

04-29-1999

Tab Settings



To the Honorable Commissioner of Patents:

101024174

3 original documents or copy thereof.

1. Name of conveying party(ies):

Novacare, Inc.

See attached Schedules A and B

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other: _____

Additional names of conveying party(ies) attached? ☒ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other: _____

Execution Date: March 24, 1999

2. Name and address of receiving party(ies):

Name: PNC Bank, National AssociationInternal Address: APR 12Street Address: 249 Fifth Avenue
One PNC PlazaCity: Pittsburgh State: PA ZIP: 15222

- ☐ Individual(s) citizenship: _____
☐ Association: _____
☐ General Partnership: _____
☐ Limited Partnership: _____
☐ Corporation-State: _____
☒ Other: Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

See attached Schedule 1

Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom concerning document should be mailed:

Name: Michael L. DeverInternal Address: Buchanan Ingersoll, P.C.Street Address: 301 Grant Street20th FloorCity: Pittsburgh State: PA ZIP: 15219

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41): \$ 290.00☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

04/28/1999 DNGUYEN 00000052 1594563

DO NOT USE THIS SPACE

01 FC:481
02 FC:48240.00 DP
250.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Michael L. Dever

Name of Person Signing

Signature

4/8/99

Date

Total number of pages comprising cover sheet: 25

SCHEDULE 1

Trademarks

<u>Registration No.</u>	<u>Registration Date</u>	<u>Mark</u>
1,594,563	05-01-90	SABOLICH
1,485,182		REDI-LITE
1,613,340		DOVE DESIGN
1,635,791		NOVACARE
2,008,579		OCCUWIN
2,148,095		THE POLARIS GROUP
2,149,663	04-07-98	VIGOR and Design
2,149,757	04-07-98	NOVAPRO
2,184,190		NOVACARE
2,193,817		DOVE DESIGN
1,692,028		RUNNING FIGURE DESIGN

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated March 24, 1999, is entered into among NOVACARE, INC., a Delaware corporation ("NovaCare"), each Subsidiary of NovaCare identified on Schedule A or B hereto as a "Borrower" (collectively, together with any additional Person that becomes a Borrower under the Credit Agreement, the "Borrowing Subsidiaries" and together with NovaCare collectively referred to as the "Borrowers"), each Subsidiary of NovaCare identified on Schedule A or B hereto as a "Guarantor" (collectively, together with any additional Person that becomes a Guarantor under any of the Loan Documents, the "Guarantors")(the Borrowers and the Guarantors being collectively referred to herein as the "Assignors" and each as an "Assignor"), and PNC BANK, NATIONAL ASSOCIATION, in its capacity as agent for the Banks under the Credit Agreement referred to below (the "Assignee").

WHEREAS, pursuant to that certain Credit Agreement dated as of May 27, 1994, as amended (as may be amended, restated, modified or supplemented from time to time, the "Credit Agreement") by and between, inter alia, the Borrowers, the Guarantors, and Assignee, as Agent for the Banks, the Banks have agreed to provide certain loans to the Borrower; the Assignors have agreed, among other things, to grant to the Assignee a security interest in, and upon the occurrence of an Event of Default (as that term is defined in the Credit Agreement) to conditionally assign to the Assignee for the benefit of the Banks, certain patents, trademarks and copyrights.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to them in the Credit Agreement.
2. To secure the payment and performance of all indebtedness and other obligations of each of the Assignors now or hereafter existing under the Credit Agreement and the other Loan Documents, including, without limitation, principal, interest, fees, expenses, costs and expenses of enforcement, reasonable attorney's fees and expenses, and obligations under indemnification provisions in the Loan Documents (collectively, the "Secured Obligations"), each Assignor hereby grants to the Assignee, its successors and assigns, a security interest in and, subject to Sections 8 and 9 hereof, assigns and conveys to Assignee all of its right, title and interest in and to all patent applications, patents, federal and state trademark applications, registered and common law trademarks and logos, servicemarks, tradenames, copyright registrations and copyrights now owned by such Assignor in the United States, including, without limitation, those listed on Schedule 1 hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the foregoing relate (collectively, the "Patents, Trademarks and Copyrights").

