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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

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ET U.S. DEPARTMENT OF COMMERCE Y U.S. Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies): CareGuide, Inc. (f/k/a Global CareGuide, Inc.)

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

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

2. Name and address of receiving party(ies) Name: Pequot Private Equity Fund II, L.P. Internal Address: c/o Pequot Capital Management, Inc.

Street Address: 500 Nyala Farm Road City: Westport State: CT Zip: 06880

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other

Execution Date: May 2, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76010656 76100716

B. Trademark Registration No.(s) 75109037

Additional number(s) attached Yes No

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

Internal Address: Latham & Watkins

STBX: 0000105215

Refund Total: \$30.00

Street Address: 135 Commonwealth Drive

City: Menlo Park State: CA Zip: 94028

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41) \$120.00

- Enclosed Authorized to be charged



8. Deposit account number: 05-07-2001 U.S. Patent & TMO/TM Mail Rpt Dt. #01

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

DO NOT USE THIS SPACE

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

Arthur Nielsen Name of Person Signing

Signature

5/4/01 Date

Total number of pages including cover sheet, attachments, and document: 28

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

05/16/2001 STBX:1 00000130 76010656

05/16/2001 40.00 DP 50.00 DP

FORM PTO-1594 RECORDATION FORM COVER SHEET

2.

ADDITIONAL RECEIVING PARTIES

Pequot Venture Partners II, L.P.
c/o Pequot Capital Management, Inc.
500 Nyala Farm Road
Westport, CT 06880

PVP II CareGuide Con Note Grantor Trust
c/o Pequot Capital Management, Inc.
500 Nyala Farm Road
Westport, CT 06880

PVP II CareGuide Con Note 2 Grantor Trust
c/o Pequot Capital Management, Inc.
500 Nyala Farm Road
Westport, CT 06880

CAREGUIDE

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of April 3, 2001 ("Security Agreement"), among CAREGUIDE, INC., a California corporation ("Company"), FAMILYCARE, INC., a California corporation (the "Subsidiary Guarantor" and together with each subsidiary of the Company that becomes a party hereto after the date hereof pursuant to Section 7.4 of the Note Purchase Agreement (as defined below), the "Subsidiary Guarantors", the Subsidiary Guarantors together with the Company, being herein referred to as the "Securing Parties") and PEQUOT PRIVATE EQUITY FUND II, L.P., a Delaware limited partnership, PEQUOT VENTURE PARTNERS II, L.P., a Delaware limited partnership, PVP II CAREGUIDE CON NOTE GRANTOR TRUST, a Delaware trust, and PVP II CAREGUIDE CON NOTE 2 GRANTOR TRUST, a Delaware trust (collectively, the "Secured Parties").

PRELIMINARY STATEMENTS.

1. The Company, the Subsidiary Guarantor and the Secured Parties are parties to a Note Purchase Agreement, dated as of the date hereof (as modified and supplemented and in effect from time to time, the "Note Purchase Agreement"), which provides for, subject to the terms and conditions thereof, one or more loans to be evidenced by one or more promissory notes and to be made by the Secured Parties to the Company in an aggregate principal amount of \$500,000 (the "Initial Notes"). In addition, one or more of the Secured Parties may, at its sole discretion, make additional loans from time to time to the Company to be evidenced by one or more promissory notes of the Company in an aggregate principal amount of up to \$250,000 (the "Additional Notes" and, together with the Initial Notes, the "Notes"). Capitalized terms used in this Security Agreement and not otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

2. It is a condition precedent to the obligation of the Secured Parties to enter into the Note Purchase Agreement and to provide one or more loans to the Company pursuant to the Notes that the Securing Parties shall have granted the security interest contemplated by this Security Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Secured Parties to provide loans to the Company as provided in the Note Purchase Agreement and the Notes, the Securing Parties hereby agree as follows:

SECTION 1. Grant of Security. Each Securing Party hereby grants to the Secured Parties a security interest in and on all of such Securing Party's right, title and interest in and to all of the following, whether now owned or hereafter acquired or

existing (the "Collateral"):

(a) All equipment in all of its forms, wherever located, including, without limitation, all machinery and other goods, furniture, furnishings, fixtures, office supplies and all other similar types of tangible personal property and all parts thereof and all accessions thereto, together with all parts, fittings, special tools, alterations, substitutions, replacements and accessions thereto (any and all such equipment, parts and accessions being the "Equipment");

(b) All inventory in all of its forms, wherever located, including, but not limited to, (i) all raw materials and work in progress, finished goods, and materials used or consumed in manufacture or production, (ii) goods in which such Securing Party has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which such Securing Party has an interest or right as consignee), and (iii) goods which are returned to or repossessed by such Securing Party, and all accessions thereto and products thereof and all documents and documents of title relating to or covering any of the foregoing or any other assets ("Documents") (any and all such inventory, accessions, products and Documents being the "Inventory");

(c) All accounts, accounts receivable, contract rights, chattel paper, instruments, acceptances, drafts, and other obligations of any kind, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, together with all ledger sheets, files, records and documents relating to any of the foregoing, including all computer records, programs, storage media and computer software useful or required in connection therewith (the "Receivables"), and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such Receivables, and any and all such leases, security agreements and other contracts (the "Related Contracts");

(d) All rights under all contracts or agreements to which such Securing Party is a party (other than contracts or agreements which by their terms expressly prohibit the granting of any lien, charge, claim or encumbrance of any nature whatsoever ("Lien") thereon);

(e) All trademarks, trade names, trade styles, service marks, prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, together with the goodwill associated therewith, and all reissues, amendments, extensions or renewals thereof and all licenses thereof (the "Trademarks");

(f) All copyrights, copyrighted works or any item which embodies such copyrighted work of the United States or any other country, all applications therefor, all right, title and interest therein and thereto, and all registrations and recordings thereof,

including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and all derivative works, extensions or renewals thereof (the "Copyrights");

(g) All letters patent of the United States or any other country, and all applications therefor, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and all reissues, continuations, divisionals, continuations-in-part or extensions thereof and all licenses thereof (the "Patents");

(h) All other tangible and intangible personal property and fixtures; and

(i) All proceeds of any and all of the foregoing Collateral (including, without limitation, proceeds which constitute property of the types described in clauses (a) through (h) of this Section 1) and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Parties are the loss payees thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing items.

