

Interstate Commerce Commission
Washington, D.C. 20423

10/10/78

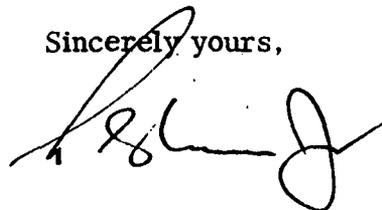
OFFICE OF THE SECRETARY

John R. Kirchner
Assistant Vice President
C.T. Corporation System
918 16th St. N.W.
Washington, D.C. 20006

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **10/10/78** at **10:40am** and assigned recordation number(s) **9748**

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

SECURITY AGREEMENT

Cincinnati, Ohio October 6, 1978

Anant R. Bhati, M.D.

whose principal place of business is located at 2545 Meyerhill Drive, Cincinnati, Ohio 45211

(hereinafter called the "Borrower"), jointly and severally if more than one, in consideration of loans or other financial accommodations heretofore or at anytime hereafter made or granted by THE FIRST NATIONAL BANK OF CINCINNATI, a national banking association, and its successors or assigns (hereinafter called the "Bank"), hereby grants, transfers, pledges and assigns to the Bank a security interest in all of Borrower's assets or rights to the extent listed and defined in paragraph 2 below and hereunder, and all proceeds and products thereof, to secure the payment of all such loans and all other indebtedness and liabilities of Borrower to the Bank, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including any extensions or renewals thereof, and whether incurred alone or with others, as maker, endorser, guarantor or surety, plus interest thereon and all costs of collection, legal expenses and attorney's fees paid or incurred by the Bank in collecting and/or enforcing any of such liabilities or realizing on the security given hereby or otherwise (all such liabilities, interests, costs, fees and expenses being hereinafter called the "Obligations").

The parties further agree as follows:

1. Borrower's Places of Business. Borrower warrants that Borrower's only places of business and principal offices (other than that listed above) are those, if any, listed below (if none, so state):

n/a

Street or P. O. Box

City, County

OCT 10 1978 - 10 12 AM

Street or P. O. Box

City, County

Borrower will promptly notify Bank in writing of any change in the location of any place of business or mailing address, or the establishment of any new place of business or mailing address.

2. Secured Property Listing and Definition. The following shall be included in the Bank's security interest (as noted in the box and by Borrower's signature above each category) and all of such included items, together with other collateral by this Agreement made subject to the Bank's security interests, shall hereinafter collectively be called the "secured property":

[] (Signature)

"Inventory," which means goods, merchandise and other personal property, now owned or hereafter acquired by the Borrower, which are held for sale or lease or are furnished or to be furnished under a contract of service or are raw materials, work in process or materials used or consumed or to be used or consumed in the Borrower's business, and whether in Borrower's possession or in the custody or possession of a third party for the account of Borrower or the Bank, and all accessions, proceeds and products thereof.

[] (Signature)

"Accounts Receivable," which means all Borrower's accounts, open accounts receivable, book debts, contract rights, notes, drafts, acceptances, instruments, chattel paper and other forms of obligations or receivables now existing or hereafter acquired by Borrower, and all proceeds thereof.

[] (Signature)

"Equipment," which means the specific items listed below, together with all other of Borrower's machinery, parts, tools, accessories, attachments, additions, other goods and accessions now owned and hereafter acquired and used in Borrower's business, and including all replacements, accessions and proceeds thereof:

[] (Signature)

"Fixtures and Furniture," which means all fixtures and furniture of any kind and type now owned and hereafter acquired by Borrower located at all places of business or elsewhere and including all replacements, accessions and all proceeds thereof.

[X] (Signature)

Other, See Schedule "A" attached hereto and made a part hereof.

3. Evidence of Secured Property. Borrower agrees to deliver to the Bank such evidence of the Borrower's interest in the secured property and of its availability for use as collateral pursuant hereto, as the Bank may request. At the request of the Bank, the Borrower shall stamp its books and the ledger cards of all Accounts Receivable, or other evidence thereof, to show the assignment and pledge thereof to the Bank hereunder.