3. Each Assignor covenants and warrants that, except as set forth in Schedule 2:
- (a) to the best of such Assignor's knowledge, the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
 - (b) to the best of such Assignor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;
 - (c) except for Permitted Liens, such Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patents, Trademarks and Copyrights owned by it, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by each Assignor not to sue third persons with respect to such Patents, Trademarks and Copyrights;
 - (d) such Assignor has the corporate power and authority to enter into this Agreement and perform its terms;
 - (e) no written claim has been made to such Assignor or, to the knowledge of such Assignor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the intellectual property rights of any third party; and
 - (f) such Assignor has used, and will continue to use for the duration of this Agreement, materially consistent standards of quality in its manufacture of products which use or display the Patents, Trademarks and Copyrights; and
 - (g) such Assignor in all material respects has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights.
- -

4. Except as set forth in Section 6 hereof, each Assignor agrees that, until all of the Secured Obligations shall have been indefeasibly satisfied in full in cash, it will not enter into any agreement which is inconsistent with such Assignor's obligations under this Agreement, without the Assignee's prior written consent.

5. If, before the Secured Obligations shall have been indefeasibly satisfied in full in cash, any Assignor shall own any new U.S. or other applications for, or any other, patent applications, patents, federal or state trademark applications, registered or common law trademarks or logos, servicemarks, tradenames, copyright registrations or copyrights, such Assignor shall diligently prosecute such applications and the provisions of this Agreement shall automatically apply to any such registration or patents or other rights which are issued or accrue to such Assignor in connection therewith (and the term "Patent, Trademark or Copyright" as used herein is hereby deemed to include the same), and such Assignor shall give to Assignee

prompt notice thereof in writing. Assignors and Assignee agree to modify this Agreement by amending Schedule 1 to include any such future patent applications, patents, federal and state trademark applications, registered and common law trademarks and logos, servicemarks, tradenames, copyright registrations and copyrights and the provisions of this Agreement shall apply thereto. Any expenses incurred in connection with such an application or other rights shall be borne by such Assignor.

6. No Assignor shall abandon any Patent, Trademark or Copyright without the consent of Assignee, which shall not be unreasonably withheld.

7. Each Assignor agrees not to assign or sell (except as set forth on Schedule 3) its interests in any of its Patents, Trademarks and Copyrights without the prior written consent of Assignee. Unless there shall have occurred and be continuing an Event of Default, each Assignor shall have the right to grant any license under any of its Patents, Trademarks and Copyrights, but solely in the ordinary course of such Assignor's business. Assignee reserves the right upon reasonable notice during normal business hours to inspect the operations and facilities of each Assignor from time to time for the purpose of ensuring that the use of such Assignor's Patents, Trademarks and Copyrights are consistent with Assignor's obligations under the Credit Agreement and hereunder; provided that such inspection is not disruptive of such Assignor's business.

8. If and during the period that the Secured Obligations are declared due and payable pursuant to the Credit Agreement, Assignee shall have the right, in addition to all other rights and remedies given it by this Agreement, the Credit Agreement, those allowed by Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be registered, to transfer or assign, in good faith and without negligence or willful misconduct, all or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which such Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including reasonable fees and expenses for brokers and attorneys) relating to such sale or disposition, shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Assignee, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to such Assignor and this Agreement shall terminate. Notwithstanding the foregoing, notice of any transfer or assignment or other disposition of the Patents, Trademarks and Copyrights shall be given to such Assignor at least ten (10) days before the time that any intended public or private transfer or assignment or other disposition of the Patents, Trademarks and Copyrights is to be made, which each Assignor hereby agrees shall be reasonable notice of such sale or other disposition, and during which period each Assignor will have the right to pay to Assignee the amount of Secured Obligations due and payable plus any reasonable expenses incurred by Assignee in connection with any such proposed transfer, assignment or disposition, and upon such payment Assignee will release all interest in the Patents, Trademarks and Copyrights, and this Agreement will terminate. At any such transfer or assignment or other disposition, Assignee may, to the extent permissible under applicable Law, purchase the whole or any part of the

Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of any Assignor, which right is hereby waived and released.

