

10-01-1999



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OVERSHEET

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9.28.99

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

1. Name and address of conveying party:

Corporation for Standards and Outcomes,
a Pennsylvania corporation

2. Name and address of receiving party:

Wachovia Bank, N.A.,
as Administrative Agent
191 Peachtree Street, NE
26th Floor
Atlanta, Georgia 30303

3. Nature of conveyance:

Grant of Trademark Security Interest

Execution Date: June 1, 1999

4. Application numbers and trademark numbers:

A. Trademark Application No.

74/758,791

B. Trademark Registration No.

2,066,036
2,058,934

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

Jill M. Irvin, Esq.
O'Melveny & Myers LLP
153 East 53rd Street
New York, NY 10022

6. Total number of applications and registrations involved:

3
Total fee:

\$90.00 (Enclosed)

8. Deposit Account Number:

N/A

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 documents.

Jill M. Irvin
Name of Person Signing

Jill Irvin
Signature

9-27-99
Date

09/29/1999 MTHAI1 00000309 74758791

01 FC:481
02 FC:482

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50.00 OP

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TRADEMARK
REEL: 001967 FRAME: 0824

SUBSIDIARY TRADEMARK SECURITY AGREEMENT

This **SUBSIDIARY TRADEMARK SECURITY AGREEMENT** (this "**Agreement**") is dated as of May 18, 1998 and entered into by and between each of THE **UNDERSIGNED SUBSIDIARIES** of the Company (each a "**Grantor**" and collectively "**Grantors**"; provided that after the Closing Date, "**Grantors**" shall include any Additional Grantors (as hereinafter defined)), and **WACHOVIA BANK, N.A.**, as Administrative Agent for and representative of (in such capacity herein called "**Secured Party**") the financial institutions ("**Lenders**") party to the Credit Agreement referred to below and any Interest Rate Exchangers (as hereinafter defined).

PRELIMINARY STATEMENTS

A. Secured Party, Goldman Sachs Credit Partners L.P. ("**GSCP**"), as Syndication Agent, GSCP and Secured Party, as Arrangers and Co-Documentation Agents, and Lenders have entered into a Credit Agreement dated as of May 18, 1998 (said Credit Agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Credit Agreement**", the terms defined therein and not otherwise defined herein being used herein as therein defined) with FHC Health Systems, Inc. ("**Company**"), pursuant to which Lenders have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to Company.

B. Company may enter into one or more Interest Rate Agreements (collectively, the "**Lender Interest Rate Agreements**") with one or more Lenders (in such capacity, collectively, "**Interest Rate Exchangers**").

C. Each Grantor has executed and delivered that certain Subsidiary Guaranty dated as of May 18, 1998 (said Subsidiary Guaranty, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Guaranty**") in favor of Secured Party for the benefit of Lenders and any Interest Rate Exchangers, pursuant to which such Grantor has guaranteed the prompt payment and performance when due of all obligations of Company under the Credit Agreement and the other Loan Documents and all obligations of Company under the Lender Interest Rate Agreements, including the obligation of Company to make payments thereunder in the event of early termination thereof.

D. Each Grantor owns and uses in its business, and will in the future adopt and so use, various intangible assets, including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto (collectively, the "**Trademarks**").

D. Secured Party desires to become a secured creditor with respect to all of the existing and future Trademarks, all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof (the "**Registrations**"), all common law and other rights in and to the Trademarks in the United States and any state thereof and in foreign countries (the "**Trademark Rights**"), all goodwill of each Grantor's business symbolized by the Trademarks and associated therewith, including without limitation the documents and things described in Section 1(b) (the "**Associated Goodwill**"), and all proceeds of the Trademarks, the Registrations, the Trademark Rights and the Associated Goodwill, and each Grantor agrees to create a secured interest in the Trademarks, the Registrations, the Trademark Rights, the Associated Goodwill and all the proceeds thereof as provided herein.

E. Pursuant to the Subsidiary Security Agreement, each Grantor has assigned and granted to Secured Party a lien on and security interest in substantially all of its assets, such that, upon the occurrence and during the continuation of an Event of Default, Secured Party would be able to exercise its remedies consistent with the Subsidiary Security Agreement, this Agreement and applicable law to foreclose upon such Grantor's business and use the Trademarks, the Registrations and the Trademark Rights in conjunction with the continued operation of such business, maintaining substantially the same product and service specifications and quality as maintained by such Grantor, and benefit from the Associated Goodwill.

F. To permit Secured Party to operate each Grantor's business without interruption and to use the Trademarks, Registrations, Trademark Rights and Associated Goodwill in conjunction therewith upon the occurrence and during the continuation of an Event of Default, each Grantor is willing to appoint Secured Party as such Grantor's attorney-in-law and attorney-in-fact to execute documents and take actions to assign such Grantor's right, title and interest in the Collateral (as hereinafter defined) to Secured Party at such times as Secured Party shall become entitled to do so under the Subsidiary Security Agreement.

G. It is a condition precedent to the initial extensions of credit by Lenders under the Credit Agreement that each Grantor shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Lenders to make Loans and other extensions of credit under the Credit Agreement and to induce Interest Rate Exchangers to enter into the Lender Interest Rate Agreements, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, each Grantor hereby agrees with Secured Party as follows:

SECTION 1. Grant of Security. Each Grantor hereby assigns to Secured Party, and hereby grants to Secured Party a security interest in, all of such Grantor's right, title and interest in and to the following, in each case whether now or hereafter

existing or in which such Grantor now has or hereafter acquires an interest and wherever the same may be located (the "Collateral"):