4. Maintenance of Collateral Level. The Borrower will at all times maintain, as minimum secured property hereunder, secured property having an aggregate collateral value acceptable to the Bank, and if Borrower fails to do so (a) Borrower will immediately reduce the unpaid Obligations as requested by the Bank or (b) Borrower, upon the request of the Bank, will immediately deposit additional collateral or agree to additional security interests satisfactory to the Bank.

5. Inventory; Processing and Sales. Provided that the Borrower is not in default of any of the provisions of this Agreement, the Borrower shall have the right to process and sell Borrower's Inventory in the regular course of business, but the Bank's security interest hereunder shall attach to all proceeds of all sales or other disposition of such Inventory. Upon demand by the Bank, Borrower will immediately deliver to the Bank the proceeds of such sale of Inventory either in the identical form received or, at the Bank's option, pay to the Bank an amount equal to such proceeds. Any payment, guarantee, security, property or right received by Borrower in connection with the Inventory shall be received as the agent of and on behalf of the Bank, will be kept separate and apart from all other property of Borrower, will be capable of identification, and will be delivered and paid immediately to the Bank as additional security hereunder. Upon default, Inventory shall not be sold, taken or removed from Borrower's place of business, or shifted between places of business, except with the prior written consent of the Bank.

6. Accounts Receivable; Processing and Collection. At the option and request of the Bank, immediately upon receipt of all checks, drafts, cash and other remittance in payment or on account of Borrower's Accounts Receivable, the Borrower will deposit the same in a special account maintained with the Bank, over which only the Bank shall have power of withdrawal. The funds in said account shall be held by the Bank as security for the Obligations, and the Bank may apply said funds as payment on such of the Obligations as it may determine or release said funds to the Borrower's account for Borrower's use. Said proceeds shall be deposited in precisely the form received, except for endorsement of the Borrower where necessary to permit collection of items, which endorsement the Borrower agrees to make, and which the Bank is also hereby authorized to make on Borrower's behalf as its Attorney-In-Fact. Pending such deposit, Borrower agrees not to commingle any such checks, drafts, cash and other remittances with any of the Borrower's funds or property, but will hold them separately in trust for the Bank until deposit thereof with the Bank. The Bank shall have the right to notify the account debtors obligated on any or all of Borrower's Accounts Receivable to make payment thereof directly to the Bank, and the Bank shall have the right in its own name or in the name of the Borrower to demand, collect, receive, receipt for, sue for, compound and give acquittance for, any and all amounts due or to become due on the Accounts Receivable and to endorse the name of Borrower as its Attorney-In-Fact on all commercial paper given in payment or part payment or in evidence thereof or related thereto, and in its discretion to file any claim or take any other action or proceeding which the Bank may deem necessary or appropriate to protect and preserve and realize upon the security interest of the Bank in the Accounts Receivable and the proceeds thereof, which right the Bank may exercise at any time whether or not the Borrower is then in default hereunder or was theretofore making collections thereon. Until such time as the Bank elects to exercise such right by notifying Borrower, the Borrower is authorized, as agent of the Bank, to collect and enforce said Accounts Receivable. All costs of such collection and enforcement, including attorney's fees and out-of-pocket expenses, shall be borne solely by the Borrower whether incurred by the Bank or Borrower.

