

SECURITY AGREEMENT
(NukeMed, Inc. Project)

NUKEMED, INC., an Indiana corporation (the “Company”), hereby grants and pledges to the **TOWN OF BROWNSBURG**, Indiana, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the “Town”) a security interest in the Collateral (as defined hereinafter), whether now owned or hereafter acquired, and in the proceeds thereof, to secure the payment and performance of all of the Obligations (as defined below). Such security interest is granted on the terms stated in this Security Agreement.

1. **Definitions.** As used in this Security Agreement, the following terms have the meanings indicated when used with the initial letter capitalized:

(a) “Account Debtor” means a party who is obligated to the Company with respect to any Account Receivable, or General Intangible.

(b) “Accounts Receivable” or “Account” is used as defined in the Uniform Commercial Code.

(c) “Chattel Paper” is used as defined in the Uniform Commercial Code.

(d) “Collateral” means (i) all tangible personal property and equipment, and proceeds thereof, of any kind, purchased with Loan proceeds (including any such Goods, Documents, Fixtures, Instruments, Equipment, Farm Products, Software and Inventory); (ii) any and all moneys and securities from time to time on deposit in all funds and accounts created under the Loan Agreement including any Loan proceeds, (iii) all other property of any kind conveyed, transferred, mortgaged, pledged, assigned or hypothecated at any time in favor of the Town, (iv) a second priority security interest in all equipment and tangible personal property owned by Borrower at its location listed below (including, without limitation, all Goods, Equipment, Fixtures, Farm Products, and proceeds thereof, but excluding Inventory), which security interest shall be subordinated to the Secured Credit Agreement, and all proceeds of the foregoing. Accounts, Chattel Paper, Deposit Accounts, General Intangibles, and Software shall only constitute “Collateral” to the extent such assets are proceeds of assets described in subsections (i), (ii) or (iii).

(e) “Collateral Account” is used as defined in Paragraph 10(a).

(f) “Default” means an “Event of Default” as defined in the Loan Agreement.

(g) “Deposit Accounts” means all demand, time, savings, passbook, and similar accounts of the Company maintained with any bank.

(h) “Equipment” means all of the furniture, fixtures, machinery, equipment, and other Goods of the Company, other than Inventory, farm products, or consumer goods, together with all tools, accessories, parts and accessions now in, attached to or hereafter placed in or added to such property, and any replacements of any such property.

(i) “Farm Products” is used as defined in the Uniform Commercial Code.

(j) “Fixtures” is used as defined in the Uniform Commercial Code.

(k) “General Intangibles” is used as defined in the Uniform Commercial Code.

(l) “Goods” is used as defined in the Uniform Commercial Code.

(m) “Intercreditor Agreement” means each intercreditor agreement entered into from time to time by the Company, the Town and the holder of the Secured Credit Agreement.

(n) “Inventory” means all Goods which are held for sale or lease to customers or which are furnished, have been furnished or are to be furnished under contracts of service, or which are raw materials, work in process or materials used or consumed in the Company’s business.

(o) “Loan Agreement” means the Economic Development Loan Agreement by and between the Company and the Town, as it may be amended from time to time.

(p) “Obligations” means (i) all loans, advances and other extensions of credit made by the Town to the Company; and (ii) any and all other indebtedness, obligations and liabilities which may be owed by the Company to the Town and arising out of, or incurred in connection with, the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement), whether (A) now in existence or incurred by the Company from time to time hereafter, (B) secured by pledge, lien upon or security interest in any of the Company’s assets or property or the assets or property of any other person, firm, entity or corporation, (C) such indebtedness is absolute or contingent, joint or several, matured or unmatured, direct or indirect, or (D) the Company is liable to the Town for such indebtedness as principal, surety, endorser, guarantor or otherwise.

(q) “Software” is used as defined in the Uniform Commercial Code.

(r) “Secured Credit Agreement” means an agreement providing Borrower credit to be secured by a primary interest in the Collateral identified in subsection (d)(iv) above, as placed on file with the Town from time to time, and all documents securing the Company’s obligations thereunder.

(t) “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of Indiana, or in the state where the relevant collateral is located.

All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Loan Agreement.

2. **Financing Statements.** The Company authorizes the Town at the expense of the Town to file a financing statement or statements in those public offices deemed necessary by the Town to perfect the security interest granted to it herein, without the necessity of obtaining a signature from the Company. The Town agrees to provide the Company with copies of all such statements prior to their filing. The Company shall execute and deliver any document that the Town may reasonably request to perfect or to further evidence or perfect the security interest created by this Security Agreement including, without limitation, any certificate or certificates of title to the Collateral with the security interest of the Town noted thereon or executed applications for such certificates of title.

3. **Location, Inspection and Protection of Collateral.** Unless the Company gives the Town not less than ten (10) days prior written notice of additional locations at which Collateral shall be kept, all Collateral is kept and shall be kept at the following address:

Brownsburg, Indiana, 46112
or such other location within the corporate
jurisdiction of the Town designated as the
Company’s principal office.

