

MP 8-25-99

08-30-1999

FORM PTO-1594 (modified) **RECORDA**

(Rev. 6-93)

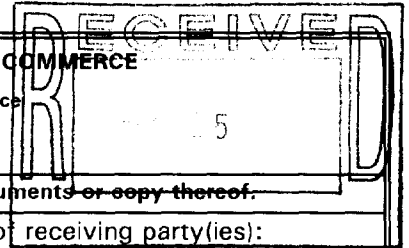
OMB No. 0651-0011 (exp. 4/94)



101130107

DEPARTMENT OF COMMERCE

t and Trademark Office



To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Corporate Healthcare Financing, Inc.

Individual(s) citizenship: \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership of: \_\_\_\_\_  
 Limited Partnership of: \_\_\_\_\_  
☒ Corporation-State: Michigan  
 Other: \_\_\_\_\_

Additional name(s) of conveying party(ies) attached? No

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

Name: First Union National Bank  
 Internal Address: \_\_\_\_\_  
 Street Address: 7 St. Paul Street  
 City: Baltimore, State: MD ZIP: 21202  
 Individual(s) citizenship: \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership of: \_\_\_\_\_  
 Limited Partnership of: \_\_\_\_\_  
 Corporation-State: \_\_\_\_\_  
☒ Other: A national banking association

3. Nature of conveyance:

Assignment \_\_\_\_\_  
 Merger \_\_\_\_\_  
☒ Security Agreement \_\_\_\_\_  
 Change of Name \_\_\_\_\_  
 Other: \_\_\_\_\_

Execution Date: August 16, 1999

If assignee is not domiciled in the United States, a domestic representative designation is attached: No  
 (Designations must be a separate document from Assignment)  
 Additional name(s) & address(es) attached? No

4. A. Trademark Application No.(s)

Additional numbers attached? No

B. Trademark Registration No.(s)

2,005,079	2,110,997	2,103,779	1,857,093
1,856,948	1,856,947	1,890,284	2,110,998
1,887,443	1,887,442		

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

Name: Piper & Marbury LLP Attention: Nora E. Garrote  
 Internal Address: \_\_\_\_\_  
 Street Address: 1200 Nineteenth Street, N.W.  
 City: Washington, D.C. ZIP: 20036

6. Total number of applications and registrations involved: 10

7. Total fee (37 C.F.R. § 3.41). . . . . \$ 265.00  
☒ Enclosed  
☐ Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_  
 (Attach duplicate copy of this page if paying by deposit account)

08/27/1999 MHA11 00000134 2003079 DO NOT USE THIS SPACE

1. FC:481 40.00 OP  
 2. FC:482 225.00 OP

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.*

Signature: Nora E. Garrote Date: 8/25/99  
 Name of Person Signing: Nora E. Garrote

Total number of pages including cover sheet, attachments, and document: Total # of pages attached, incl. cover 25

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**TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**between**

**Corporate Healthcare Financing, Inc.  
(Debtor)**

**and**

**First Union National Bank  
(Secured Party)**

**Dated as of August 16, 1999**

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*Prepared by:  
Piper & Marbury L.L.P.  
36 South Charles Street  
Baltimore, Maryland 21201*

**TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (referred to herein as this "**Agreement**") made as of the 16th day of August, 1999, by CORPORATE HEALTHCARE FINANCING, INC., a Michigan corporation having a mailing address at 111 South Calvert Street, Baltimore, Maryland 21202, and having a federal employer identification number of 52-1823674 (referred to herein as "**Debtor**") in favor of FIRST UNION NATIONAL BANK, a national banking association, having an address from which information regarding the security interests may be obtained at 7 St. Paul Street, Baltimore, Maryland 21202, and having a federal employer identification number of \_\_\_\_\_ (referred to herein as "**Secured Party**").

Debtor has requested Secured Party to make one or more loans or other accommodations to Debtor and/or other agreements with Debtor and Secured Party has agreed to do so subject to certain terms and conditions, including the condition that Debtor execute and deliver this Agreement to Secured Party.

NOW, THEREFORE, in consideration of the foregoing, and the receipt of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Debtor hereby makes the following covenants, agreements, representations, and warranties with, to, and for the benefit of, Secured Party:

**ARTICLE I  
CONSTRUCTION AND DEFINED TERMS**

Section 1.01. Articles and Sections. The Article and Section headings and captions in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement. The references in this Agreement to Articles and Sections shall be read as Articles or Sections of this Agreement unless otherwise specifically provided.

Section 1.02. Exhibits, Annexes and Schedules. The references in this Agreement to specific exhibits, annexes and schedules shall be read as references to such specific exhibits, annexes and schedules attached, or intended to be attached, to this Agreement and any counterpart of this Agreement and regardless of whether they are in fact attached to this Agreement, and including any amendments, supplements, and replacements thereto from time to time.

Section 1.03. Consents. Wherever a provision of this Agreement provides for Secured Party's consent, any such consent may be provided or withheld in Secured Party's sole and absolute discretion, and the granting of consent in one instance shall not constitute or imply the granting of consent in any similar or other instance.

Section 1.04. Defined Terms. Unless otherwise expressly stated in this Agreement, capitalized terms used in this Agreement shall have the following meanings; provided that

capitalized terms used in this Agreement that are not defined in this Agreement but are defined in the Credit Agreement shall have the meanings given them in the Credit Agreement:

Article 9. Article 9 of the UCC.

Collateral. As defined in Section 2.01

Collection Costs. All of the costs and expenses of administering and enforcing this Agreement and the other Credit Documents, and including any and all costs and expenses of collecting the Obligations and exercising Secured Party's rights and remedies under the Credit Documents as against the Collateral, or as against Debtor, any Guarantor, or any other party to any Credit Documents, or any receiver, trustee, or debtor-in-possession, and any and all costs and expenses incurred by Secured Party at any time in enforcing, defending, protecting, perfecting, and maintaining Secured Party's Lien and priority in the Collateral intended by this Agreement, and any other costs and expenses incurred by Secured Party after the occurrence of any Default, with regard to any matters relating to the Credit Documents, and regardless of whether an Event of Default shall have been declared or any remedies shall have been exercised, and including any and all such costs and expenses incurred by Secured Party in or relating to any bankruptcy or insolvency proceedings. Collection Costs include court costs, filing fees, attorney's fees, paralegal fees, litigation expenses of any kind, the fees and expenses of experts, consultants, accountants, appraisers, surveyors, receivers, trustees, and auctioneers, the costs and expenses of collecting and maintaining any Collateral, the costs and expenses of advertising, marketing, and selling any Collateral, all applicable taxes, including all applicable recordation taxes, documentary stamps, transfer taxes, and sales taxes relating to the creation or perfection of Secured Party's Lien in the Collateral or any sale, transfer or other disposition of the Collateral. Nothing in this definition shall obligate Secured Party to do or cause to be done any of the things referred to in this definition or to incur any Collection Costs.