9. Subject to Section 10 hereof, if any Event of Default shall have occurred and be continuing, each Assignor hereby makes, constitutes, and appoints, and authorizes and empowers Assignee to make, constitute and appoint, any officer or agent of Assignee, as Assignee may select in its exclusive discretion, as such Assignor's true and lawful attorney-in-fact, with the power to endorse such Assignor's name on all applications, documents, papers and instruments necessary for Assignee to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Assignee to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Each Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof other than acts or omissions which are grossly negligent or constitute willful misconduct. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

10. At such time as Assignors shall have indefeasibly paid in full in cash all of the Secured Obligations and the Commitments shall have terminated, this Agreement shall terminate and Assignee, at each Assignor's expense, shall execute and deliver to Assignors all deeds, assignments and other instruments as may be necessary or proper as reasonably requested by each Assignor to release the security interest created hereby and to reassign to Assignors any and all rights granted to the Assignee in and to the Patents, Trademarks and Copyrights, pursuant to this Agreement.

11. Each Assignor shall preserve and maintain all rights in the Patents, Trademark and Copyrights, including without limitation the payment of all maintenance fees, renewal fees or taxes. An Assignor may elect not to preserve or maintain its rights in certain Patents, Trademarks and Copyrights provided such election is with the prior consent of Assignee, which consent will not be unreasonably withheld.

12. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and reasonable expenses incurred by Assignee in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights (in the event that Assignors fail to discharge their duty pursuant to Section 10 or otherwise), or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid, jointly and severally, by Assignors within thirty (30) days of demand by Assignee, and if not paid within such time, shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate prescribed in the Credit Agreement.

13. Each Assignor shall have the right, with the consent of Assignee, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Assignee shall cooperate with such Assignor, at such Assignor's reasonable request and expense, in the prosecution or defense of any suit, action or proceeding with respect to the Patents, Trademarks and Copyrights. Each Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all damages, costs and expenses, including reasonable legal fees, incurred by Assignee at the request of any Assignor as a result of such suit.

14. No course of dealing between any Assignor and Assignee, nor any failure to exercise nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. All of Assignee's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction or as to any Assignor, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, or solely such Assignor in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction or any other Assignor, or any clause or provision of this Agreement or any Assignor in any jurisdiction.

17. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

19. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

20. EACH ASSIGNOR HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA, AND THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA, AND EACH ASSIGNOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW.

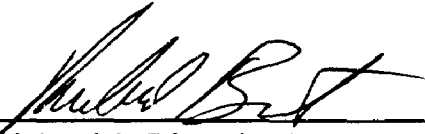
[SIGNATURES BEGIN ON NEXT PAGE]


[SIGNATURE PAGE 1 OF 1]
[PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

ATTEST:

NOVACARE, INC., a Delaware corporation,
and each of the **Borrowers** and **Guarantors**
listed on Schedule A attached hereto

By: 
Richard S. Binstein, Secretary

By: 
Richard A. McDonald, the Vice President of
each Borrower and Guarantor listed on
Schedule A attached hereto which is a
corporation and of each general partner of
each Guarantor listed on Schedule A
attached hereto which is a partnership

[Seal]

ATTEST:

NOVAFUNDS, INC., a Delaware corporation,
and each of the **Guarantors** listed on Schedule B
attached hereto

By: _____
Andrew T. Panaccione, Secretary

By: _____
Robert C. Campbell, the Vice President of
each Borrower and Guarantor listed on
Schedule B attached hereto

[Seal]

[SIGNATURE PAGE 1 OF 1]
[PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

ATTEST:

NOVACARE, INC., a Delaware corporation,
and each of the **Borrowers and Guarantors**
listed on Schedule A attached hereto

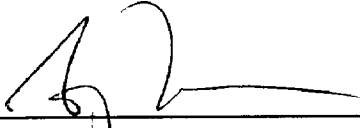
By: _____
Richard S. Binstein, Secretary

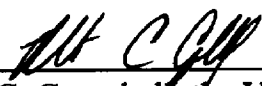
By: _____
Richard A. McDonald, the Vice President of
each Borrower and Guarantor listed on
Schedule A attached hereto which is a
corporation and of each general partner of
each Guarantor listed on Schedule A
attached hereto which is a partnership