(a) each of the Trademarks and rights and interests in Trademarks that are presently, or in the future may be, owned, held (whether pursuant to a license or otherwise) or used by such Grantor, in whole or in part (including, without limitation, the Trademarks specifically identified in Schedule A annexed hereto, as the same may be amended pursuant hereto from time to time), and including all Trademark Rights with respect thereto and all foreign, federal and state Registrations therefor heretofore or hereafter granted or applied for, the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend the Trademarks, Registrations and Trademark Rights, the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of such Grantor or in the name of Secured Party or otherwise for past, present and future infringements of the Trademarks, Registrations or Trademark Rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the Associated Goodwill; it being understood that the rights and interests included herein shall include, without limitation, all rights and interests pursuant to licensing or other contracts in favor of such Grantor pertaining to the Trademarks, Registrations or Trademark Rights presently or in the future owned, held or used by third parties but, in the case of third parties which are not Subsidiaries of such Grantor, only to the extent permitted by such licensing or other contracts or otherwise permitted by applicable law and, if not so permitted under such contracts and applicable law, then only with the consent of such third parties;

(b) the following documents and things in such Grantor's possession, or subject to such Grantor's right to possession, related to (Y) the production, sale and delivery by such Grantor, or by any Affiliate, licensee or subcontractor of such Grantor, but only to the extent that such Grantor is authorized to disclose and grant a security interest in the same to Secured Party, of products or services sold or delivered by or under the authority of such Grantor in connection with the Trademarks, Registrations or Trademark Rights (which products and services shall, for purposes of this Agreement, be deemed to include, without limitation, products and services sold or delivered pursuant to merchandising operations utilizing any Trademarks, Registrations or Trademark Rights); or (Z) any retail or other merchandising operations conducted under the name of or in connection with the Trademarks, Registrations or Trademark Rights by such Grantor or any Affiliate, licensee or subcontractor of such Grantor, but only to the extent that such Grantor is authorized to disclose and grant a security interest in the same to Secured Party:

(i) all lists and ancillary documents that identify and describe any of such Grantor's customers, or those of its Affiliates, licensees or subcontractors for products sold and services delivered under or in connection with the Trademarks or Trademark Rights, including without limitation any lists and ancillary documents that contain a customer's name and address, the name and

address of any of its warehouses, branches or other places of business, the identity of the Person or Persons having the principal responsibility on a customer's behalf for ordering products or services of the kind supplied by such Grantor, or the credit, payment, discount, delivery or other sale terms applicable to such customer, together with information setting forth the total purchases, by brand, product, service, style, size or other criteria, and the patterns of such purchases;

(ii) all product and service specification documents and production and quality control manuals used in the manufacture or delivery of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights;

(iii) all documents which reveal the name and address of any source of supply, and any terms of purchase and delivery, for any and all materials, components and services used in the production of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights; and

(iv) all documents constituting or concerning the then current or proposed advertising and promotion by such Grantor or its Affiliates, licensees or subcontractors of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights including, without limitation, all documents which reveal the media used or to be used and the cost for all such advertising conducted within the described period or planned for such products and services;

(c) all general intangibles relating to the Collateral;

(d) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(e) all proceeds, products, rents and profits (including without limitation license royalties and proceeds of infringement suits) of or from any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral. For purposes of this Agreement, the term "**proceeds**" includes whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

Notwithstanding anything to the contrary contained herein, "Collateral" or any defined term used herein that is a component thereof shall not include, and the security interest of this Agreement shall not extend to: (a) any property or asset of any nature whatsoever to the extent and for so long as a grant of a security interest therein violates any applicable law or requires any consent of any Governmental Authority that has not been obtained, (b) any contract or agreement that prohibits the grant of a security interest therein where the consent of the other party or parties to such contract or agreement has not been obtained; provided that the exclusion created by this clause (b) shall not extend to any accounts or general intangibles (as defined in the UCC) payable from time to time pursuant thereto, or (c) any property or asset subject to a Capital Lease, but only so long as such Capital Lease is in effect and only to the extent the terms of such Capital Lease prohibit the granting of additional Liens thereon.

SECTION 2. Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), of all obligations and liabilities of every nature of Grantors now or hereafter existing under or arising out of or in connection with the Guaranty and all extensions or renewals thereof, whether for principal, interest (including interest that, but for the filing of a petition in bankruptcy with respect to Company, would accrue on such obligations, whether or not a claim is allowed against Company for such interest in the related bankruptcy proceeding), reimbursement of amounts drawn under Letters of Credit, payments for early termination of Lender Interest Rate Agreements, fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Secured Party or any Lender or Interest Rate Exchanger as a preference, fraudulent transfer or otherwise and all obligations of every nature of Grantors now or hereafter existing under this Agreement (all such obligations of Grantors being the "**Secured Obligations**").

SECTION 3. Grantors Remain Liable. Anything contained herein to the contrary notwithstanding, (a) each Grantor shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Secured Party of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) Secured Party shall not have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of the obligations or

duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants as follows:

(a) Description of Collateral. A true and complete list of all Registrations and applications for Trademarks owned by such Grantor, in whole or in part, as of the date of this Agreement is set forth in Schedule A annexed hereto.

(b) Validity and Enforceability of Collateral. Each of the Trademarks and Registrations is subsisting and, to the best of such Grantor's knowledge, valid and enforceable, and except as set forth in Schedule 4(b) annexed hereto, such Grantor is not aware of any pending or threatened claim by any third party against such Grantor or any Affiliate of such Grantor that any of the Trademarks, Registrations or Trademark Rights is invalid or unenforceable or that the use of any of the Trademarks, Registrations or Trademark Rights by such Grantor or its Affiliates or licensees violates the rights of any third person or of any valid basis for any such claim, except where the failure of any of the foregoing to be true would not reasonably be expected to have a Material Adverse Effect.

(c) Ownership of Collateral. Except as permitted under the Credit Agreement and except for the security interest created by this Agreement and Permitted Encumbrances, such Grantor owns the Collateral free and clear of any Lien. Except as permitted by the Credit Agreement and except such as may have been filed in favor of Secured Party relating to this Agreement, (i) no effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any filing or recording office and (ii) no effective filing covering all or any part of the Collateral is on file in the United States Patent and Trademark Office.

(d) Office Locations; Other Names. The chief place of business, the chief executive office and the office where such Grantor keeps its records regarding the Collateral is, as of the date hereof, and has been for the six-month period preceding the date hereof, located at the place set forth on Schedule 4(d) annexed hereto. Such Grantor has not in the past six months done, and does not as of the date hereof do, business under any other name (including any trade-name or fictitious business name) except as set forth on Schedule 4(d) annexed hereto.