Credit Agreement. That certain Credit and Security Agreement dated on or about August 16, 1999 by and between Debtor and Secured Party, and all amendments thereto and extensions thereof from time to time.

Credit Document or Credit Documents. This Agreement and each and every other agreement of any kind, credit agreement, promissory note, instrument, application, assignment, certificate, guaranty, indemnity, bond, financing statement, or other document that evidences, secures, guarantees or otherwise relates directly or indirectly to the Obligations or that is given to Secured Party to induce Secured Party to make or extend the Obligations. Credit Documents include, without limitation, any Credit Documents under the Credit Agreement.

Default. Any event, occurrence, circumstance, act, or failure to act which is or with the giving of notice and/or the passage of time would become an Event of Default.

Default Rate. The interest rate per annum that is two percent (2.00%) per annum greater than the highest interest rate that would be applicable to the Obligations prior to the occurrence of an Event of Default.

Event of Default. An Event of Default set forth in Article VI.

Goodwill. As defined in Section 2.01.

Governmental Authority. Any executive, judicial, legislative or other branch, department, office, commission, board, bureau, agency, or instrumentality of the government of any jurisdiction, including the federal government of the United States and any foreign country, and any state, provincial, local or municipal government, and including any monetary authority, and including the Persons holding or exercising the powers, privileges, discretions, titles, offices or authorities of any thereof, and including any central bank or comparable authority or agency.

Guarantor. Any person other than Debtor who at any time provides to Secured Party collateral security or other credit support for the Obligations, including any co-borrower, endorser, guarantor, surety, or accommodation party, any person who furnishes, issues, confirms, or advises any letter of credit for the benefit of Secured Party, any person who furnishes any bond for the benefit of Secured Party, any person who makes any guaranty, security agreement, pledge agreement, negative pledge agreement, collateral assignment, indemnity agreement, deed of trust, or similar collateral security document for the benefit of Secured Party, and any person who pledges or otherwise delivers any property to Secured Party.

Include and including. Unless otherwise expressly limited herein, the words "include" and "including" shall be read to mean "include, without limitation," and "including, without limitation," as the case may be.

Laws. All laws, statutes, regulations, ordinances, rules, codes, decrees, orders, and other directives of any federal, state, district, territorial, or local government within the United States of America (or any national, state, provincial or local government outside the United States), or any branch, department, agency or office thereof, applicable to any party to any Credit Document, or to any assets or properties (including any Collateral) of any party to any Credit Document, or to any business, industry, or other activity in which any party to the Credit Documents may be engaged from time to time.

License. As defined in Section 2.02.

Lien. Any security agreement, mortgage, factor's lien, chattel mortgage, deed of trust, title retention contract, grant, pledge, security interest, assignment, deed-in-lieu of foreclosure or to secure debt, transfer for other than fair consideration, or other arrangement for security purposes, condemnation or other governmental taking, encumbrance, judgment, lien or charge of any kind, joint ownership, or co-ownership, or any subordination agreement or right of subrogation, or any covenant of any duration not to sue regarding the use, misuse or non-use of Property, or any agreement of any duration limiting or prohibiting one or more uses of Property, and including any of the foregoing arising by operation of statute or other law or the application of equitable principles, whether perfected or unperfected, avoidable or unavoidable, consensual or nonconsensual, and any financing statement or other similar notice document, whether or not filed, and any agreement to give a financing statement or other similar notice document.

Obligations. All now existing and hereafter arising obligations, indebtedness, and liabilities of Debtor to Secured Party of any kind, whether primary, secondary, contingent, direct or indirect, joint or several, or for payment or for performance, and including Debtor's obligations to pay to Secured Party as and when due all principal, interest, costs and expenses (including all costs and expenses of collection, and Secured Party's attorney's fees and legal expenses relating thereto, and all costs of repossession, storage, repair, maintenance, and sale or other disposition of Collateral), and fees arising from or relating to loans made, or other credits granted or created, or financial accommodations extended, by Secured Party to Debtor at any time and in any amount, and including such thereof as may arise in respect of letters of credit issued, advised, confirmed, or paid by Secured Party on Debtor's application or for Debtor's account, and including all of Debtor's obligations, indebtedness, and liabilities to Secured Party for payment or performance under the Credit Documents, and including any other claims or judgments that Secured Party may have against Debtor at any time, and including any of the foregoing arising before, during, or after the initial or any renewal term of the Credit Documents after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement and pendency of such case).

Permitted License. Any arms-length assignment or license agreement relating to any Trademarks, as to which Debtor is the licensor and for which Debtor is to be paid royalties and/or license fees, that is satisfactory to Secured Party in form, substance and length of term; provided that each existing assignment or license listed on Schedule 2.01 shall be deemed to be a Permitted License.

Permitted Lien. Any (a) Lien in favor of Secured Party, (b) Permitted License, (c) Lien for taxes which are not yet delinquent, or (d) judgment if such judgment does not constitute an Event of Default.

Person. Any natural person, corporation, limited liability company, partnership, joint venture, entity, association, joint-stock company, trust or unincorporated organization and any Governmental Authority.

Proceeds. As defined in Section 2.01.

Property. Any right, title or interest in or to property of any kind whatsoever, whether real, personal, or mixed, and whether tangible or intangible, including the Collateral.

Records. As defined in Section 2.01.

Trademark or Trademarks. As defined in Section 2.01.

Trademark Office. The United States Patent and Trademark Office and any successor thereto.

UCC. The Uniform Commercial Code.

**ARTICLE II**  
**COLLATERAL ASSIGNMENT; LICENSE**

Section 2.01. Collateral Assignment. To secure the complete and timely satisfaction of the Obligations, Debtor hereby grants, assigns, and conveys to Secured Party a security interest in, and collaterally assigns to Secured Party, all of Debtor's now owned and hereafter acquired property described below (referred to herein as "**Collateral**"):

(a) All of Debtor's trademarks (which shall include all service marks) (whether or not registered), trademark registrations, trademark applications, trade names (which shall include all fictitious, assumed and business names) and registered user rights, including the trademarks, trademark registrations, trademark applications, and trade names listed on Schedule 2.01 attached hereto and made a part hereof, and (i) all renewals and recordations of any of the foregoing, (ii) all income, royalties, license fees, damages and payments now and hereafter due or payable with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing, together with the items described in clauses (i) - (iv) above, are referred to herein, either individually or collectively, as the "**Trademarks**"); and

(b) All of Debtor's now owned and hereafter acquired goodwill of Debtor's business connected with or associated with and symbolized by the Trademarks (referred to herein as "**Goodwill**"); and