[Seal]

ATTEST:

NOVAFUNDS, INC., a Delaware corporation,
and each of the **Guarantors** listed on Schedule B
attached hereto

By:  _____
Andrew T. Panaccione, Secretary

By:  _____
Robert C. Campbell, the Vice President of
each Borrower and Guarantor listed on
Schedule B attached hereto

[Seal]

SCHEDULE A

Entity	Borrower ("B") / Guarantor ("G")
NovaCare, Inc. (a Delaware corporation)	B
NovaCare, Inc. (a Pennsylvania corporation)	B
RehabClinics, Inc.	B
Rehab Managed Care of Arizona, Inc.	B
A.D. Craig Company	G
Advanced Orthopedic Technologies, Inc. (a Nevada corporation)	G
Advanced Orthopedic Technologies, Inc. (a New York corporation)	G
Advance Orthotics, Inc.	G
Advanced Orthotics and Prosthetics, Inc.	G
Advanced Orthopedic Systems, Inc.	G
Advanced Orthopedic Technologies (Clayton), Inc.	G
Advanced Orthopedic Technologies (Lett), Inc.	G
Advanced Orthopedic Technologies (New Jersey), Inc.	G
Advanced Orthopedic Technologies (New Mexico), Inc.	G
Advanced Orthopedic Technologies (New York), Inc.	G
Advanced Orthopedic Technologies (OTI), Inc.	G
Advanced Orthopedic Technologies (Parmeco), Inc.	G
Advanced Orthopedic Technologies (SFV), Inc.	G
Advanced Orthopedic Technologies (Virginia), Inc.	G
Advanced Orthopedic Technologies (West Virginia), Inc.	G
Advanced Orthopedic Technologies Management Corp.	G
Affiliated Physical Therapists, Ltd.	G
American Rehabilitation Center, Inc.	G
American Rehabilitation Clinic, Inc.	G
Artificial Limb and Brace Center	G
Athens Sports Medicine Clinic, Inc.	G
Ather Sports Injury Clinic, Inc.	G
Atlanta Prosthetics, Inc.	G
Atlantic Health Group, Inc.	G
Atlantic Rehabilitation Services, Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
Boca Rehab Agency, Inc.	G
Bowman-Shelton Orthopedic Service, Incorporated	G
Buendel Physical Therapy, Inc.	G
C.E.R. - West, Inc.	G
Cahill Orthopedic Laboratory, Inc.	G
Cannon & Associates, Inc.	G
Cenla Physical Therapy & Rehabilitation Agency, Inc.	G
Center for Evaluation & Rehabilitation, Inc.	G
Center for Physical Therapy and Sports Rehabilitation, Inc.	G
CenterTherapy, Inc.	G
Certified Orthopedic Appliance Co., Inc.	G
Central Valley Prosthetics & Orthotics, Inc.	G
Champion Physical Therapy, Inc.	G
CMC Center Corporation	G
Coplin Physical Therapy Associates, Inc.	G
Crowley Physical Therapy Clinic, Inc.	G
Dale Clark Prosthetics, Inc.	G
Douglas Avery and Associates, Ltd.	G
Douglas C. Claussen, R.P.T., Physical Therapy, Inc.	G
E.A. Warnick-Pomeroy Co., Inc.	G
Elk County Physical Therapy, Inc.	G
Fine, Bryant & Wah, Inc.	G
Francis Naselli, Jr. & Stewart Rich Physical Therapists, Inc.	G
Frank J. Malone & Son, Inc.	G
Fresno Orthopedic Company	G
Gallery Physical Therapy Center, Inc.	G
Georgia Health Group, Inc.	G
Georgia Physical Therapy of West Georgia, Inc.	G
Georgia Physical Therapy, Inc.	G
Greater Sacramento Physical Therapy Associates, Inc.	G
Grove City Physical Therapy and Sports Medicine, Inc.	G
Gulf Breeze Physical Therapy, Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
Gulf Coast Hand Specialists, Inc.	G
Hand Therapy and Rehabilitation Associates, Inc.	G