(e) Governmental Authorizations. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for either (i) the grant by such Grantor of the security interest granted hereby, (ii) the execution, delivery or performance by Grantor of this Agreement or any agreement delivered pursuant to Section 5(e) hereof by such Grantor, or (iii) the perfection of or the exercise by Secured Party of its rights and remedies hereunder (except as may have been taken by or at the direction of such Grantor and except for (1) the filing of a financing statement describing the Collateral with the Secretary of State of each state in which the principal offices of each Grantor are located, (2) the recording of this Agreement with the United States Patent and Trademark Office, (2) the recording of this Agreement with the United States Patent and Trademark Office, (3) the recording of further assignment or other appropriate documentation in connection with the exercise of

rights and remedies hereunder, (4) the making of recordings in the United States Patent and Trademark Office with respect to after-acquired Collateral, (5) the taking of any actions required under foreign law with respect to the perfection of the Secured Party's lien in foreign Trademarks and Trademark Rights and (6) the registration of unregistered copyrights to the extent included in the Collateral specified in Section 1 and the recording of appropriate evidence of the Secured Party's lien therein in the United States Copyright Office).

(f) Perfection. This Agreement, together with the filing of a financing statement describing the Collateral with the Secretary of State of each state in which the principal offices of each Grantor are located and the recording of this Agreement with the United States Patent and Trademark Office and the filings, registrations and recordings set forth under Sections 4(e)(4) and (5), creates a valid, perfected and first priority security interest in the Collateral (other than copyrights), securing the payment of the Secured Obligations.

SECTION 5. Further Assurances; New Trademarks, Registrations and Trademark Rights.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary, or that Secured Party may reasonably request, in order to perfect and protect any security interest or assignment granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor will: (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary, or as Secured Party may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby, (ii) at the request of Secured Party, use commercially reasonable efforts (without requiring such Grantor to relinquish any material rights or incur any material obligations or to expend more than a nominal amount of money over and above the reimbursement, if required, of such third party's out-of-pocket costs, including attorneys' fees) to obtain any necessary consents of third parties to the grant and perfection of a security interest and assignment to Secured Party with respect to any material Collateral, (iii) subject to the provisions of subsection 6.5A of the Credit Agreement, at any reasonable time, upon request by Secured Party, exhibit the Collateral to and allow inspection of the Collateral by Secured Party, or persons designated by Secured Party, and (iv) at Secured Party's request, appear in and defend any action or proceeding that challenges Secured Party's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Grantor; provided, that with respect to such

financing statements and amendments thereto that require the signature of such Grantor, Secured Party may file such statements or amendments only after such Grantor has failed to promptly file the same following a request by Secured Party. Each Grantor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement signed by such Grantor shall be sufficient as a financing statement and may be filed as a financing statement in any and all jurisdictions.

(c) Each Grantor hereby authorizes Secured Party to modify this Agreement without obtaining such Grantor's approval of or signature to such modification by amending Schedule A annexed hereto to include reference to any right, title or interest in any existing Registrations or applications for Trademarks not listed on Schedule A annexed hereto or any Registrations or applications for Trademarks acquired or developed by such Grantor after the execution hereof or to delete any reference to any right, title or interest in any Registrations or applications for Trademarks in which such Grantor no longer has or claims any right, title or interest.

(d) Each Grantor will furnish to Secured Party from time to time such reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail.

(e) If any Grantor shall obtain rights to any new Collateral, the provisions of this Agreement shall automatically apply thereto. Each Grantor shall promptly notify Secured Party in writing of any rights to any new Registrations or applications for Registrations acquired by such Grantor after the date hereof and of any Registrations issued or applications for Registration made after the date hereof. Not later than 60 days after the filing with the United States Patent and Trademark Office of an application for Registration for any Trademark, each Grantor shall execute, deliver and record in all places where this Agreement is recorded an appropriate trademark security agreement, substantially in the form hereof, with appropriate insertions, or an amendment to this Agreement, in form and substance satisfactory to Secured Party, pursuant to which such Grantor shall grant a security interest to the extent of its interest in such Registration as provided herein to Secured Party unless so doing would, in the reasonable judgment of such Grantor, after due inquiry, result in the grant of a Registration in the name of Secured Party, in which event such Grantor shall give written notice to Secured Party as soon as reasonably practicable and the filing shall instead be undertaken as soon as practicable but in no case later than immediately following the grant of the Registration.

SECTION 6. Certain Covenants of Grantors. Each Grantor shall:

(a) notify Secured Party of any change in such Grantor's name, identity or corporate structure within 30 days of such change;

(b) give Secured Party 30 days' prior or subsequent written notice of any change in such Grantor's chief place of business or chief executive office or the office where such Grantor keeps its records regarding the Collateral;

(c) to the extent required by the Credit Agreement, pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided that such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than three days prior to the date of any proposed sale under any judgement, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(d) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as permitted by the Credit Agreement and, in the event of a sale or other disposition of Collateral permitted by the Credit Agreement or otherwise consented to by Requisite Lenders, Administrative Agent shall release such Collateral in accordance with subsection 9.6 of the Credit Agreement;

(e) except for Liens permitted under the Credit Agreement and except for the security interest created by this Agreement, not create or suffer to exist any Lien upon or with respect to any of the Collateral to secure the indebtedness or other obligations of any Person;

(f) diligently keep, in a manner at least as favorable as its past practice, reasonable records respecting the Collateral and at all times keep at least one complete set of its records concerning substantially all of the Trademarks, Registrations and Trademark Rights;

(g) in accordance with its past practice take all steps reasonably necessary to protect the secrecy of all trade secrets relating to the products and services sold or delivered under or in connection with the Trademarks and Trademark Rights, including without limitation entering into confidentiality agreements with employees and restricting access to secret information and documents, except where the failure to take such steps could not reasonably be expected to result in (i) a material diminution in the value of the Collateral (as defined in the Credit Agreement) or (ii) a Material Adverse Effect;

(h) use proper statutory notice in connection with its use of each of the Registrations, except where the failure to use such notice could not reasonably be expected to result in (i) a material diminution in the value of the Collateral (as defined in the Credit Agreement) or (ii) a Material Adverse Effect; and

(i) use consistent standards of quality (consistent with such Grantor's past practices) in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the Trademarks, Registrations and Trademark Rights, except where the failure to use such consistent standards of quality could not reasonably be expected to result in (i) a material diminution in the value of the Collateral (as defined in the Credit Agreement) or (ii) a Material Adverse Effect.