(c) All of Debtor's right, title and interest (but not Debtor's obligations) as a licensee of any trademarks of and from any other Person for use in the business that Debtor is engaged in on the date of this Agreement ("**Licensed Rights**");

(d) All now existing and hereafter arising cash and non-cash proceeds (as that term is used in Article 9) and all other amounts and royalties received in respect of any sale, exchange, lease, license or other disposition of any Trademarks or Goodwill, and including insurance proceeds, and if any of the foregoing are stored with any other person, all of Debtor's rights relating to the storage and retrieval thereof and access thereto (referred to herein as "**Proceeds**"); and

(e) All of Debtor's now owned and existing and hereafter acquired or created franchise agreements, licenses, manufacturing formulas, research materials, engineering reports and other work product, trade secrets, opinions of trademark counsel, agreements with employees and former employees, books, records, documents, ledger cards, invoices, bills of lading and other shipping evidence, credit files, computer programs, tapes, discs, diskettes, and other data and software storage medium and devices, customer lists, mailing lists, mailing labels, business forms and stationery, and other property and general intangibles evidencing or relating to the Trademarks, Goodwill, and/or Proceeds, together with the file cabinets or other containers in which the foregoing are stored (including any rights of Debtor with respect to the foregoing maintained with or by any other person), and if any of the foregoing are stored with any other

person, all of Debtor's rights relating to the storage and retrieval thereof and access thereto (referred to herein as "**Records**").

Section 2.02. License to Debtor. Secured Party hereby grants to Debtor, for so long as no Event of Default shall have occurred and be continuing, an exclusive, revocable, nontransferable license under the Trademarks to use the Trademarks for Debtor's own benefit only in connection with the business that Debtor is engaged in on the date of this Agreement (referred to herein as the "**License**"). Debtor shall not sell or assign Debtor's interest in, or grant any sublicense under, the License without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole and absolute discretion. The License is granted to Debtor without any representation or warranty of any kind by, or any other obligation or duty of any kind on, Secured Party, all of which are expressly disclaimed. Debtor shall indemnify and hold harmless Secured Party from and against any and all claims, penalties, damages, costs, fees and expenses (including attorney's fees and litigation expenses) arising out of or relating to the License, and Debtor's obligations to indemnify and hold harmless Secured Party shall survive the termination of this Agreement.

Section 2.03. Termination of Security Interest. At such time as Debtor shall completely satisfy all Obligations, this Agreement shall terminate (excepting any provisions which expressly survive the termination of this Agreement) and Secured Party shall, at Debtor's sole cost and expense, execute and deliver to Debtor all deeds, assignments and other instruments as may be reasonably necessary to re-vest in Debtor all remaining right, title and interest in and to the Trademarks, without any representation or warranty of any kind by, or any other obligation or duty of any kind on, Secured Party, and subject to any disposition thereof which may have been made by Secured Party pursuant to this Agreement.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES**

Debtor makes the following representations and warranties to Secured Party, each of which representations and warranties shall be true and in effect at all times, and Secured Party shall be entitled to rely upon truth, accuracy, and completeness of the following representations and warranties without regard to any other information that may be now or hereafter known by or disclosed to Secured Party or any of Secured Party's directors, officers, employees, agents, attorneys or other advisors:

Section 3.01. Ownership; Quality Control. Except for the rights granted under the documents evidencing or securing the Permitted Liens and as otherwise provided in the Credit Agreement or in any other Credit Documents, Debtor is the owner of all right, title and interest in the Trademarks, free from any Lien. Debtor has made no previous assignment, transfer or agreement in conflict with this Agreement or constituting a present or future assignment, transfer, or encumbrance on any of the Trademarks. Secured Party's security interest in the Collateral is a first priority security interest subject to no Liens other than Permitted Liens. Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks. Debtor has continuously



used and not abandoned each of the trademarks and trade names, has not licensed any trademark or trade name without adequate quality control of the licensee's goods or services, has reasonably enforced Debtor's rights to the trademarks and trade names against third parties, has not agreed to concurrent use rights and has registered or recorded such trademarks or trade names where required by law.

Section 3.02. New Trademarks. Debtor represents and warrants that the Trademarks listed on Schedule 2.01 constitute all of the trademarks, trademark registrations, trademark applications, trade names and registered user rights that are as of the date hereof owned by Debtor or are pending on behalf of Debtor in the United States or in any other country or jurisdiction (as set forth on Schedule 2.01). If, after the date hereof and before the Obligations shall have been satisfied in full, Debtor shall (a) obtain rights in any trademark or trade name, or apply for any new registration in the Trademark Office or in any similar office or agency of a state, territory or possession of the United States or shall obtain any trademark or trade name registrations or apply for any registration (which is material to the business of the Debtor as then conducted) in any other country or jurisdiction or (b) become the owner of any trademark or trade name registrations or applications for trademark or trade name registration used in the United States or any state, territory, or possession thereof or, if material to the Debtor's business as then conducted, in any other country, the provisions of this Agreement shall automatically apply thereto and Debtor shall give Secured Party prompt written notice thereof. Without limiting the effect of any other provision of this Agreement, whenever the information contained on Schedule 2.01 shall become inaccurate in any material respect, Debtor shall promptly forward to Secured Party a proposed replacement Schedule 2.01 together with a certificate of an officer of Debtor certifying that such proposed Schedule 2.01 accurately and completely sets forth all of Debtor's trademarks, registered trademarks, trademark applications, trade names and registered user rights that as of the date thereof are owned by or pending on behalf of Debtor in the United States or in any other country or jurisdiction. Debtor further hereby authorizes Secured Party to modify this Agreement by amending or restating Schedule 2.01 so as to include any updated information concerning any trademarks, registered trademarks, trademark applications, trade names and registered user rights.

Section 3.03. Notice of Liens. After the date hereof and prior to termination of this Agreement in accordance with the terms hereof, Debtor will not execute, and there will not be on file in any public office, any financing statement, security agreement, mortgage, deed of trust, assignment or other document or instruments evidencing or giving notice of Lien on the Trademarks except with respect to this Agreement and as otherwise permitted by the Credit Agreement.

Section 3.04. Infringement; Unauthorized Use. To Debtor's best knowledge, no material infringement exists or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Trademarks or the benefits of this Agreement granted to Secured Party, including the remedies of Secured Party hereunder.

Section 3.05. Invalidity; Unenforceability. There has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party.