Unless the Company gives the Town written notice of the location of additional offices where records of the Company relative to the Collateral are kept, all such records of the Company shall be kept at the same address as the Collateral, which, the Company represents, is also the address of its principal office. The Company shall not change the location of its principal office or state of organization or its legal name under which it is organized as of the date hereof unless the Company gives the Town not less than thirty (30) days’ prior written notice of such event. The Company shall, at all reasonable times with prior notice and in a manner which shall not unreasonably interfere with the Company’s business operations, allow the officers, attorneys and accountants of the Town to examine, inspect, photocopy and make abstracts from the Company’s books and records and to verify Equipment and Inventory, the latter both as to quantity and quality. The Company shall also take any additional action which the Town may reasonably require to further protect the Town’s interest in the Collateral.

4. **Fixtures.** None of the Collateral is attached to real estate (other than real estate in which a valid mortgage has been given to the Town to secure the Obligations), so as to constitute

a fixture. If any Collateral is hereafter so attached to any real estate not subject to a valid mortgage in favor of the Town and securing the Obligations, notice of the common address, legal description, and name of the owner of record of such real estate shall be furnished to the Town at least ten (10) days prior to such attachment. If any Collateral is hereafter attached to real estate prior to the perfection of the security interest created by this Security Agreement in such Collateral, the Company shall, on demand, furnish the Town with a disclaimer of interest in the Collateral executed by each person having an interest in such real estate.

5. **The Company's Title.** The Company has full and clear title to all of the Collateral presently owned and shall have such title to all Collateral hereafter acquired except for the security interest granted by this Security Agreement, the senior liens granted to the provider of the Senior Credit Agreement, and any other lien or security interest permitted under the terms of the Loan Agreement, and the Company shall keep the Collateral free at all times from any lien or encumbrance except those permitted by the Loan Agreement. Other than any financing statements relating to a Secured Credit Agreement, the Company has no knowledge of any financing statements covering all or any portion of the Collateral on file at any public office except as may be required or permitted by this Security Agreement and the Loan Agreement.

6. **The Company's Duty to Maintain the Collateral.** The Company shall keep all tangible Collateral in good order and repair, ordinary wear and tear excepted, and shall not waste or destroy any of the Collateral. The Company shall not use the Collateral in violation of any statute or ordinance or contrary to the provisions of any policy of insurance thereon. The Company shall keep all Collateral within the corporate jurisdictions of the Town, except for Inventory sold or leased to third parties as provided in Section 9 below.

7. **Insurance.** In addition to maintaining such insurance on the Collateral as is required by the Loan Agreement, the Company shall, upon the reasonable request of the Town, keep the Collateral insured against such additional risks, in such amounts and under such policies as the Town may reasonably require and with such companies as shall be reasonably acceptable to the Town. All policies providing insurance on the Collateral shall provide that any loss thereunder shall be payable to the Town under a standard form of secured lender's loss payable endorsement. The Company authorizes the Town to endorse on the Company's behalf and to negotiate drafts reflecting proceeds of insurance on the Collateral, provided that the Town shall remit to the Company such surplus, if any, as remains after the proceeds have been applied at the Town's option, (a) to the satisfaction of all of the Obligations or to the establishment of a cash collateral account for the Obligations, or (b) to the replacement or repair of the Collateral; provided, however, that so long as no Default exists, and provided further that the Company can demonstrate to the Town's reasonable satisfaction that any proposed replacement or repair of Collateral is economically and physically feasible, such proceeds shall be applied, at the Company's option and to the extent necessary, as provided in the foregoing clause (b). Certificates evidencing the existence of all of the insurance required under the Loan Agreement or this Security Agreement shall be furnished to the Town by the Company and the original policies providing such insurance shall be delivered to the Town at its request.

8. **Advances to Protect Collateral.** Upon failure of the Company to procure any required insurance or to remove any prohibited encumbrance upon the Collateral or if any policy providing any required insurance is canceled, the Town may, after no less than five (5) days' prior written notice to the Company, procure such insurance or remove any encumbrance on the Collateral and any amounts expended by the Town for such purposes shall be immediately due and payable by the Company to the Town and shall be added to and become a part of the Obligations secured hereby and shall bear interest at the rate of twelve percent (12%) per annum.

9. **Dealing with Collateral Prior to Default.** Prior to Default:

(a) the Company may, in the ordinary course of business, at its own expense, sell, lease or furnish under contracts of service, any of the Inventory normally held by the Company for such purposes, provided that a sale in the ordinary course of business shall not include a transfer in total or partial satisfaction of a debt, and the Company may use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by it for such purposes;

(b) the Company shall, at its own expense, endeavor to collect, when due, all amounts due with respect to any Accounts or General Intangibles, and shall take such action with respect to collection as the Company may deem advisable, in its sole discretion, in accordance with sound business practice, and

(c) the Company may grant, in the ordinary course of business, to any Account Debtor, any rebate, refund or adjustment to which such Account Debtor may be entitled, and may accept, in connection therewith, the return of the goods, the sale or lease of which shall have given rise to the obligation of the Account Debtor.

