by Bank. Pledgor authorizes Bank, and without notice or demand and without any reservation of rights against Pledgor and without affecting Pledgor's liability hereunder or on the Indebtedness to (a) take or hold any other property of any type from any third party as security for the Indebtedness, and exchange, enforce, waive and release any or all of such other property, (b) apply such other property and direct the order or manner of sale thereof as Bank may in its discretion determine, (c) renew, extend, accelerate, modify, compromise, settle or release any of the Indebtedness or other security for the Indebtedness, (d) waive, enforce or modify any of the provisions of any of the Loan Documents executed by any third party, and (e) release or substitute any third party.

6.6 Disclaimer of Warranties and Sales on Credit. In connection with any foreclosure sale of the Collateral, Bank may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. If Bank sells any of the Collateral upon credit, Pledgor will be credited only with payments actually made by the purchaser, received by Bank and applied to the indebtedness of the purchaser. In the event the purchaser

fails to pay for the Collateral, Bank may resell the Collateral and Pledgor shall be credited with the proceeds of the sale.

6.7 **License.** Bank is hereby granted a license or other right to use, following the occurrence and during the continuance of an Event of Default, without charge, Pledgor's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of any Event of Default, Pledgor's rights under all licenses and all franchise agreement shall inure to Bank's benefit.

Article Seven **General Provisions**

7.1 **Entire Agreement.** This Security Agreement contains the entire agreement of Bank, and Pledgor with respect to the Collateral. If the parties hereto are parties to any prior agreement, either written or oral, relating to the Collateral, the terms of this Security Agreement shall amend and supersede the terms of such prior agreements as to transactions on or after the effective date of this Security Agreement, but all security agreements, financing statements, guaranties, other contracts and notices for the benefit of Bank shall continue in full force and effect to secure the Indebtedness unless Bank specifically releases its rights thereunder by separate release.

7.2 **Amendment.** No modification, consent or amendment of any provision of this Security Agreement shall be valid or effective unless the same is in writing and signed by the party against whom it is sought to be enforced.

7.3 **Actions by Bank.** The Lien and other rights of Bank hereunder shall not be impaired by (a) any renewal, extension, increase or modification with respect to the Indebtedness, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Bank may grant with respect to the Collateral, or (c) any release or indulgence granted to any endorser, guarantor or surety of the Indebtedness. The taking of additional security by Bank shall not release or impair the Lien or other rights of Bank hereunder or affect the obligations of Pledgor hereunder.

7.4 **Waiver by Bank.** Bank may waive any Event of Default without waiving any other prior or subsequent Event of Default. Bank may remedy any default without waiving the Event of Default remedied. Neither the failure by Bank to exercise, nor the delay by Bank in exercising, any right or remedy upon any Event of Default shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right or remedy at a later date. No single or partial exercise by Bank of any right or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right or remedy hereunder may be exercised at any time. No waiver of any provision hereof or consent to any departure by Pledgor therefrom shall be effective unless the same shall be in writing and signed by Bank and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to or demand on Pledgor in any case shall of itself entitle Pledgor to any other or further notice or demand in similar or other circumstances.

7.5 **Costs and Expenses.** Pledgor will upon demand pay to Bank the amount of any and all costs and expenses (including without limitation, reasonable attorneys' fees and expenses), which Bank may incur in connection with (a) the transactions which give rise to the Loan Documents, (b) the preparation of this Security Agreement and the perfection and preservation of the security interests granted under the Loan Documents, (c) the custody, preservation, use or operation of, or the sale of,

collection from, or other realization upon, the Collateral, (d) the exercise or enforcement of any of the rights of Bank under the Loan Documents, or (e) the failure by Pledgor to perform or observe any of the provisions hereof.

7.6 **Severability.** If any provision of this Security Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be illegal, invalid or unenforceable.

7.7 **Notices.** Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed, or delivered to the address or facsimile number specified for notices on the signature page below or to such other address as shall be designated by such party in a notice to the other parties. All such other notices and other communications shall be deemed to have been given or made upon the earliest to occur of: (a) actual receipt by the intended recipient; or (b) (i) if delivered by hand or courier, when signed for by the designated recipient (ii) if delivered by mail, four business days after deposit in the mail, postage prepaid; and (iii) if delivered by facsimile when sent and receipt has been confirmed. Electronic mail and internet websites may be used only to distribute only routine communications, such as financial statements and other information, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

7.8 **Binding Effect and Assignment.** This Security Agreement (a) creates a continuing security interest in the Collateral, (b) shall be binding on Pledgor and the heirs, executors, administrators, personal representatives, successors and assigns of Pledgor, (c) shall be binding on all parties who/which become bound as Pledgor under this Agreement, and (d) shall inure to the benefit of Bank and its successors and assigns. Without limiting the generality of the foregoing, Bank may pledge, assign or otherwise transfer the Indebtedness and its rights under this Security Agreement and any of the other Loan Documents to any other party. Pledgor's rights and obligations hereunder may not be assigned or otherwise transferred without the prior written consent of Bank.