#### **ARTICLE IV**

#### **AFFIRMATIVE COVENANTS**

Debtor covenants and agrees to the following, and unless Secured Party shall have given Secured Party's prior written consent to the contrary:

Section 4.01. Maintenance and Protection of Trademarks. Until the Obligations shall have been paid in full and the Credit Agreement and the Credit Documents shall have been terminated, Debtor shall (i) prosecute diligently any trademark, trade name and registered user application that is part of the Trademarks pending as of the date hereof or thereafter, (ii) make application on trademarks, as appropriate in accordance with Debtor's ordinary practices and make reasonable efforts to register trademarks and trade names, (iii) preserve and maintain all rights in the Trademarks, including all rights to registrations, that are material to the business of Debtor as then conducted, (iv) not abandon any right to file a trademark or trade name application nor any pending trademark or trade name application that is material to the business of Debtor as then conducted, and (v) not abandon any Trademark that is material to the business of Debtor as then conducted without the prior written consent of Secured Party. Any expenses incurred in connection with the applications referred to in this Section shall be paid by Debtor. Debtor agrees to retain or employ an experienced trademark attorney for the filing and prosecution of all such applications and other proceedings. Debtor shall keep Secured Party advised in writing on a current basis of the filing of any trademark or trade name application, the grant of any trademark or trade name, the abandonment of any trademark or trade name or trademark or trade name application, and the grant of any non-exclusive trademark license, to the extent such trademarks, trademark registrations, trademark applications or trade names are or become part of the Trademarks. If Debtor fails to comply with any of the foregoing duties, Secured Party may, but shall not be required to, so comply in Debtor's name to the extent permitted by law, but at Debtor's expense, and Debtor hereby agrees to reimburse Secured Party in full for all expenses, including the fees and disbursements of (i) experts following the occurrence of an Event of Default and (ii) attorneys (including experienced trademark counsel) at any time and paralegals (including charges for inside counsel) at anytime incurred by Secured Party in protecting, defending and maintaining the Trademarks. If Debtor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any Lien prohibited hereby, or shall fail to comply with any other duty hereunder, Secured Party may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Debtor, and all moneys so paid out shall be Obligations of Debtor repayable on demand, together with interest at the Default Rate. Debtor shall take all action necessary to preserve and maintain the validity, perfection and first priority of Secured Party's interest granted herein in the Trademarks, subject to the Permitted Liens. Upon Secured Party's request from time to time, and at Debtor's expense, Debtor shall execute and deliver to Secured Party, collateral assignments, mortgages, or similar

security documents, in form and substance satisfactory to Secured Party, for any intellectual or intangible property, including trademarks used or useful in Debtor's business, and shall file or cause to be filed with the appropriate governmental authorities and offices such assignments, mortgages, or similar security documents as may be necessary or desirable to perfect, maintain, or register Secured Party's Lien upon such properties.

Section 4.02. Collateral Reports. Promptly upon Secured Party's request from time to time, Debtor shall provide Secured Party from time to time with: (i) written statements or schedules identifying and describing the Collateral, and all additions, substitutions, and replacements thereof, in such detail as Secured Party may require; (ii) copies of licensees' and other customers' invoices and billing statements; (iii) evidence of performance of services for licensees and other customers; and (iv) such other information as Secured Party may require. The items to be provided under this Section shall be in form satisfactory to Secured Party and are to be prepared by Debtor and/or executed and delivered to Secured Party from time to time, at Debtor's expense, solely for Secured Party's convenience in maintaining records of the Collateral. Debtor's failure to give any of such items to Secured Party shall not affect, terminate, modify or otherwise limit Secured Party's security interest in the Collateral.

Section 4.03. Records; Access; Inspection and Quality Control. Debtor shall keep and maintain complete and accurate books and records of all Collateral throughout the term of this Agreement and in form and detail satisfactory to Secured Party. Secured Party shall have unrestricted access to all of Debtor's places of business during normal business hours and after notice to Debtor, or at any time and without notice to Debtor after the occurrence of a Default, for the purpose of inspecting, verifying, copying, and auditing the Collateral and all books and records relating to the Collateral, including all Records, and Debtor shall promptly furnish to Secured Party such copies thereof or extracts therefrom as Secured Party may request, and Secured Party shall be entitled to use during normal business hours such of Debtor's personnel, equipment, supplies, and places of business and other locations of Collateral as may be necessary, as determined by Secured Party's in Secured Party's sole discretion, for the foregoing, and, if an Event of Default shall have occurred, for the collection and realization of Collateral, and all of the foregoing shall be at Debtor's sole cost and expense. Debtor further hereby grants to Secured Party and its employees and agents the right to visit Debtor's plants and facilities which manufacture, inspect or store products or such places where services are provided which are sold under any of the Trademarks, and to inspect and review the products, services and quality control records relating thereto at reasonable times during regular business hours. Debtor shall do any and all acts required by Secured Party to ensure Assignor's use for the duration of this Agreement of consistent standards of quality in its manufacture of products and the provision of services sold under the Trademarks.

Section 4.04. Laws; Taxes. Debtor shall comply in all material respects with all applicable Laws, except where the failure to comply, individually or in the aggregate, would not have a material adverse effect on the business, operations, properties, prospects, or condition, financial or otherwise, of Debtor or the Collateral or Secured Party's rights or remedies under this Agreement or any other Credit Document. Debtor shall pay promptly when due all taxes and other private or governmental fees relating to Debtor's use or ownership of the Collateral.

Section 4.05. Applications, Approvals and Consents. Debtor shall, at Debtor's sole cost and expense, promptly execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments, registration statements, and all other documents and papers Secured Party may request in connection with the obtaining of any consent, approval, registration, qualification, or authorization of any Governmental Authority or of any other Person necessary or appropriate for the effective exercise of any rights or remedies under this Agreement. Without limiting the generality of the foregoing, Debtor agrees that in the event Secured Party shall exercise its rights to sell, transfer, license or otherwise dispose of or take any other action in connection with any of the Collateral pursuant to this Agreement or any other Credit Document, Debtor shall execute and deliver all applications, certificates, and other documents Secured Party may request, and, if requested by Secured Party, Debtor shall otherwise promptly, fully, and diligently cooperate with Secured Party and any other necessary Persons, in making any application for the prior consent or approval of any Governmental Authority or any other Person in connection with the exercise by Secured Party of any of such rights relating to all or any part of the Collateral. Debtor agrees that Secured Party's remedy at law for failure of Debtor to comply with the provisions of this Section would not be adequately compensable in damages, and Debtor agrees that the covenants of this Section may be specifically enforced.

Section 4.06. Collection Costs. Debtor shall pay to Secured Party immediately upon Secured Party's demand from time to time the amounts (a) necessary to pay or fully reimburse Secured Party for any Collection Costs then already incurred by Secured Party, and (b) of any Collection Costs that Secured Party anticipates will be incurred by Secured Party in amounts estimated by Secured Party in Secured Party's sole discretion.