SECTION 7. Amounts Payable in Respect of the Collateral. Except as otherwise provided in this Section 7, each Grantor shall continue to have all rights to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Collateral or any portion thereof; provided, however, that Secured Party shall have the right at any time, upon the occurrence and during the continuation of any Potential Event of Default under subsection 8.6 or 8.9 of the Credit Agreement or any Event of Default and upon written notice to such Grantor of its intention to do so, but only so long as any Potential Event of Default under subsection 8.6 or 8.9 of the Credit Agreement or any Event of Default is continuing, to notify the obligors with respect to any such amounts of the existence of the security interest created hereby, and to direct such obligors to make payment of all such amounts directly to Secured Party, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. After receipt by any Grantor of the notice from Secured Party referred to in the proviso to the preceding sentence, but only so long as any Potential Event of Default under subsection 8.6 or 8.9 of the Credit Agreement or any Event of Default is continuing, (i) all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of Secured Party hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 15, and (ii) such Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

SECTION 8. Trademark Applications and Litigation.

(a) Each Grantor shall have the duty diligently, through counsel reasonably acceptable to Secured Party, to prosecute any trademark application relating to any of the Trademarks specifically identified in Schedule A annexed hereto that is pending as of the date of this Agreement, to make federal application on any existing or future registerable but unregistered Trademarks, and to file and prosecute opposition and cancellation proceedings, renew Registrations and do any and all acts which are necessary or desirable to preserve and maintain all rights in all Trademarks, Registrations and Trademark Rights, except to the extent that such Grantor determines, in its reasonable business judgment, that it is not commercially reasonable to maintain such Trademark, Registration or Trademark Right. Any expenses incurred in connection therewith shall be borne solely by such Grantor. No Grantor shall abandon any Trademark, Registration or Trademark Right, except to the extent that such Grantor determines, in its reasonable business judgment, that it is not commercially reasonable to maintain such Trademark, Registration or Trademark Right.

(b) Except as provided in Section 8(d), each Grantor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and

at its own expense, such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral. Secured Party shall provide, at such Grantor's expense, all reasonable and necessary cooperation in connection with any such suit, proceeding or action including, without limitation, joining as a necessary party.

(c) Each Grantor shall promptly, following its becoming aware thereof, notify Secured Party of the institution of, or of any adverse determination in, any proceeding (whether in the United States Patent and Trademark Office or any federal, state, local or foreign court) described in Section 8(a) or 8(b) or regarding such Grantor's claim of ownership in or right to use any of the Trademarks, Registrations or Trademark Rights, its right to register the same, or its right to keep and maintain such Registration that would be reasonably likely to result in (i) a material diminution in the value of the Collateral (as defined in the Credit Agreement) or (ii) a Material Adverse Effect. Each Grantor shall provide to Secured Party any information with respect thereto requested by Secured Party.

(d) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default, Secured Party shall have the right (but not the obligation) to bring suit, in the name of any Grantor, Secured Party or otherwise, to enforce any Trademark, Registration, Trademark Right, Associated Goodwill and any license thereunder, in which event such Grantor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify Secured Party as provided in Section 16 in connection with the exercise of its rights under this Section 8. To the extent that Secured Party shall elect not to bring suit to enforce any Trademark, Registration, Trademark Right, Associated Goodwill or any license thereunder as provided in this Section 8(d), each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement by others of any of the Trademarks, Registrations, Trademark Rights or Associated Goodwill, and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

SECTION 9. Non-Disturbance Agreements, etc. If and to the extent that any Grantor is permitted to license the Collateral, Secured Party shall enter into a non-disturbance agreement or other similar arrangement, at such Grantor's request and expense, with such Grantor and any licensee of any Collateral permitted hereunder in form and substance satisfactory to Secured Party pursuant to which (a) Secured Party shall agree not to disturb or interfere with such licensee's rights under its license agreement with such Grantor so long as such licensee is not in default thereunder and (b) such licensee shall acknowledge and agree that the Collateral licensed to it is subject to the security interest created in favor of Secured Party and the other terms of this Agreement.

SECTION 10. Release of Grantor. In the event that all of the capital stock of any Grantor is sold to any Person (other than an Affiliate of Company) pursuant to a sale or other disposition permitted under the Credit Agreement or to which Requisite Lenders have otherwise consented, such Grantor shall be released this Agreement.

SECTION 11. Secured Party Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints Secured Party as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, Secured Party or otherwise, from time to time in Secured Party's discretion upon the occurrence and during the continuance of any Potential Event of Default under subsection 8.6 or 8.9 of the Credit Agreement or any Event of Default, to take any action and to execute any instrument that Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to endorse such Grantor's name on all applications, documents, papers and instruments necessary for Secured Party in the use or maintenance of the Collateral;

(b) after notice to Grantor, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Collateral;

(e) to pay or discharge taxes or Liens (other than Liens permitted under this Agreement or the Credit Agreement) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by Secured Party in its reasonable discretion, any such payments made by Secured Party to become obligations of such Grantor to Secured Party, due and payable immediately without demand; and

(f) upon the occurrence and during the continuation of an Event of Default, (i) to execute and deliver any of the assignments or documents requested by Secured Party pursuant to Section 13(b), (ii) to grant or issue an exclusive or non-exclusive license to the Collateral or any portion thereof to any Person, and (iii) otherwise generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option and such Grantor's expense, at any time or from time to time, all acts and things that Secured Party deems necessary to protect, preserve or realize upon the Collateral and Secured

Party's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

SECTION 12. Secured Party May Perform. If any Grantor fails to perform any agreement contained herein, Secured Party may itself perform, or cause performance of, such agreement, and the expenses of Secured Party incurred in connection therewith shall be payable by such Grantor under subsection 10.2 of the Credit Agreement.