7. Insurance. With respect to the secured property, the Borrower shall obtain and maintain at all times insurance against risks of fire with extended coverage, sprinkler leakage and all other risks customarily insured against by companies engaged in similar business to that of Borrower, in amounts, containing such terms, in such form, for such periods, and written by such companies as may be satisfactory to the Bank. All such policies shall contain loss payable clauses or endorsements to the Bank as its interest may appear and shall provide for written notice to the Bank prior to any cancellation. In the event of failure to provide and maintain insurance as herein provided, the Bank may, at its option, provide such insurance and add the amount thereof to the Borrower's indebtedness to the Bank. The Borrower shall furnish to the Bank certificates or other evidence satisfactory to the Bank of compliance with the foregoing provisions. Proceeds from any loss under such insurance policies shall be paid first to the Bank and applied on such of the Obligations as the Bank shall determine. If any such proceeds shall be paid by check, draft or other instrument payable to Borrower and Bank jointly, the Bank is authorized and empowered by the Borrower to endorse its name thereon as Borrower's Attorney-In-Fact and take such other action as it deems advisable to reduce the same to cash.

8. Warranties and Further Covenants. a.) Borrower represents and warrants that (1) each Account Receivable and all papers and documents relating thereto are genuine and in all respects what they purport to be; (2) that each Account Receivable is valid and arises out of a bona fide sale of goods sold and delivered by the Borrower to, or in the process of being delivered to, or out of and for services actually rendered by the Borrower to the account debtor named in the Account Receivable; (3) that the amount of the Account Receivable represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not disputed, and except for such normal cash discounts is not subject to any set-offs, credits, deductions and counter-charges; (4) that no surety bond was required or given in connection with said Account Receivable or the contract or purchase orders out of which the same arose; and (5) that the Borrower is the owner of all the secured property free and clear of all claims, liens, encumbrances, rights of set-off, and security interests of any nature whatsoever (except this security interest) and there are no financing statements covering same on file at any public office.

b.) If a corporation or partnership, the Borrower hereby represents and warrants the existence of all necessary power to enter into and execute this Agreement and that this Agreement is not in violation of its Articles, Charter, Regulations or By-Laws, or of any federal, state

or local laws or judicial rulings, or of any contractual obligation with any third party, and that this Agreement is enforceable in accordance with its terms, and agrees that Borrower will deliver, upon request of the Bank, a written opinion of Borrower's counsel to this effect.

c.) The Borrower shall execute and deliver to the Bank such lists, descriptions and designations of the secured property as the Bank may require. The Borrower shall at all reasonable times and from time to time allow the Bank, by or through any of its officers, agents, attorneys or accountants, to examine, inspect or make extracts from Borrower's books and records and to examine and verify the secured property wherever kept. So long as any Obligations remain outstanding, the Bank, without cost to it, shall have a right of ingress to and egress from any of the Borrower's places of business (or other places at which the secured property may be located) and may use any lifts, hoists, trucks and other of Borrower's facilities to examine, handle or remove the secured property. Borrower further agrees to provide to the Bank, upon demand, statements and information with respect to Borrower's business, including but not limited to profit and loss reports, balance sheets and other financial statements. All such financial data and listings of the secured property shall be compiled in accordance with generally accepted principles of accounting consistently applied.

d.) The Borrower shall keep the secured property in good order and repair. Borrower shall not sell, offer to sell or otherwise transfer the secured property, nor pledge, mortgage or create, or suffer to exist a security interest claim, lien, encumbrance, right of set-off or security interest of any kind whatsoever in the secured property or the proceeds or products thereof in favor of any person other than the Bank without prior written consent of the Bank. The Borrower shall also pay promptly when due all taxes, assessments, and governmental charges upon or against the Borrower or the property of the Borrower. At its option, the Bank may discharge taxes, liens or other encumbrances at any time levied or placed on the secured property, and pay for the maintenance and repair of same, should Borrower fail to do so. Borrower agrees to reimburse the Bank on demand for any payment so made, and until such reimbursement any amount so paid by the Bank shall be added to the principal amount of the Obligations secured hereby.

e.) The Borrower shall immediately notify the Bank in writing of any information which Borrower has or may receive with regard to the secured property which might in any manner affect the value thereof or the rights of the Bank with respect thereto.