Section 4.07. Representations; Schedules. (a) In the event that any representation made in this Agreement shall become untrue, inaccurate or incomplete, or if any event or circumstance occurs which would make Debtor unable to re-make any such representation after such representation shall have been made in accordance with the terms of this Agreement, Debtor shall give Secured Party prompt written notice thereof. This Section does not entitle Debtor to Secured Party's consent to any change in any representation or warranty set forth in this Agreement, and compliance with this Section does not entitle Debtor to any waiver of any Default or Event of Default relating thereto.

(b) In the event that any Schedule to this Agreement shall be or become incomplete or be no longer complete or incorrect or no longer correct in any respect, and before Debtor shall take or fail to take any action, or make any decision, that would cause any Schedule to this Agreement to be or become incomplete or no longer complete or incorrect or no longer correct, Debtor shall give Secured Party prompt written notice of such change of facts or pending change of facts, together with Debtor's proposed new complete and correct Schedule with regard to such change of facts. This Section does not entitle Debtor to Secured Party's consent to any change in any information on any Schedule, or the revision or substitution of any Schedule or information thereon, and does not entitle Debtor to any waiver of any obligation or restriction contained in this Agreement or any other Credit Documents.

## **ARTICLE V**

### **NEGATIVE COVENANTS**

Debtor covenants and agrees to the following, and unless Secured Party shall have given Secured Party's prior written consent to the contrary:

Section 5.01. Liens and Dispositions. Debtor shall not grant, create, assume, or permit to exist any Lien, other than Permitted Liens, upon any Collateral or upon any of Debtor's other assets or properties. Debtor shall not sell, assign, lease, transfer or otherwise dispose of any Collateral, excepting Permitted Licenses.

Section 5.02. Intellectual Property. Debtor shall not license or acquire or enter into any agreement to license or acquire, or otherwise have rights in, any Trademarks other than Trademarks listed on Schedule 2.01 on the date of this Agreement or Trademarks created by Debtor in the ordinary course of Debtor's business after the date of this Agreement. Debtor shall not abandon, and Debtor shall defend against any misuse, infringement or dilution of any Trademarks, and for that purpose, Secured Party hereby grants Debtor the right to sue and bring other proceedings in its name and that of the Secured Party to enforce the rights in the Trademarks, at Debtor's cost, provided that Secured Party shall have the right to appear and participate in its own behalf.

Section 5.03. Restrictions on Future Agreements. Until the Obligations shall have been satisfied in full and the Credit Agreement and the other Credit Documents shall have been terminated, Debtor will not without Secured Party's prior written consent, which consent may be withheld in Secured Party's sole and absolute discretion, (a) enter into any agreement, including any license agreement, that is inconsistent with Debtor's obligations under this Agreement, the Credit Agreement or any other Credit Document to which Debtor is a party, (b) take any action, or permit any action to be taken by others subject to its control, including licensees subject to its control, or fail to take any action (including the abandonment of any Trademark), that would adversely affect in any material respect the validity or enforceability of the rights transferred to Secured Party under this Agreement, or (c) enter into any other contractual obligations that would restrict or inhibit in any material respect Secured Party's rights to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

## **ARTICLE VI**

### **DEFAULTS**

Section 6.01. Event of Default. It shall be an Event of Default under this Agreement if Debtor shall breach or otherwise fail to fulfill any covenant or agreement of Debtor in this Agreement; or if Debtor or any Guarantor shall breach, fail to fulfill, or otherwise default under any other Credit Document (and the passage of any applicable cure period set forth in such Credit Document) or any Obligations not evidenced by a Credit Document, or if any Event of Default shall occur under the Credit Agreement;

## **ARTICLE VII**

### **REMEDIES**

Section 7.01. Acceleration. Upon the occurrence of any Event of Default, Secured Party may, at Secured Party's option and in Secured Party's sole discretion, and without prior notice to or demand upon Debtor, accelerate some or all of the Obligations, and upon such acceleration, all such Obligations as shall have been accelerated shall be immediately due and payable by Debtor to Secured Party.

Section 7.02. Other Remedies. Upon the occurrence of any Event of Default, Secured Party shall be entitled to exercise in respect of the Trademarks, in addition to other rights and remedies provided for herein, in the Credit Agreement and the other Credit Documents or otherwise available to it, all of the rights and remedies of a secured party under the UCC, whether or not the UCC applies to the Trademarks and in addition to such other rights and remedies as Secured Party may have under other provisions of this Agreement or any other Credit Documents, Secured Party may exercise any one or more of its remedies under common or statutory law and may do any one or more of the following, all of which are hereby authorized by Debtor:

(a) Require Debtor forthwith, to (i) execute and deliver an assignment, substantially in the form of Annex A hereto, of all right, title and interest in and to the Trademarks and (ii) take such other action as Secured Party may request to effectuate the outright assignment of such Trademarks or to exercise, register or further perfect and protect its rights and remedies with respect to such assigned Trademarks.

(b) Sell or otherwise dispose of the Collateral, or any part thereof, at public or private sale or otherwise for cash, upon credit or for future delivery as Secured Party shall deem appropriate. Secured Party shall be authorized at any such sale (if Secured Party deems it advisable to do so with regard to any type or item of Collateral) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own use (or for their own account for investment, as applicable) and not with a view to the distribution or sale thereof, and upon consummation of any such sale, Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of Debtor, and Debtor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which Debtor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Secured Party shall give Debtor at least five (5) days' written notice (which Debtor agrees is reasonable notice within the meaning of Section 9-504(3) of the UCC) of Secured Party's intention to make any sale of Collateral owned by Debtor. Such notice, in the case of a public sale, shall state the time and place for such sale. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix and state in the notice of such sale, and at any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as Secured Party may (in its sole and absolute discretion) determine, and Secured Party shall not be obligated to make any sale of any Collateral if Secured Party shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given, and Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from

time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, to Debtor or anyone else, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the sale price is paid by the purchaser or purchasers thereof, but Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for Collateral so sold and, in case of any such failure, such of the Collateral may be sold again upon notice to Debtor as set forth in this Section. At any public sale made pursuant to this Section, Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay or appraisal on the part of Debtor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to Secured Party from Debtor as a credit against the purchase price, and Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to Debtor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; Secured Party shall be free to carry out such sale pursuant to such agreement, and Debtor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after Secured Party shall have entered into such an agreement, all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon Secured Party, Secured Party may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed Receiver. To the extent permitted by applicable law, Secured Party shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement, first, to the settlement of all Liens on the Collateral prior to Secured Party's Lien; second, to the payment of all Collection Costs; and third, to the payment of all Obligations, and, in case of any deficiency, Secured Party may collect such deficiency from Debtor. Upon any sale of Collateral by Secured Party (including a sale pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of Secured Party or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral being sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Secured Party or such officer or be answerable in any way for the misapplication thereof. Debtor agrees that in selling or otherwise disposing of the Collateral and in exercising Secured Party's rights and remedies to the Collateral, Secured Party and/or any Receiver and/or any designee of Secured Party and/or any Receiver shall have the unrestricted and irrevocable right to advertise, sell, lease, license or otherwise dispose of the Collateral under and together with, and shall otherwise have the unrestricted and irrevocable right to use, without limitation, in connection therewith, any and all of Debtor's advertisements in any medium (and other marketing and promotional materials in any medium), brochures, signs, stationery, business forms, packaging and shipping materials, programs, software, licenses, permits, consents, approvals, trademarks, patents, copyrights, mask works and other intellectual property relating to such Collateral and/or Debtor's business, and all agreements with employees and former employees relating to any of the foregoing, and Debtor shall indemnify and hold harmless Secured Party and any Receiver, and their designees, shareholders, directors, officers,