SECTION 13. Standard of Care. The powers conferred on Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Secured Party accords its own property.

SECTION 14. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Secured Party may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Collateral), and also may (i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of Secured Party forthwith, assemble all or part of the Collateral as directed by Secured Party and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties, (ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process, (iii) prior to the disposition of the Collateral, store the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent Secured Party deems appropriate, (iv) take possession of any Grantor's premises or place custodians in exclusive control thereof, remain on such premises and use the same for the purpose of taking any actions described in the preceding clause (iii) and collecting any Secured Obligation, (v) exercise any and all rights and remedies of any Grantor under or in connection with the contracts related to the Collateral or otherwise in respect of the Collateral, including without limitation any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, such contracts, and (vi) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as Secured Party may

deem commercially reasonable. Secured Party or any Lender or Interest Rate Exchanger may be the purchaser of any or all of the Collateral at any such sale and Secured Party, as agent for and representative of Lenders and Interest Rate Exchangers (but not any Lender or Interest Rate Exchanger or Lenders or Interest Rate Exchangers in its or their respective individual capacities unless Requisite Obligees (as defined in Section 18(a)) shall otherwise agree in writing), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by Secured Party at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor hereby waives any claims against Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if Secured Party accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be jointly and severally liable for the deficiency and the fees of any attorneys employed by Secured Party to collect such deficiency.

(b) Upon written demand from Secured Party, each Grantor shall execute and deliver to Secured Party an assignment or assignments of the Trademarks, Registrations, Trademark Rights and the Associated Goodwill and such other documents as are requested by Secured Party. Each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that Secured Party (or any Lender) receives cash proceeds in respect of the sale of, or other realization upon, the Collateral.

(c) Within five Business Days after written notice from Secured Party, each Grantor shall make available to Secured Party, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as Secured Party may reasonably designate, by name, title or job responsibility, to permit Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Registrations and Trademark Rights, such persons to be available to perform their prior functions on Secured Party's behalf and to be

compensated by Secured Party at such Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default.

SECTION 15. Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied as provided in subsection 2.4D of the Credit Agreement.

SECTION 16. Indemnity and Expenses.

(a) Grantors jointly and severally agree to indemnify Secured Party and each Lender, to the extent set forth in the Credit Agreement, from and against any and all claims, losses and liabilities in any way relating to, growing out of or resulting from this Agreement and the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result solely from Secured Party's or such Lender's gross negligence or willful misconduct.

(b) Grantors jointly and severally agree to pay to Secured Party upon demand the amount of any and all reasonable out-of-pocket costs and expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of Secured Party hereunder, or (iv) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 17. Continuing Security Interest; Transfer of Loans. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment of full of all Loans, together with all accrued interest thereon, the termination or cancellation of the Commitments, the cancellation or expiration of all Letters of Credit and payment in full of all other Secured Obligations then accrued, or then asserted or claimed by any Agent, either Arranger, any Lender or any Indemnitee to be due and payable, (b) be binding upon Grantors and their respective successors and assigns, and (c) inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), but subject to the provisions of subsection 10.1 of the Credit Agreement, any Lender may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Loans, together with all accrued interest thereon, the cancellation or termination of the Commitments, the cancellation or expiration of all outstanding Letters of Credit and the payment in full of all Secured Obligations then accrued, or then asserted or claimed by any Agent, either Arranger, any

Lender or any Indemnitee to be due and payable, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantors. Upon any such termination Secured Party will, at Grantors' expense, execute and deliver to the appropriate Grantor such documents as such Grantor shall reasonably request to evidence such termination.

SECTION 18. Secured Party as Administrative Agent.

(a) Secured Party has been appointed to act as Secured Party hereunder by Lenders and, by their acceptance of the benefits hereof, Interest Rate Exchangers. Secured Party shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement; provided that Secured Party shall exercise, or refrain from exercising, any remedies provided for in Section 14 in accordance with the instructions of (i) Requisite Lenders or (ii) after payment in full of all Obligations under the Credit Agreement and the other Loan Documents, the holders of a majority of the aggregate notional amount (or, with respect to any Lender Interest Rate Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Lender Interest Rate Agreement) under all Lender Interest Rate Agreements (Requisite Lenders or, if applicable, such holders being referred to herein as "**Requisite Obligees**"). In furtherance of the foregoing provisions of this Section 18(a), each Interest Rate Exchanger, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Interest Rate Exchanger that all rights and remedies hereunder may be exercised solely by Secured Party for the benefit of Lenders and Interest Rate Exchangers in accordance with the terms of this Section 18(a).

(b) Secured Party shall at all times be the same Person that is Administrative Agent under the Credit Agreement. Written notice of resignation by Administrative Agent pursuant to subsection 9.5 of the Credit Agreement shall also constitute notice of resignation as Secured Party under this Agreement; removal of Administrative Agent pursuant to subsection 9.5 of the Credit Agreement shall also constitute removal as Secured Party under this Agreement; and appointment of a successor Administrative Agent pursuant to subsection 9.5 of the Credit Agreement shall also constitute appointment of a successor Secured Party under this Agreement. Upon the acceptance of any appointment as Administrative Agent under subsection 9.5 of the Credit Agreement by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Secured Party under this Agreement, and the retiring or removed Secured Party under this Agreement shall promptly (i) transfer to such successor Secured Party all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Secured Party under this Agreement, and

(ii) execute and deliver to such successor Secured Party such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Secured Party of the security interests created hereunder, whereupon such retiring or removed Secured Party shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Administrative Agent's resignation or removal hereunder as Secured Party, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Secured Party hereunder.

SECTION 19. Amendments; Etc. No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by any Grantor therefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party and, in the case of any such amendment or modification, by Grantors. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

SECTION 20. Notices. Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the address of each party hereto shall be as set forth under such party's name on the signature pages hereof or, as to either party, such other address as shall be designated by such party in a written notice delivered to the other party hereto.