f.) The Borrower agrees to execute and deliver financing statements under the Uniform Commercial Code, and statements or amendments thereof or supplements thereto, and such other instruments as the Bank may from time to time require in order to evidence, perfect, secure, preserve, protect and enforce the security interest hereby granted. If any secured property is or will be attached to real estate, Borrower will upon demand by the Bank, furnish the Bank with an appropriate disclaimer or waiver signed by all persons having an interest in the real estate, of any interest in such secured property which may be prior to the Bank's secured interest hereunder. In the event for any reason the law of any other jurisdiction than Ohio becomes or is applicable to the secured property or any part thereof, or to any part of the Obligations, the Borrower agrees to execute and deliver all such instruments and to do all such other things as may be necessary or appropriate or helpful to perfect, secure, preserve, protect and enforce the security interest of the Bank under the law of such other jurisdiction to the same extent as such security interest would be protected under the Uniform Commercial Code as enacted in Ohio and hereunder. The Bank is hereby irrevocably appointed as Attorney-In-Fact for the Borrower in all matters pertaining to all such perfection, preservation, protection and enforcement.

g.) The Borrower agrees to pay all costs of filing, financing, continuation and termination statements with respect to the security interest created by this Agreement. Borrower also agrees to pay all other expenses, including attorney's fees, incurred by the Bank in the protection or enforcement of its rights in the secured property and this Agreement.

9. **Further Security.** Any deposits or other sums at anytime credited by or due from the Bank to the Borrower in the possession of the Bank may at all times be held and treated as collateral security for the payment of the Obligations, and the Bank may apply or set off such deposits or other sums against said Obligations to the extent said Obligations are due and payable. Further, the Borrower also gives to and creates in favor of the Bank an additional security interest in any other property, and the proceeds and products thereof, now or hereafter in the possession of or pledged to the Bank belonging to the Borrower or in which the Borrower has any interest. The Borrower will at anytime at the Bank's request, sign financing statements, trust receipts, security interests or other documents evidencing and perfecting such security interest.

10. **Events of Default; Acceleration; Use and Operation of Secured Property.** Any one or more of the following shall constitute events of default: (a) default by Borrower in the payment or performance, when due or payable, of any of the Obligations, or default by any endorser, guarantor or surety for any liability of the Borrower to the Bank; (b) failure of the Borrower to pay when due any tax or any premium on any insurance policy pursuant to this Agreement; (c) the making by the Borrower of any misrepresentation to the Bank hereunder, or otherwise for the purpose of obtaining credit or an extension of credit; (d) failure of the Borrower after request by the Bank to furnish promptly financial information or to permit promptly the inspection of books or records; (e) failure of Borrower to perform or observe any of the provisions of this Agreement or of any other instrument pertaining to the Obligations, or secured property; (f) issuance of an injunction or attachment against property of the Borrower; (g) appointment of a receiver of any part of the property of the Borrower or the commencement by or against the Borrower of any proceeding under any bankruptcy, arrangement, reorganization, insolvency or similar law for the relief of debtors, or by or against any guarantor or surety for the Borrower; (h) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Borrower, or of any endorser, guarantor or surety for any liability of the Borrower to the Bank, as in the opinion of the Bank impairs the Bank's security or increases its risk. Upon occurrence of any of the events of default, any or all of the Obligations shall, at the option of the Bank and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand. The Bank may exercise any one or more of the rights and remedies granted pursuant to this Agreement and also exercise any or all of the rights and remedies afforded to a secured party under the Uniform Commercial Code as enacted in Ohio, including without limitation the right upon default to take possession and sell, lease or otherwise dispose of the secured property, and/or to operate, use or exercise any rights of ownership pertaining to the secured property as the Bank deems necessary to preserve the value and receive the benefits of such secured property. For that purpose the Bank may, so far as Borrower can give authority therefore, enter upon any premises on which the secured property or any part thereof may be situated, take possession of and remove the same therefrom. The Bank may require Borrower to make the secured property available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties. The Borrower also expressly waives any right to a prior judicial hearing regarding any repossession of the secured property by state action or otherwise. Upon repossession or recovery of the secured property by the Bank, it may, after reasonable notification to the Borrower, sell the secured property at public or private sale, at which sale the Bank may become the purchaser. Pending any such action, the Bank may liquidate the Accounts Receivable and continue to operate, use and exercise rights of ownership pertaining to the secured property. Out of the proceeds arising from said liquidation and sale, the Bank may pay all costs and expenses incurred in connection with the retaking, removing, holding, restoration to salable condition (including finishing of manufacture), keeping, storing, operating, using, advertising, and selling the secured property, and then pay the amount due and owing to the Bank on the Obligations. The balance, if any, remaining may then be applied by the Bank to the satisfaction of known indebtedness secured by any subordinate security interest in the secured property, accounting to the Borrower for the surplus, if any, remaining in possession of the Bank after all such security interests, liens, claims and charges have been paid. The Borrower hereby agrees to be liable to the Bank for any deficiency that may result upon such liquidation and sale of the secured property and waives all claims for damages by reason of any seizure, repossession, retention, operation, use or sale of said secured property. The requirement of reasonable notice, if necessary, shall be met if such notice is mailed, postage prepaid, to the first of the places of business of the Borrower shown in this Agreement at least ten (10) days before the time of the sale or other disposition. While exercising its rights as a secured party hereunder, including operation, use and receipt of benefits from the secured property, the Bank shall not be liable in any fashion to the Borrower or any third party (including without limitation Borrower's employees, invitees, customers and suppliers) for any damages arising from such operation and use, or any obligations, duties, or liabilities of Borrower in connection therewith (including without limitation Borrower's contracts, agreements, guarantees, commitments or warranties).