employees, agents, attorneys, accountants, and other advisors, from and against any and all claims (including claims for royalties and/or money damages and/or claims for injunctive relief), liabilities, damages, royalties, and penalties of any Person, and Secured Party's costs and expenses (including attorney's fees) incurred by Secured Party to defend against any thereof. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect Secured Party's interest in the Collateral until the Obligations are fully paid. Debtor agrees that Secured Party has no obligation to preserve rights to the Trademarks against any other parties.

(c) Secured Party may exercise any other right or remedy which may be available to it under this Agreement, the other Credit Documents or applicable law, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement in whole or in part.

(d) Debtor shall be liable for any and all unpaid additional sums due hereunder or under the other Credit Documents, before, after or during the exercise of any of the foregoing remedies and for all Collection Costs relating thereto.

(e) No remedy in this Agreement is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity.

(f) To the extent permitted by applicable law, Debtor hereby waives any notice or other mandatory requirements of law, now or hereafter in effect which might require Secured Party to sell, lease or otherwise use the Collateral in mitigation of Secured Party's damages. Debtor waives any and all existing or future claims to any offset against the sums due hereunder or under the Credit Documents and agrees to make the payments regardless of any offset or claim which may be asserted by Debtor or on its behalf in connection with this Agreement.

(g) The failure of Secured Party to exercise, or delay in the exercise of, the rights granted hereunder upon any default by Debtor shall not constitute a waiver of any such right upon the continuation or recurrence of any such default.

(h) Secured Party may take or release other security, may release any party primarily or secondarily liable for any indebtedness to Secured Party, may grant extensions, renewals or indulgences with respect to such indebtedness and may apply any other security therefor held by it to the satisfaction of such indebtedness, all without prejudice to any of its rights hereunder.

Section 7.03. Attorney-in-Fact. Debtor hereby authorizes Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power of substitution, from and after the occurrence and during the continuation of an Event of Default to (a) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party in the use of the Trademarks, including if Debtor fails to execute and deliver to Secured



Party within two (2) days of receipt of Secured Party's request therefor, the separate assignment apart from this Agreement substantially in the form of Annex A hereto, (b) take any other actions with respect to the Trademarks as Secured Party deems in the best interest of Secured Party, (c) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Obligations shall have been paid in full and the Credit Agreement and the other Credit Documents have been terminated. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Secured Party under the Credit Agreement and the other Credit Documents but rather is intended to facilitate the exercise of such rights and remedies.

Section 7.04. Cumulative Remedies. No failure or delay on the part of Secured Party in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between Debtor or any Guarantor or other Person and Secured Party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies which Secured Party would otherwise have. No notice to or demand on Debtor in any case shall entitle Debtor or any Guarantor or any other Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Secured Party to any other or further action in any circumstances without notice or demand.

Section 7.05. Additional Waivers Regarding Collateral. To the fullest extent it may lawfully so agree, Debtor agrees that it will not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisalment, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay, or hinder the enforcement hereof or the absolute sale of any part of the Trademarks. Debtor for itself and all who claim through it, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Trademarks marshaled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Agreement may order the sale of the Trademarks and the Goodwill as an entirety. Without limiting the generality of the foregoing, Debtor hereby: (i) authorizes Secured Party in its sole discretion and without notice to or demand upon Debtor and without otherwise affecting the obligations of Debtor hereunder from time to time to take and hold other collateral (in addition to the Trademarks) for payment of any Obligations, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person granting security for or in any other way obligated upon any Obligations or any part thereof, and (ii) waives and releases any and all right to require Secured Party to collect any of the Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Obligations or from any collateral (other than the Collateral) for any of the Obligations.

Section 7.06 Additional Rights Regarding Collateral. Upon the occurrence of an Event of Default, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and any licenses thereunder, and, if Secured Party shall commence any such suit, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents as may be reasonably required by Secured Party in aid of such enforcement, and Debtor shall indemnify and shall, upon demand, promptly reimburse Secured Party for all damages, costs and expenses incurred by Secured Party in the exercise of its rights under this Section, including the reasonable fees and disbursements of (i) experts and (ii) attorneys (including experienced trademark counsel) and paralegals (including charges for inside counsel) incurred by Secured Party in connection therewith.

## **ARTICLE VIII**

### **GENERAL PROVISIONS**

Section 8.01. Notices. Any notice required or permitted by or in connection with this Agreement shall be in writing and shall be made by telecopy, or by hand delivery, or by overnight delivery service, or by certified mail, return receipt requested, postage prepaid, addressed to Secured Party or Debtor at the appropriate address set forth below or to such other address as may be hereafter specified by written notice by Secured Party or Debtor. Notice shall be considered given as of the earlier of the date of actual receipt, or the date of the telecopy or hand delivery, one (1) calendar day after delivery to an overnight delivery service, or three (3) calendar days after the date of mailing, independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish that notice was given as provided herein. Notwithstanding the aforesaid procedures, any notice or demand upon Debtor, in fact received by Debtor, shall be sufficient notice or demand.

If to Secured Party:	First Union National Bank 7 East Baltimore Street Baltimore, Maryland 21202 Attn: Lucy Campbell Telecopy No.: 410-539-0136
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If to Debtor:	c/o Corporate Healthcare Financing, Inc. 111 South Calvert Street Baltimore, Maryland 21202 Attn: Louis J. Nicholas Telecopy No.:
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Section 8.02. Term. The term of this Agreement shall commence with the date of this Agreement and shall terminate in accordance with the Credit Agreement. Upon any termination of this Agreement or release of Collateral as permitted by the Credit Agreement, Secured Party will execute and deliver to Debtor such documents and take such other actions as Debtor shall reasonably request to evidence the termination of this Agreement and Secured Party's rights in the Collateral or the release of such Collateral, as the case may be. Any such action taken by Secured Party shall be at the sole expense of Debtor and without warranty by or recourse to

Secured Party, except as to the absence of any prior assignments by Secured Party of its interests in the Collateral which has not previously been sold, disposed of, retained or applied by Secured Party in accordance with the terms hereof. Secured Party may conclusively rely on any certificate delivered to it by Debtor stating that the execution of such documents and release of the Collateral is in accordance with and permitted by the terms of this Agreement and the Credit Agreement. Notwithstanding anything to the contrary in this Agreement or any other Credit Documents, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Secured Party in respect of the Obligations is rescinded or must otherwise be restored or returned by Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, Debtor or any substantial part of its assets, or otherwise, all as though such payments had not been made.