SECTION 22. Additional Grantors. The initial Grantors hereunder shall be such of the Subsidiaries of Company as are signatories hereto on the date hereof. From time to time subsequent to the date hereof, additional Subsidiaries of Company may become parties hereto as additional Grantors (each an "**Additional Grantor**"), by executing a counterpart of this Agreement. Upon delivery of any such counterpart to Administrative Agent and Secured Party, notice of which is hereby waived by Grantors, each such Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Administrative Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 23. Failure or Indulgence Not Waiver; Remedies
Cumulative. No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or

partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 24. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 25. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

SECTION 26. Governing Law; Terms. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE CODE PROVIDES THAT THE PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Credit Agreement, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

SECTION 27. Consent to Jurisdiction and Service of Process. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY GRANTOR ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY OBLIGATIONS HEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH GRANTOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY

(I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;

(II) WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*;

(III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO SUCH GRANTOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 20;

(IV) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER SUCH GRANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT;

(V) AGREES THAT SECURED PARTY RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST SUCH GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION; AND

(VI) AGREES THAT THE PROVISIONS OF THIS SECTION 25 RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE.

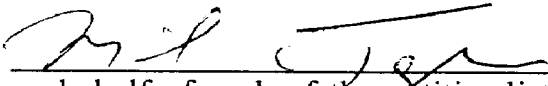
SECTION 28. Waiver of Jury Trial. EACH GRANTOR AND SECURED PARTY HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Each Grantor and Secured Party acknowledge that this waiver is a material inducement for such Grantor and Secured Party to enter into a business relationship, that such Grantor and Secured Party have already relied on this waiver in entering into this Agreement and that each will continue to rely on this waiver in their related future dealings. Each Grantor and Secured Party further warrant and represent that each has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 27 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.** In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

SECTION 28. Counterparts. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantors and Secured Party have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**Each of the entities listed on
Exhibit A annexed hereto**

By: 
on behalf of each of the entities listed on
Exhibit A annexed hereto
Name: Michael A. Taylor
Title: Treasurer

Notice Address:

See Exhibit A annexed hereto

**EXHIBIT A
TO SUBSIDIARY TRADEMARK SECURITY AGREEMENT**

**BEHAVIORAL HEALTHCARE OF VIRGINIA BEACH, INC.
CHARTER BEHAVIORAL HEALTH SYSTEM OF VIRGINIA BEACH, INC.
FHC HEALTH SYSTEMS, INC.
FHC FLIGHT SERVICES, INC.
FHC OPTIONS OF TEXAS, INC.
FIRST HOSPITAL CORPORATION OF NORFOLK
FIRST OPTION CORPORATION - NEBRASKA
FIRST OPTION, INC.
HERITAGE MENTAL HEALTH CENTER, INC.
OPTIONS HEALTH CARE, INC. (Formerly, FHC Options, Inc.)
OPTIONS FAMILY SERVICES, INC.
OPTIONS HEALTH CARE, INC.
OPTIONS INDEPENDENT PRACTICE ASSOCIATION, INC.
PENNSYLVANIA FIRST OPTION, INC.
PITTSBURGH FHC, INC.
IPT ASSOCIATES, L.P. (BY ITS GENERAL PARTNER: CHARTER BEHAVIORAL
HEALTH SYSTEM OF VIRGINIA BEACH, INC.)**

Notice Address:

240 Corporate Boulevard
Norfolk, VA 23502

**FHC BEHAVIORAL BUSINESS TRUST
FHC CLINICAL MANAGEMENT, INC.
FHC FINANCIAL CORP.
FHC MENTAL HEALTH BUSINESS TRUST
FHC THERAPY BUSINESS TRUST**

Notice Address:

103 Springer Building, 1st Floor
Concord Plaza
3411 Silverside Road
Wilmington, DE 19801

FHC OPTIONS - PUERTO RICO, INC.

Notice Address:

Avenue Ponce De Leon 1590
Suite 201
Rio Piedras, Puerto Rico 00926

**FIRST HOSPITAL CORPORATION OF NASHVILLE
FIRST HOSPITAL CORPORATION OF TENNESSEE**

Notice Address:

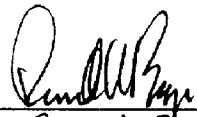
804 Youngs Lane
Nashville, TN 37207

PANAMERICANO/ABS, CORP.

Notice Address:

825 Crawford Parkway
Portsmouth, VA 23704

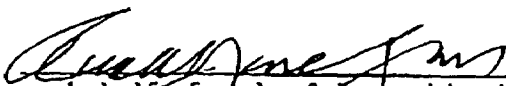
WACHOVIA BANK, N.A., as Secured Party

By: 
Name: Russell Boozer
Title: Vice President

Notice Address:

191 Peachtree Street, NE
26th Floor
Atlanta, Georgia 30303

Each of the entities listed on
Exhibit B annexed hereto

By: 
on behalf of each of the entities listed on
Exhibit B annexed hereto
Name: Ronald I. Dozoretz
Title: Chairman

Notice Address:

See Exhibit B annexed hereto

**EXHIBIT B
TO SUBSIDIARY TRADEMARK SECURITY AGREEMENT**

**ALTERNATIVE BEHAVIORAL SERVICES, INC.
FIRST CORRECTIONS CORPORATION
FIRST CORRECTIONS - PUERTO RICO, INC.
FIRST CORRECTIONS CORPORATION OF TENNESSEE
FIRST HOME CARE CORPORATION
THE PINES RESIDENTIAL TREATMENT CENTER, INC.**

Notice Address:

825 Crawford Parkway
Portsmouth, VA 23704

BEHAVIORAL HEALTHCARE OF NORFOLK, INC.