11. **Waivers; Continued Liability.** The Bank shall not be deemed to have waived any of its rights in this Agreement or to the secured property unless such waiver is in writing and signed by the Bank and such waiver shall not operate as a waiver of any other default or of the same default on a subsequent occasion. No renewal or extension of time of payment of the Obligations at any rate of interest, no release, surrender, exchange or modification of the secured property, no release of any person primarily or secondarily liable on the Obligations (including any maker, endorser, guarantor or surety), no delay in enforcement of payment of the Obligations and no delay, omission or forbearance in exercising any right or power with respect to the Obligations, the secured property, or this Agreement shall affect the liability of the Borrower to the Bank. The Borrower waives presentment, protest, demand, notice of dishonor or default, notice of acceptance of this Agreement, notice of any loans made, renewals or extensions granted, notice of any collateral released, surrendered, exchanged or modified, and to the extent permitted by law, notice of other action taken in reliance hereon and all demands and notices of any kind in connection with the secured property, the Obligations or this Agreement.

12. **Duration.** The term of this Agreement shall commence with the date hereof and end on the termination date which is the date when the Borrower has paid in full all of the Obligations secured hereby and the Bank gives notice to the Borrower that no further loans are to be made hereunder. Until such termination, this Agreement shall be a continuing one.

13. **General.** This Agreement shall be subject to other provisions in any notes or other documents signed by the Borrower in any capacity concerning the Obligations which are not inconsistent to the provisions contained herein. All rights and liabilities hereunder shall be governed and limited by and construed in accordance with the laws of the State of Ohio and this Agreement shall inure to the benefit and bind the Bank and the Borrower and their respective successors and assigns, or legal representatives and heirs, as the case may be. Any provision hereof which may prove limited or unenforceable under any laws or judicial rulings shall not affect the validity or enforcement of the remainder of the provision or of any other provision.

14. **Additional Provisions.** Special provisions applicable to this Agreement (if none, so state) this is a money-
purchase security interest in favor of the Bank.

THE FIRST NATIONAL BANK OF CINCINNATI

By



Anant R. Bhati, M.D.