Section 8.03. Amendments, Waivers. Neither this Agreement nor any other Credit Document nor any of the terms hereof or thereof may be amended, changed, waived, discharged or terminated, nor shall any consent be given, unless such amendment, change, waiver, discharge, termination or consent is in writing signed by Secured Party.

Section 8.04 Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of all Obligations, (ii) be binding upon Debtor and its successors and assigns, and (iii) inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party and its respective successors, transferees and assigns. This Agreement may not be assigned by Debtor without prior written consent of Secured Party.

Section 8.05 Further Assurances. Debtor shall execute and deliver to Secured Party such further assurances and take such other further actions as Secured Party may from time to time request to further the intent and purpose of this Agreement and to maintain and protect the rights and remedies intended to be created in favor of Secured Party under this Agreement. Debtor shall execute and deliver to Secured Party any financing statement or other notice document requested, or procure any other document requested (including financing statement termination statements, as necessary, and terminations or releases of any filings with the Trademark Office, as necessary), and record such financing statements or other notice documents, to perfect the Liens, and the first priority of the Liens, created under this Agreement. If the Collateral is of a type as to which it is necessary or desirable for Secured Party to take possession of the Collateral in order to perfect, or maintain the priority of, Secured Party's Lien, then upon Secured Party's request, Debtor shall deliver such Collateral to Secured Party.

Section 8.06. Governing Law. This Agreement and all other related instruments and documents and the rights and obligations of the parties hereunder and thereunder shall, in all respects, be governed by, and construed in accordance with, the laws of the State of Maryland (excluding Maryland conflict of laws rules), including all matters of construction, validity and performance, regardless of the location of the Collateral, excepting, however, that the UCC (or decisional law) of a jurisdiction other than Maryland may provide the method of perfection of liens and security interests created under this Agreement.

Section 8.07. Jurisdiction; Venue; Service. Debtor hereby irrevocably consents to the non-exclusive personal jurisdiction of the courts of the State of Maryland and, if a basis for federal jurisdiction exists, the non-exclusive jurisdiction of the United States District Court for the District of Maryland. Debtor agrees that venue shall be proper in any circuit court of the State of Maryland selected by Secured Party or, if a basis for federal jurisdiction exists, in any Division of the United States District Court for the District of Maryland. Debtor waives any right to object to the maintenance of any suit or claim in any of the state or federal courts of the State of Maryland on the basis of improper venue or of inconvenience of forum. Any suit or claim brought by Debtor against Secured Party that is based, in whole or in part, directly or indirectly, on this Agreement or any matters relating to this Agreement or the other Credit Documents, shall be brought in a court only in the State of Maryland. Debtor shall not file any counterclaim against Secured Party in any suit or claim brought by Secured Party against Debtor in a jurisdiction outside of the State of Maryland unless under the rules of the court in which Secured Party brought such suit or claim the counterclaim is mandatory, and not permissive, and would be considered waived unless filed as a counterclaim in the claim or suit instituted by Secured Party against Debtor. Debtor agrees that any forum outside the State of Maryland is an inconvenient forum and that a suit brought by Debtor against Secured Party in any court outside the State of Maryland should be dismissed or transferred to a court located in the State of Maryland. Each of the parties hereto further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at the address set out for notices in this Agreement, such service to become effective thirty (30) days after such mailing. Nothing herein shall affect the right of Secured Party to serve process in any other manner permitted by law or to commence legal proceedings or to otherwise proceed against Debtor or any other Person in any other jurisdiction.

Section 8.08. Additional Authority of Secured Party. Secured Party shall have and be entitled to exercise all powers hereunder that are specifically delegated to Secured Party by the terms hereof, together with such powers as are reasonably incident thereto. Secured Party may perform any of its duties hereunder or in connection with the Collateral by or through employees, agents or designees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Secured Party and its directors, officers, employees, agents, designees, attorneys and advisors (collectively, the "Secured Party Representatives") shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. Neither Secured Party, nor any Secured Party Representative, shall be liable to Debtor for any action taken or omitted to be taken by it or them hereunder, except for its or their own gross negligence or willful misconduct, nor shall Secured Party be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto. Debtor agrees to indemnify and hold harmless Secured Party and Secured Party Representatives from and against any and all claims, liabilities and costs and/or expenses (including fees and expenses of attorneys and paralegals (including charges of inside counsel)) which may be imposed on, asserted against or incurred by Secured Party or Secured Party Representatives in performing or exercising any duty or right hereunder or under any Credit Document or in any way relating to or arising out of

this Agreement or any other Credit Document hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of Secured Party or such other party.

Section 8.09. Miscellaneous. Time is of the essence of this Agreement. To the extent any term or provision of this Agreement conflicts with the Credit Agreement, the Credit Agreement shall control with respect to such term or provision. Any provision of this Agreement or of any related instrument or document executed pursuant hereto which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Debtor hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect. This Agreement may be executed in counterparts and each shall be effective as an original, and a telecopy of this executed Agreement shall be effective as an original. In making proof of this Agreement, it shall not be necessary to produce more than one counterpart of this Agreement. A carbon, photographic, photocopy or other reproduction of this Agreement or any financing statement signed by Debtor shall be sufficient as, and may be recorded among any public records as, a financing statement under the UCC. All representations, warranties and covenants of Debtor contained herein shall survive the execution and delivery of this Agreement and shall terminate only upon the full and final payment and performance by Debtor of the Obligations and termination of the Credit Agreement and the other Credit Documents.

Section 8.10. Waivers of Claims; Consequential and Punitive Damages. Debtor hereby waives to the fullest extent permitted by law all claims to consequential and punitive damages in any lawsuit or other legal action brought by Debtor against Secured Party in respect of any claim arising under this Agreement, the other Credit Documents, or any other agreement or agreements between them at any time, including any such agreements, whether written or oral, made or alleged to have been made at any time prior to the date hereof, and all agreements made hereafter or otherwise, and any and all claims arising under common law or under any statute of any state or the United States of America, whether any such claims be now existing or hereafter arising, now known or unknown. In making this waiver, Debtor acknowledges and agrees that there shall be no claims for consequential or punitive damages made by Debtor against Secured Party. Debtor acknowledges that this waiver of claims for consequential damages and punitive damages is a material element of the consideration for the financing extended to Debtor by Secured Party.