7.9 **Termination.** It is contemplated by the parties hereto that from time to time there may be no outstanding Indebtedness, but notwithstanding such occurrences, this Security Agreement shall remain valid and shall be in full force and effect as to subsequent outstanding Indebtedness. Upon (a) the satisfaction in full of the Indebtedness, (b) the termination or expiration of any commitment of Bank to extend credit to Pledgor, (c) written request for the termination hereof delivered by Pledgor to Bank, and (d) written release or termination delivered by Bank to Pledgor, this Security Agreement and the security interests created hereby shall terminate. Upon termination of this Security Agreement and Pledgor's written request, Bank will, at Pledgor's sole cost and expense, return and/or release to Pledgor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof and execute and deliver to Pledgor such documents as Pledgor shall reasonably request to evidence such termination.

7.10 **Cumulative Rights.** All rights and remedies of Bank hereunder are cumulative of each other and of every other right or remedy which Bank may otherwise have at law or in equity or under any of the other Loan Documents, and the exercise of one or more of such rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

7.11 **Gender and Number.** Within this Security Agreement, words of any gender shall be held and construed to include the other gender, and words in the singular number shall be held and construed to include the plural and words in the plural number shall be held and construed to include the singular, unless in each instance the context requires otherwise.

7.12 **Descriptive Headings.** The headings in this Security Agreement are for convenience only and shall in no way enlarge, limit or define the scope or meaning of the various and several provisions hereof.

7.13 **GOVERNING LAW AND VENUE.** THIS AGREEMENT IS BEING EXECUTED AND DELIVERED, AND IS INTENDED TO BE PERFORMED, IN TRAVIS COUNTY, TEXAS AND THE LAWS (EXCLUDING CHOICE OF LAW PROVISIONS) OF SUCH STATE SHALL GOVERN THE VALIDITY, CONSTRUCTION ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT, EXCEPT TO THE EXTENT FEDERAL LAWS OTHERWISE GOVERN THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF ALL OR ANY PART OF THIS AGREEMENT. ALL LEGAL ACTIONS RELATED TO THIS AGREEMENT SHALL BE BROUGHT IN THE APPROPRIATE COURT OF LAW LOCATED IN TRAVIS COUNTY, TEXAS, TO THE EXCLUSION OF ALL OTHER VENUES.

7.14 **INDEMNITY.** PLEDGOR HEREBY AGREES TO INDEMNIFY BANK AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, PENALTIES, SUITS, COSTS, AND EXPENSES OF ANY KIND AND NATURE (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR WHETHER OR NOT BANK IS A PARTY THERETO) IMPOSED ON, INCURRED BY OR ASSERTED AGAINST BANK OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, IN ANY WAY RELATING TO OR ARISING OUT OF THIS SECURITY AGREEMENT, OR THE MANUFACTURE, PURCHASE, ACCEPTANCE, REJECTION, OWNERSHIP, DELIVERY, LEASE, POSSESSION, USE, OPERATION, CONDITION, SALE, RETURN OR OTHER DISPOSITION OF ANY COLLATERAL (INCLUDING, WITHOUT LIMITATION, LATENT AND OTHER DEFECTS, WEHTEHR OR NOT DISCOVERABLE BY BANK OR PLEDGOR, AND ANY CLAIM FOR PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT).

[Signature Page Follows]

Effective as of the Effective Date.

PLEDGOR:

PRIMUS STERILIZER COMPANY, LLC, a Delaware
limited liability company

By: Peter Huff
Name: Peter Huff
Title: Director

Address for Notices:

Primus Sterilizer Company, LLC
117 South 25th Street
Omaha, NE 68131
Fax: (402) 344-4242:

Addresses for Notice to Bank:

TEXAS CAPITAL BANK, NATIONAL
ASSOCIATION
114 West 7th Street, Suite 300
Austin, Texas 78701
Fax: (512) 236-6799

SCHEDULE ONE

Permitted Liens:

None.

Other Collateral

Instruments: None.

Deposit Accounts Not Maintained With Bank: None.

Securities Accounts Where Investment Property is Maintained: None.

Stock: None.

Bonds: None.

Other Investment Property: None.

Intellectual Property:

Registered Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Serial No.</u>	<u>Registration Date</u>
USPTO	Bio-Pharma	2481700	75885280	August 28, 2001
USPTO	Pri-Matic	2691853	75885223	March 4, 2003
USPTO	Primus Sterilizer Company	2818622	75885217	March 2, 2004
USPTO	Pri-Mirror	2499679	75885235	October 23, 2001

SCHEDULE TWO

Locations

Principal Place of Business and Mailing Address:

117 South 25th Street
Omaha, NE 68131
Attention: Sandra Deepe

Locations of Inventory and Equipment and Fixtures:

Properties Owned by Pledgor:

None

Properties Leased by Pledgor: (include Landlord's Name and Address):

117 South 25th Street
Omaha, Nebraska 68131

4256 Redman Ave.
Omaha, NE 68111

5520 10th Street
Great Bend, Kansas 67530

3707 N. Main Street
Great Bend, Kansas 67530

3709 N. Main Street
Great Bend, Kansas 67530