Notice Address:

860 Kempsville Road
Norfolk, VA 23502

**FIRST HOME CARE OF TIDEWATER, INC.
FIRST HOSPITAL CORPORATION OF VIRGINIA BEACH**

Notice Address:

1100 First Colonial Road
Virginia Beach, VA 23454

FIRST HOSPITAL CORPORATION OF CHATTANOOGA

Notice Address:

7351 Standifer Gap Road
Chattanooga, TN 37421

FIRST HOSPITAL CORPORATION OF HOPKINSVILLE

Notice Address:

210 West 17th Street
Hopkinsville, KY 42204

**FIRST HOSPITAL DEVELOPMENT CORPORATION
VIRGIN ISLANDS BEHAVIORAL SERVICES, INC.**

Notice Address:

240 Corporate Boulevard
Norfolk, VA 23502

FIRST HOSPITAL PANAMERICANO, INC.

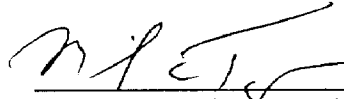
Notice Address:

State Road #787, Km 1.5
Cidra, Puerto Rico 00639

IN WITNESS WHEREOF, each of the undersigned Additional Grantors has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of June 7, 1998.

Each of the entities listed on
Exhibit X annexed hereto

By:



on behalf of each of the entities listed on
Exhibit X annexed hereto

Name: Michael A Taylor

Title: Treasurer

Notice Address:

See Exhibit X annexed hereto

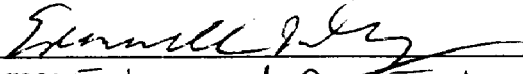
EXHIBIT X
TO SUBSIDIARY TRADEMARK SECURITY AGREEMENT

AMERICAN PSYCHMANAGEMENT, INC.
CENTER FOR HUMAN RESOURCES, INC.
PREFERRED HEALTH CARE LTD.
CALIFORNIA PREFERRED CARE LTD.
PREFERRED HEALTH CARE OF CALIFORNIA LTD.
PREFERRED HEALTH CORPORATION OF DELAWARE
SQUARE LAKE CORPORATION
BEHAVIORAL HEALTH PLANS, INC.
NORTHERN COUNSELING CENTERS OF OHIO, INC.
NORTH STAR COUNSELING CENTER, INC.
VALUE BEHAVIORAL HEALTH, INC.
VALUE BEHAVIORAL HEALTH IPA OF NEW YORK, INC.
VALUE BEHAVIORAL HEALTH OF ARKANSAS, INC.
VALUE BEHAVIORAL HEALTH OF DELAWARE, INC.
VALUE BEHAVIORAL HEALTH OF PENNSYLVANIA, INC.
VALUE BEHAVIORAL HEALTH OF RHODE ISLAND, INC.
VALUE BEHAVIORAL HEALTH OF TEXAS, INC.
VALUE HEALTH REINSURANCE, INC.
HEALTH MANAGEMENT STRATEGIES INTERNATIONAL, INC.

Notice Address:

3110 Fairview Park Drive
Falls Church, Virginia 22042

**FIRST CARIBBEAN HEALTH
CORPORATION**

By: 
Name: Edward C. Irby
Title: President

Notice Address:

Ave. Fernandez Juncos 1817
Parada 26 Santurce
San Juan, Puerto Rico 00919

CRAWFORD FIRST EDUCATION, INC.

By:

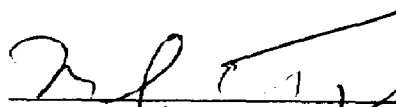
Edward C. Kirby
Name: Edward C Kirby
Title: President

Notice Address:

825 Crawford Parkway
Portsmouth, Virginia 23704

RX INNOVATIONS, INC.

By:

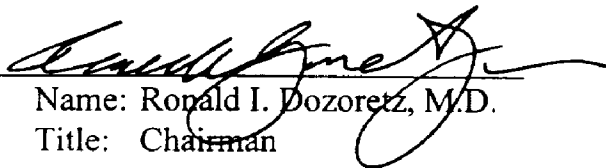

Name: Michael Taylor
Title: CFO

Notice Address:

240 Corporate Boulevard
Norfolk, Virginia 23502

IN WITNESS WHEREOF, the undersigned Additional Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of June 1, 1999.

CORPORATION FOR STANDARDS & OUTCOMES

By: 
Name: Ronald I. Dozoretz, M.D.
Title: Chairman

Notice Address:

240 Corporate Boulevard
Norfolk, Virginia 23502

SCHEDULE A TO
SUBSIDIARY TRADEMARK
COLLATERAL SECURITY AGREEMENT

Trademark Registrations

<u>Grantor</u>	<u>United States Trademark Description</u>	<u>Registration Number</u>	<u>Status</u>
Options Health Care, Inc. (VA)	OPTIONS HEALTH PARTNERSHIP-NEBRASKA (NEBRASKA TRADEMARK)	1,372,333	
	MAP PROFILE	1,722,845	
	DIRECT LINE	1,756,254	
First Corrections Corpora- tion	FIRST CORRECTIONS	2,044,373	
	FIRST CORRECTIONS	2,044,372	

Trademark Applications

<u>Trademark Description</u>	<u>Registration Number</u>	<u>Status</u>
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SCHEDULE A TO
SUBSIDIARY TRADEMARK
COLLATERAL SECURITY AGREEMENT

Trademark Registrations

<u>Grantor</u>	<u>United States Trademark Description</u>	<u>Registration Number</u>	<u>Status</u>
Preferred Health Care Ltd.	PREFERRED WORKS	1,844,711	
Health Management Strategies International, Inc.	HEALTH MANAGEMENT STRATEGIES	1,789,595	
	HMS HEALTH MANAGEMENT STRATEGIES	1,429,489	
	HMS	1,420,392	

Trademark Applications

<u>Trademark Description</u>	<u>Registration Number</u>	<u>Status</u>
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SUPPLEMENTAL SCHEDULE A
TO SUBSIDIARY TRADEMARK SECURITY AGREEMENT

Corporation for Standards and Outcomes:

Mark: CORPORATION FOR STANDARDS AND OUTCOMES

Registration No.: 2,066,036

Registration Date: 5/27/97

Mark: SUMONE FOR KIDS

Registration No.: 2,058,934

Registration Date: 5/6/97

Pending Application for:

Mark: OUTCOMES TO IMPACT

Serial No.: 75-758791

Filing Date: 7/23/99

Status: Pending

SCHEDULE 4(b) TO
SUBSIDIARY TRADEMARK
COLLATERAL SECURITY AGREEMENT

PENDING CLAIMS

None.