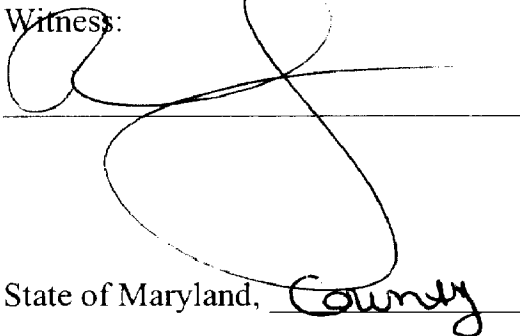
Section 8.11. Entire Agreement. This Agreement and any Credit Documents executed with this Agreement are a complete and exclusive expression of all the terms of the matters expressed therein and all prior agreements, statements, and representations, whether written or oral, which relate thereto in any way are hereby superseded and shall be given no force and effect. No promise, inducement, or representation has been made to Debtor or any Guarantor or any other Person which relates in any way to the matters expressed herein and any Credit Documents executed with this Agreement, other than what is expressly stated in this Agreement and in such Credit Documents. Debtor has read this Agreement and the other Credit Documents

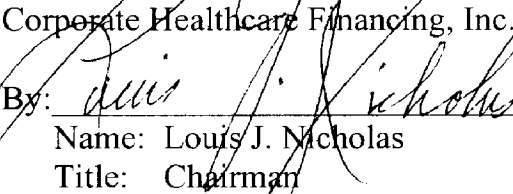
to which Debtor is a party in full, understands the terms therein, and is executing this Agreement after the opportunity to have full consultation with counsel of Debtor's choice.

Section 8.12. Filing and Recording. Either party may file, record or register this Agreement (or a photocopy of this Agreement) with any Governmental Authority to give notice of, and to further the legal operation and effect of, and perfect the interests of the Secured Party under, this Agreement, including any filing, recording or registration with the Trademark Office or any public office for recording UCC financing statements. Debtor shall pay all of Secured Party's fees, costs, taxes, and expenses (including attorney's fees) of filing, recording or registering this Agreement.

Section 8.13. WAIVER OF JURY TRIAL. DEBTOR WAIVES ALL RIGHT TO TRIAL BY JURY OF ALL CLAIMS OF ANY KIND ARISING UNDER THIS AGREEMENT OR THE OTHER CREDIT DOCUMENTS. DEBTOR ACKNOWLEDGES THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT DEBTOR MAKES THIS WAIVER VOLUNTARILY AND KNOWINGLY AFTER CONSULTATION WITH COUNSEL OF DEBTOR'S CHOICE. DEBTOR AGREES THAT ALL SUCH CLAIMS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

In Witness Whereof, and intending to be legally bound hereby, Debtor executes this Agreement under seal as of the day and year first above written.

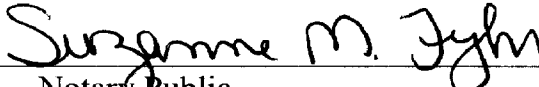
Witness: 

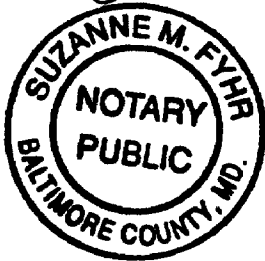
Corporate Healthcare Financing, Inc.  
By:  (SEAL)  
Name: Louis J. Nicholas  
Title: Chairman

State of Maryland, County of Baltimore, ss:

I Hereby Certify, that on this 10th day of August, 1999, before me, the subscriber, a Notary Public of the jurisdiction aforesaid, personally appeared, Louis J. Nicholas who acknowledged himself to be the Chairman of Corporate Healthcare Financing, Inc., a Michigan corporation, and that, as such Chairman, being authorized so to do, executed the foregoing agreement for the purposes therein contained, by signing the name of the corporation, by himself as Chairman, and in my presence signed and sealed same.

As Witness my hand and notarial seal.

My commission expires 3/26/03  
  
Notary Public



**SCHEDULE 2.01 TO SECURITY AGREEMENT**

<b><u>Trademark</u></b>	<b><u>Registration Number</u></b>
SBMC	2,005,079
SBMC and design	2,110,997
STATUTORY BENEFITS MANAGEMENT CORPORATION	Not Registered
CHF and design	2,103,779
CHF and triangular design	1,857,093
CHF -stylized lettering	1,856,948
CHF	1,856,947
CORPORATE HEALTHCARE FINANCING	1,890,284
HPM and design	2,110,998
HPM	1,887,443
HPM HEALTHCARE PLAN MANAGEMENT, INC.	1,887,442
HEALTHCARE PLAN MANAGEMENT	Not Registered

**Existing Assignment & License Agreements:**

**NONE, UNLESS LISTED BELOW**

FORM OF ASSIGNMENT

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS ("Assignment") is made as of \_\_\_\_\_, 1999 by and between CORPORATE HEALTHCARE FINANCING, INC., a Michigan corporation ("Assignor"), in favor of FIRST UNION NATIONAL BANK, a national banking association ("Assignee").

WHEREAS, Assignor and Assignee are parties to that certain Trademark Collateral Assignment and Security Agreement dated as of August 16, 1999 made by Assignor to Assignee (the "Agreement") providing that under certain conditions specified therein Assignor shall execute this Assignment; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW, THEREFORE, Assignor hereby agrees as follows:

1. Assignment of Trademarks. Assignor hereby grants, assigns and conveys to Assignee its entire right, title and interest in and to (a) the trademarks and trademark applications listed on Exhibit A attached hereto and made part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Trademarks").

2. Representations and Warranties. Assignor represents and warrants that it has the full right and power to make the assignment of the Trademarks made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Trademarks except as set forth in the Agreement including the Schedules thereto.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. Binding Effect; Governing Law. This Assignment shall be binding upon Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state apply to the Trademarks or any part thereof, be governed by and construed in accordance with the internal (as opposed to the conflict of laws provisions) and decisions laws of the State of Maryland.



In Witness Whereof, Assignor has caused this Assignment to be executed and delivered as of the date first above written.

Corporate Healthcare Financing, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A

<u>Trademark</u>	<u>Registration Number</u>
SBMC	2,005,079
SBMC and design	2,110,997
STATUTORY BENEFITS MANAGEMENT CORPORATION	Not Registered
CHF and design	2,103,779
CHF and triangular design	1,857,093
CHF –stylized lettering	1,856,948
CHF	1,856,947
CORPORATE HEALTHCARE FINANCING	1,890,284
HPM and design	2,110,998
HPM	1,887,443
HPM HEALTHCARE PLAN MANAGEMENT, INC.	1,887,442
HEALTHCARE PLAN MANAGEMENT	Not Registered