Hand Therapy Associates, Inc.	G
Hangtown Physical Therapy, Inc.	G
Hawley Physical Therapy, Inc.	G
Heartland Rehabilitation, Inc.	G
High Desert Institute of Prosthetics & Orthotics	G
Indianapolis Physical Therapy and Sports Medicine, Inc.	G
Industrial Health Care Company, Inc.	G
J.E. Hanger, Incorporated	G
JOYNER SPORTS SCIENCE INSTITUTE, Inc.	G
JOYNER SPORTSMEDICINE INSTITUTE, INC.	G
Kesinger Physical Therapy, Inc.	G
Kroll's, Inc.	G
Lynn M. Carlson, Inc.	G
McKinney Prosthetics/Orthotics, Inc.	G
Mark Butler Physical Therapy Center, Inc.	G
Meadowbrook Orthopedics, Inc.	G
Medical Arts O&P Services, Inc.	G
Medical Plaza Physical Therapy, Inc.	G
Metro Rehabilitation Services, Inc.	G
Michigan Therapy Centre, Inc.	G
MidAtlantic Health Group, Inc.	G
Mill River Management, Inc.	G
Mitchell Tannenbaum I, Inc.	G
Mitchell Tannenbaum II, Inc.	G
Mitchell Tannenbaum III, Inc.	G
Monmouth Rehabilitation, Inc.	G
New England Health Group, Inc.	G
New Mexico Physical Therapists, Inc.	G
Northland Regional Orthotic and Prosthetic Center, Inc.	G
Northside Physical Therapy, Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
NovaCare (Arizona), Inc.	G
NovaCare (Colorado), Inc.	G
NovaCare (Texas), Inc.	G
NovaCare Management Company, Inc.	G
NovaCare Management Services, Inc.	G
NovaCare Northside Therapy, Inc.	G
NovaCare Occupational Health Services, Inc.	G
NovaCare Orthotics & Prosthetics East, Inc.	G
NovaCare Orthotics & Prosthetics Holdings, Inc.	G
NovaCare Orthotics & Prosthetics West, Inc.	G
NovaCare Orthotics & Prosthetics, Inc.	G
NovaCare Outpatient Rehabilitation East, Inc.	G
NovaCare Outpatient Rehabilitation I, Inc.	G
NovaCare Outpatient Rehabilitation West, Inc.	G
NovaCare Outpatient Rehabilitation, Inc.	G
NovaCare Rehab Agency of Alabama, Inc.	G
NovaCare Rehab Agency of Florida, Inc.	G
NovaCare Rehab Agency of Georgia, Inc.	G
NovaCare Rehab Agency of Illinois, Inc.	G
NovaCare Rehab Agency of Kansas, Inc.	G
NovaCare Rehab Agency of Missouri, Inc.	- -
NovaCare Rehab Agency of New Jersey, Inc.	G
NovaCare Rehab Agency of North Carolina, Inc.	G
NovaCare Rehab Agency of Northern California, Inc.	G
NovaCare Rehab Agency of Ohio, Inc.	G
NovaCare Rehab Agency of Oklahoma, Inc.	G
NovaCare Rehab Agency of Oregon, Inc.	G
NovaCare Rehab Agency of Pennsylvania, Inc.	G
NovaCare Rehab Agency of South Carolina, Inc.	G
NovaCare Rehab Agency of Southern California, Inc.	G
NovaCare Rehab Agency of Tennessee, Inc.	G
NovaCare Rehab Agency of Virginia, Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
NovaCare Rehab Agency of Washington, Inc.	G
NovaCare Rehab Agency of Wyoming, Inc.	G
NovaCare Rehabilitation Agency of Wisconsin, Inc.	G
NovaCare Rehabilitation, Inc.	G
NovaCare Service Corp.	G
Opus Care, Inc.	G
Ortho East, Inc.	G
Ortho Rehab Associates, Inc.	G
Ortho-Fab Laboratories, Inc.	G
Orthopedic Appliances, Inc.	G
Orthopedic and Sports Physical Therapy of Cupertino, Inc.	G
Orthopedic Rehabilitative Services, Ltd.	G
Orthotic & Prosthetic Rehabilitation Technologies, Inc.	G
Orthotic and Prosthetic Associates, Inc.	G
Orthotic Specialists, Inc.	G