10. **Dealing with Collateral After Default.** Upon the occurrence and continuation of a Default and upon the request of the Town:

(a) upon receipt of any checks, drafts, cash or other remittances in payment of Inventory sold or in payment of Accounts Receivable of the Company, shall deposit the same in a special collateral account (the "Collateral Account") established at a bank selected by the Town; such proceeds shall be deposited in the form received except for the endorsement of the Company when required, which endorsement the bank at which the Collateral Account is established is authorized to make on the Company's behalf, and shall be held by such bank on behalf of the Town as security for all Obligations;

(b) the Company shall deliver to the Town or its designee all other instruments and Chattel Paper which constitute proceeds from the sale of Collateral, whether then held or thereafter acquired; and

(c) the Company shall keep segregated any such checks, drafts, cash, other instruments, Chattel Paper or other remittances from any of the Company's other funds or property and shall hold such items in trust for the benefit of the Town until delivery to the Town or deposit in the Collateral Account and the Town may apply all or any portion of the funds on deposit in the Collateral Account against any Obligations in the order of application provided for in the Loan Agreement or, absent such provision, at the discretion of the Town.

Upon the occurrence and continuation of a Default, the Town may notify any Account Debtor to make payment directly to the Town of any amounts due or to become due under any Account Receivable, General Intangible instrument or Chattel Paper and the Town may enforce the collection of any Account Receivable, General Intangible, instrument or Chattel Paper in its name or in the name of the Company, by suit or otherwise, and may surrender, release or exchange all or any part thereof or compromise or extend or renew for any period, whether or not longer than the original period, any indebtedness thereunder or evidenced thereby, and any Account Debtor will be fully protected in relying upon the representation of the Town that it has authority under the terms of this Security Agreement to deal with any Account Receivable, General Intangible, instrument or Chattel Paper and need not look beyond this Security Agreement and such representation of the Town to establish the Town's authority in that regard.

11. **Substitution and Sale of Equipment.** The Company may from time to time so long as no Default has occurred and is continuing, substitute items of Equipment so long as any new Equipment becomes subject to the security interest created by this Security Agreement and is subject to no prior liens or security interest other than those permitted by the Loan Agreement. So long as no Default has occurred and is continuing, the Company may, in the ordinary course of its business, sell or otherwise dispose of any items of Equipment for which substitutes have been obtained or which are no longer useful to the Company in its operations, provided that at least ten (10) days prior written notice of any proposed disposition of any material amount of Equipment in a single or a planned series of transactions is given to the Town. Upon the request of the Company, the Town will deliver an appropriate release of its security interest in any item of Equipment disposed of by the Company pursuant to the provisions of this paragraph.

12. **Remedies Upon Default.** Upon the occurrence and continuation of any Default the Town shall have with respect to the Collateral, in addition to all rights and remedies specified in the Loan Agreement, this Security Agreement or any other agreement between the Company and the Town, the remedies of a secured party under the Uniform Commercial Code, regardless of whether the Code in such form has been enacted in the jurisdiction in which any such right or remedy is asserted. Any notice required by law, including but not limited to notice of the intended disposition of all or any portion of the Collateral, shall be deemed reasonably and properly given if given at least ten (10) days prior to such disposition in the manner prescribed for the giving of notices in the Loan Agreement. Any proceeds of the disposition of any of the Collateral shall be applied first to the payment of the expenses of the retaking, holding, repairing, preparing for sale and sale of the Collateral, including reasonable attorneys' fees and legal

expenses in connection therewith and any balance of such proceeds shall be applied by the Town to the Obligations in such order as the Town shall determine.

13. **Relation to Loan Agreement.** This Security Agreement is given pursuant to the terms of the Loan Agreement and shall be deemed a part thereof and subject to the terms and conditions of the Loan Agreement.

14. **Authority.** In order to induce the Town to accept this Security Agreement and to make the Loan Agreement available to the Company, the Company represents and warrants to the Town that: (i) the Company is validly organized and existing under the laws of the State of Indiana; (ii) the execution and delivery of this Security Agreement are within the Company's powers, has been duly authorized by all necessary action and do not contravene or conflict with any provision of law or of the Articles, Bylaws or Operating Agreement of the Company or of any agreement binding upon the Company or its properties; (iii) the principal office of the Company is located at the address indicated above; (iv) this Security Agreement is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms; and (v) the exact legal name of the Company is as it appears on the signature line hereof.

15. **Notices.** Any notice required or otherwise given concerning this Security Agreement by either party to the other shall be given as notices are required to be given under the terms of the Loan Agreement.

Dated as of June __, 2011.

NUKEMED, INC.

By: _____
John A. Zehner, R.Ph., President

Attest:

_____, Secretary and Treasurer

STATE OF INDIANA)
) SS:
COUNTY OF _____)

Before me the undersigned, a Notary Public in and for said County and State, personally appeared John A. Zehner, R.Ph., the President and _____, Secretary and Treasurer of NukeMed, Inc., an Indiana corporation, who as such authorized officers acknowledged the execution of the foregoing Security Agreement on behalf of said limited liability company this ____ day of _____, 2011.

Notary Public

Printed Name

My Commission Expires: _____

County of Residence: _____