Supplemental Schedule 4(b)
to Subsidiary Trademark Security Agreement

Pending or Threatened Claims regarding Trademark Collateral:

Corporation for Standards and Outcomes:

None

SCHEDULE 4(d) TO
SUBSIDIARY TRADEMARK
COLLATERAL SECURITY AGREEMENT

OFFICE LOCATIONS; OTHER NAMES

<u>Company</u>	<u>Office Location</u>	<u>Other Names</u>
Alternative Behavioral Services, Inc.	825 Crawford Parkway Portsmouth, VA 23704	
The Pines Residential Treatment Center, Inc.	825 Crawford Parkway Portsmouth, VA 23704	
First Hospital Corporation of Chatta- nooga	7351 Standifer Gap Road Chattanooga, TN 37421	
First Hospital Corporation of Nash- ville	804 Youngs Lane Nashville, TN 37207	
First Hospital Corporation of Ten- nessee	804 Youngs Lane Nashville, TN 37207	
First Hospital Corporation of Hopkinsville	210 West 17 th Street Hopkinsville, KY 42240	
Behavioral Healthcare of Norfolk, Inc.	860 Kempsville Road Norfolk, VA	
First Home Care Corporation	825 Crawford Parkway, Portsmouth, VA 23704	
First Home Care of Tidewater, Inc.	1100 First Colonial Road Virginia Beach, VA 23454	
Virgin Islands Behavioral Services, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
First Corrections Corporation	825 Crawford Parkway, Portsmouth, VA 23704	
First Corrections Corporation - Puerto Rico, Inc.	825 Crawford Parkway, Portsmouth, VA 23704	
First Corrections Corporation of Tennessee	825 Crawford Parkway, Portsmouth, VA 23704	

<u>Company</u>	<u>Office Location</u>	<u>Other Names</u>
First Hospital Panamericano, Inc.	State Road 787 k.m. 1.5 Cidra, PR 00739-1398	
Panamericano/ABS, Corp.	825 Crawford Parkway Portsmouth, VA 23704	
First Hospital Corporation of Virginia Beach	1100 First Colonial Road Virginia Beach, VA 23454	
First Hospital Development Corporation	240 Corporate Boulevard Norfolk, VA 23502	
OPTIONS Healthcare, Inc. (DE)	240 Corporate Boulevard Norfolk, VA 23502	
FHC Flight Services, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
Pittsburgh FHC, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
FHC Clinical Management, Inc.	103 Springer Building, First Floor, Concord Plaza 3411 Silverside Road Wilmington, DE 19810	
FHC Financial Corp.	103 Springer Building, First Floor, Concord Plaza 3411 Silverside Road Wilmington, DE 19810	
FHC Mental Health Business Trust	103 Springer Building, First Floor, Concord Plaza 3411 Silverside Road Wilmington, DE 19810	
FHC Therapy Business Trust	103 Springer Building, First Floor, Concord Plaza 3411 Silverside Road Wilmington, DE 19810	

<u>Company</u>	<u>Office Location</u>	<u>Other Names</u>
FHC Behavioral Business Trust	103 Springer Building, First Floor, Concord Plaza 3411 Silverside Road Wilmington, DE 19810	
Heritage Mental Health Center, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
First Hospital Corporation of Norfolk	240 Corporate Boulevard Norfolk, VA 23502	
FHC Options - Puerto Rico, Inc.	Avenue Ponce de Leon 1590 Suite 201 Rio Piedras, PR 00926	
Options Health Care, Inc. (VA)	240 Corporate Boulevard Norfolk, VA 23502	FHC Options, Inc.
FHC Options of Texas, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
First Option, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
First Option Corporation - Nebraska	240 Corporate Boulevard Norfolk, VA 23502	
Pennsylvania First Option, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
Options Family Services, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
Options Independent Practice Association	240 Corporate Boulevard Norfolk, VA 23502	
Behavioral Healthcare of Virginia Beach, Inc.	240 Corporate Boulevard Norfolk, VA 23502	
Charter Behavioral Health System of Virginia Beach, Inc.	240 Corporate Boulevard Norfolk, VA 23502	

SCHEDULE 4(d) TO
SUBSIDIARY TRADEMARK
COLLATERAL SECURITY AGREEMENT

OFFICE LOCATIONS; OTHER NAMES

<u>Company</u>	<u>Office Location</u>	<u>Other Names</u>
Value Behavioral Health, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
American PsychManagement, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Center for Human Resources, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
American PsychManagement of Maryland, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Preferred Health Care Ltd.	3110 Fairview Park Drive Falls Church, VA 22042	
California Preferred Care Ltd.	3110 Fairview Park Drive Falls Church, VA 22042	
Preferred Health Care of California Ltd.	3110 Fairview Park Drive Falls Church, VA 22042	
Preferred Health Corporation of Del- aware	3110 Fairview Park Drive Falls Church, VA 22042	
Square Lake Corporation	3110 Fairview Park Drive Falls Church, VA 22042	
Behavioral Health Plans, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Northern Counseling Centers of Ohio, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
North Star Counseling Center, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Behavioral Health IPA of New York, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	

<u>Company</u>	<u>Office Location</u>	<u>Other Names</u>
Value Behavioral Health of Delaware, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Value Behavioral Health of Pennsylvania, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Value Behavioral Health of Rhode Island, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Value Behavioral Health of Texas, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Health Management Strategies International, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	
Value Health Reinsurance, Inc.	3110 Fairview Park Drive Falls Church, VA 22042	

Supplemental Schedule 4(d)
to Subsidiary Trademark Security Agreement

Location of Records regarding Trademark Collateral:

Corporation for Standards and Outcomes:

1000 RIDC Plaza
1000 Gamma Drive
Pittsburgh, PA 15238

NY1:705374.1

RECORDED: 09/28/1999

**TRADEMARK
REEL: 001967 FRAME: 0869**