Peter Trailov R.P.T. Physical Therapy Clinic, Orthopaedic Rehabilitation & Sports Medicine, Ltd.	G
Peters, Starkey & Todrank Physical Therapy Corporation	G
Physical Focus Inc.	G
Physical Rehabilitation Partners, Inc.	G
Physical Therapy Enterprises, Inc.	G
Physical Therapy Institute, Inc.	G
Professional Orthotics and Prosthetics, Inc.	G
Professional Orthotics and Prosthetics, Inc. of Santa Fe	G
Professional Therapeutic Services, Inc.	G
Progressive Orthopedic	G
Prosthetics-Orthotics Associates, Inc.	G
Protech Orthotic and Prosthetic Center, Inc.	G
Quad City Management, Inc.	G
RCI (Colorado), Inc.	G
RCI (Exertec), Inc.	G
RCI (Illinois), Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
RCI (Michigan), Inc.	G
RCI (S.P.O.R.T.), Inc.	G
RCI (WRS), Inc.	G
RCI Nevada, Inc.	G
Rebound Oklahoma, Inc.	G
Redwood Pacific Therapies, Inc.	G
Rehab Provider Network of Florida, Inc.	G
Rehab Provider Network - New Jersey, Inc.	G
Rehab Provider Network - California, Inc.	G
Rehab Provider Network - Delaware, Inc.	G
Rehab Provider Network - Georgia, Inc.	G
Rehab Provider Network - Illinois, Inc.	G
Rehab Provider Network - Indiana, Inc.	G
Rehab Provider Network - Maryland, Inc.	G
Rehab Provider Network - Michigan, Inc.	G
Rehab Provider Network - Ohio, Inc.	G
Rehab Provider Network - Oklahoma, Inc.	G
Rehab Provider Network - Virginia, Inc.	G
Rehab Provider Network - Washington, D.C., Inc.	G
Rehab Provider Network - Pennsylvania, Inc.	G
Rehab Provider Network of Colorado, Inc.	G
Rehab Provider Network of Nevada, Inc.	G
Rehab Provider Network of New Mexico, Inc.	G
Rehab Provider Network of Texas, Inc.	G
Rehab Provider Network of Wisconsin, Inc.	G
Rehab World, Inc.	G
Rehab/Work Hardening Management Associates, Ltd.	G
RehabClinics (COAST), Inc.	G
RehabClinics (GALAXY), Inc.	G
RehabClinics (New Jersey), Inc.	G
RehabClinics (PTA), Inc.	G
RehabClinics (SPT), Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
RehabClinics Abilene, Inc.	G
RehabClinics Dallas, Inc.	G
RehabClinics Pennsylvania, Inc.	G
Rehabilitation Fabrication, Inc.	G
Rehabilitation Management, Inc.	G
Reid Medical Systems, Inc.	G
Robert M. Bacci, R.P.T. Physical Therapy, Inc.	G
Robin Aids Prosthetics, Inc.	G
S.T.A.R.T., Inc.	G
Salem Orthopedic & Prosthetic, Inc.	G
San Joaquin Orthopedic, Inc.	G
SG Rehabilitation Agency, Inc.	G
SG Speech Associates, Inc.	G
South Jersey Physical Therapy Associates, Inc.	G
South Jersey Rehabilitation and Sports Medicine Center, Inc.	G
Southern Illinois Prosthetic & Orthotic, Ltd.	G
Southern Illinois Prosthetic & Orthotic of Missouri, Ltd.	G
Southpointe Fitness Center, Inc.	G
Southwest Medical Supply Company	G
Southwest Physical Therapy, Inc.	G
Southwest Therapists, Inc.	G
Sporthopedics Sports and Physical Therapy Centers, Inc.	G
Sports Therapy and Arthritis Rehabilitation, Inc.	G
Star Physical Therapy Inc.	G
Stephenson-Holtz, Inc.	G
T.D. Rehab Systems, Inc.	G
Texoma Health Care Center, Inc.	G
The Center for Physical Therapy and Rehabilitation, Inc.	G
The Orthopedic Sports and Industrial Rehabilitation Network, Inc.	G
Theodore Dashnaw Physical Therapy, Inc.	G
Treister, Inc.	G
Tucson Limb & Brace, Inc.	G

Entity	Borrower ("B") / Guarantor ("G")
Union Square Center for Rehabilitation & Sports Medicine, Inc.	G
University Orthotic and Prosthetic Consultants, Ltd.	G
Valley Group Physical Therapists, Inc.	G
Vanguard Rehabilitation, Inc.	G
Wayzata Physical Therapy Center, Inc.	G
West Side Physical Therapy, Inc.	G
West Suburban Health Partners, Inc.	G
Western Rehab Services, Inc.	G
Worker Rehabilitation Services, Inc.	G
Yuma Rehabilitation Center, Inc.	G
A.D. Craig (A.D. Craig Company is general partner)	G
Advanced Orthopedic Services, Ltd. (RehabClinics Dallas, Inc. is general partner)	G
Craig Weymouth Enterprises (A.D. Craig Company is general partner)	G
Land Park Physical Therapy (Union Square Center for Rehabilitation & Sports Medicine, Inc. is general partner)	G
NovaPartners (IND), LP (NovaCare, Inc. (a Pennsylvania corporation) is general partner)	G

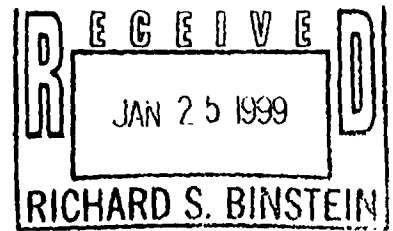
SCHEDULE B

Entity	Borrower ("B") / Guarantor ("G")
NovaFunds, Inc.	B
NC Cash Management, Inc.	G
NC Resources, Inc.	G
NovaMark, Inc.	G
NovaStock, Inc.	G

SCHEDULE 1
TO
PATENT, TRADEMARK AND COPYRIGHT COLLATERAL SECURITY AGREEMENT

LIST OF
PATENT APPLICATIONS, PATENTS,
FEDERAL AND STATE TRADEMARK APPLICATIONS,
REGISTERED AND COMMON LAW TRADEMARKS AND LOGOS,
SERVICEMARKS, TRADENAMES,
COPYRIGHT REGISTRATIONS AND COPYRIGHTS

See attached



**NOVACARE ORTHOTICS AND PROSTHETICS
EAST, INC.**

Intellectual Property Report

January 20, 1999

Patents

Patent No.	Country	Value	Description	App. No.	App. Date	Pub. Date	Term	Next Due	Cost
086960-0007	Canada	1,328,150	Prosthetic Foot	595,102	03/30/89	04/05/94	Annuity	04/05/99	\$360
086960-0015 1, 2 & 3	U.S.	5,246,464	Artificial Limb with Anatomically-Configured Socket	07/880,617	05/08/92	09/21/93	2 nd Maintenance Fee	03/21/01	\$2,050
086960-0020	U.S.	5,219,365	Prosthetic Foot	07/935,683	08/26/92	06/15/93	2 nd Maintenance Fee	12/15/00	\$2,050
086960-0035 1 & 2	U.S.	Pending	Artificial Limb with Anatomically-Configured Socket	08/636,421	04/23/96		Awaiting Board of Patent Appeals action re: appeal	N/A	N/A
086960-0036	U.S.	Pending	System and Method for Providing a Sense of Feel in a Prosthetic or Sensory Impaired Limb	08/763,012	12/10/96		Amendment filed 12/16/98 - waiting for response from Examiner	N/A	N/A
086960-0039	EPO	Pending	Artificial Limb with Anatomically-Configured Socket	97106746.7	04/23/97		Annuity	04/30/99	\$770
086960-0040	PCT	Pending	Artificial Limb with Anatomically-Configured Socket	97/22195	12/03/97 (Priority Date 12/10/96)		Entry into selected national phases	06/10/99	
086960-0041	Hong Kong	Pending	Artificial Limb with Anatomically-Configured Socket	Not Yet Assigned			Awaiting notice of confirmation of Publication & Entry in Register	12/11/98	\$200

Trademarks

Trademark No.	Country	Value	Trademark	App. No.	App. Date	Pub. Date	Term	Next Due	Cost
086960-0009	U.S.	1,594,563	SABOLICH	73/822,473	08/30/89	05/01/90	Renewal	05/01/00	\$650

* Subject to Change since based on current legal fees, and current government rates.

SVO/tds/302092

TRADEMARKS

Service Mark	Registration to:	Patents Trademarks Office No.	Registration Date	Length	Renewal Due Date	Docket No.	Address	Tel. No.
RED-LITE	Orthotics & Prosthetics West, Inc.	1,485,182				7549.52637	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Berwyn, PA 19313	
SABOLICH	Orthotics & Prosthetics East, Inc.	1,594,563				7549.52637	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19314	610-251-5082
Davis Design (Class 42)	<i>Novamark, Inc.</i> <i>Novamark</i> <i>Novamark, Inc.</i>	1,613,340		10 yrs	Apr 6, 2008	7549.54180	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19315	610-251-5082
NOVACARE (Class 42)	Novamark, Inc.	1,635,791				7549.54179	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19316	610-251-5082
OCCUWIN	Novamark, Inc.	2,008,579				7549.53051	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19317	610-251-5082
THE POLARIS GROUP	Novamark, Inc.	2,148,095				7549.53050	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19318	610-251-5082
VIGOR & Design	Novamark, Inc.	2,149,863	07-Apr-98	10 yrs	7 April 2003-2004	7549.53158	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19319	610-251-5082
NOVAPRO	<i>Novamark, Inc.</i> <i>Novamark</i> <i>Novamark, Inc.</i>	2,149,757	07-Apr-98	10 yrs		7549.53968	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19320	610-251-5082
NOVACARE (Class 35)	Novamark, Inc.	2,184,190				7549.53755	Saul, Ewing, Remick & Saul LLP 1055 Westlakes Drive, Suite 150 Westlakes Office Park Berwyn, PA 19321	610-251-5082

TRADEMARKS

Dove Design (Class 35)	NovellMark, Inc.	2,193,917				7549.53755	Saul, Ewing, Pernick & Saul LLP 1055 Westlakes Drive, Suite 150 Berwyn, PA 19322	610-251-5082
WORKCARE		75323,200				7549.52637	Saul, Ewing, Pernick & Saul LLP 1055 Westlakes Drive, Suite 150 Berwyn, PA 19322	610-251-5082
RUNNING FIGURE Design (Int'l Classes 40 & 42)	Rehabelincs CSPT, Inc.	1,692,028					Symeswest & Lochner LLP 2600 Aramark Tower, 1101 Market Street Philadelphia, PA 19107-2950	215-923-4466

SCHEDULE 2
TO
PATENT, TRADEMARK AND COPYRIGHT COLLATERAL SECURITY AGREEMENT

LIST OF LIENS, CHARGES AND ENCUMBRANCES
OTHER THAN PERMITTED LIENS (IF ANY):

Pursuant to the Agreement of Purchase and Sale, dated July 28, 1994, involving the purchase of Sabolich, Inc., (i) limited rights were granted to John Sabolich to market the "Sense of Feel" technology, and (ii) limited rights were granted to John Sabolich's children to use the patented socket technology in an orthotics and prosthetics business.

SCHEDULE 3
TO
PATENT, TRADEMARK AND COPYRIGHT COLLATERAL SECURITY AGREEMENT

PERMITTED SALES (IF ANY):

NONE

CERTIFICATION

I hereby certify that the Patent, Trademark and Copyright Security Agreement between Novacare, Inc. and PNC Bank, National Association is a true and exact copy of the original Patent, Trademark and Copyright Security Agreement.

April 9, 1999
Date

Angelina F. Beyerl
Angelina F. Beyerl

Notarial Seal
Angelina F. Beyerl, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Sept. 24, 2000
Member, Pennsylvania Association of Notaries