SECTION 2. Security for Obligations. The Collateral secures the prompt and complete payment when due of (i) the outstanding principal and interest on the Notes, (ii) all other obligations of the Securing Parties under the Note Purchase Agreement and the Notes, and (iii) all obligations of the Securing Parties to the Secured Parties hereunder (collectively, the "Secured Obligations").

SECTION 3. The Securing Parties Remain Liable. Anything herein to the contrary notwithstanding, (a) the Securing Parties shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of their respective duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, (b) the exercise by the Secured Parties of any of the rights hereunder shall not release the Securing Parties from any of their respective duties or obligations under the contracts and agreements included in the Collateral, and (c) the Secured Parties shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall the Secured Parties be obligated to perform any of the obligations or duties of the Securing Parties thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Each of the Securing Parties represents and warrants to the Secured Parties as follows:

(a) All of the Equipment and Inventory (i) were acquired in the ordinary course of business and (ii) are located at the places specified in Schedule I hereto. The chief place of business and chief executive office of each Securing Party and the office

where each Securing Party keeps its records concerning Receivables are located at the address specified on Schedule I hereto. All originals of all chattel paper which evidence Receivables have been delivered to the Secured Parties. None of the Receivables is evidenced by a promissory note or other instrument.

(b) The Securing Parties own the Collateral free and clear of any Lien, except for the security interest created by this Security Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except for financing statements filed in favor of the Secured Parties relating to this Security Agreement.

(c) Each Securing Party conducts no business under any name or trade name other than its proper corporate name.

(d) The Securing Parties have exclusive possession and control of the Equipment and Inventory.

(e) Each of the Securing Parties material Related Contracts are in full force and effect, and the Securing Parties and, to the Securing Parties' knowledge, the other persons to each such Related Contract have performed in all material respects their respective obligations under each such Related Contract.

(f) Schedule II sets forth a complete and correct list of all Patents, Trademarks and Copyrights owned by each Securing Party on the date hereof. Such Securing Party has the right to use all Patents, Trademarks, and Copyrights and all computer programs and other rights, free from materially burdensome restrictions, which are necessary for the operation of its business as presently conducted. Except as set forth on Schedule 4(f) hereto, there is not pending or threatened any claim or litigation against or affecting any Securing Party contesting the validity of any of the Patents, Trademarks or Copyrights or computer program or other right.

(g) This Security Agreement creates a valid first priority Lien in the Collateral, securing the payment of the Secured Obligations, and all other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(h) No authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory agency or authority is required (1) for the grant by the Securing Parties of the security interest granted hereby or (2) for the execution, delivery or performance of this Security Agreement by the Securing Parties or (3) for the perfection of or the exercise by the Secured Parties of their respective rights and remedies hereunder.

SECTION 5. Further Assurances.

(a) Each Securing Party agrees that from time to time, at the expense of such Securing Party, such Securing Party will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Secured Parties may reasonably request, in order to perfect and

protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Securing Party will: (1) mark conspicuously each document and agreement included in the Collateral and, at the request of the Secured Parties, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Secured Parties indicating that such Collateral is subject to the security interest granted hereby; (2) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver such promissory note or other instrument or chattel paper to Pequot Private Equity Fund II, L.P., to hold for the benefit of the Secured Parties, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Parties; and (3) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Parties may request, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(b) Each Securing Party hereby authorizes the Secured Parties 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 Securing Party where permitted by law. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Securing Parties will furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties may reasonably request, all in reasonable detail.

(d) The Securing Parties will defend the Collateral against all claims and demands of all persons (other than the Secured Parties) claiming an interest therein. The Securing Parties will 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 where there is a good faith contest to the validity thereof. In connection with any such good faith contest the Securing Parties will, at the request of the Secured Parties, promptly provide a bond, cash deposit or other security reasonably satisfactory to protect the security interest of the Secured Parties should such good faith contest be unsuccessful.

SECTION 6. As to Equipment, Inventory and Trademarks. The Securing Parties shall:

(a) Keep the Equipment and Inventory (other than Inventory sold in the ordinary course of business) at the places therefor specified in Schedule I hereto or, upon 30 days' prior written notice to the Secured Parties, at such other places in jurisdictions where all action required by Section 5 shall have been taken with respect to the Equipment and Inventory;

(b) Cause the Equipment necessary for the conduct of its business to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and shall forthwith, or in the case of any loss or damage to any of the Equipment as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end;

(c) Permit the Secured Parties or any agent thereof to have access to the Inventory and Equipment for purposes of inspection during normal business hours and upon reasonable notice to the Securing Parties;

(d) Promptly notify the Secured Parties in writing of any material loss or damage to the Inventory or Equipment;

(e) Not sell, assign, lease, mortgage, transfer or otherwise dispose of any interest in the Inventory or Equipment, except in the ordinary course of business;

(f) Not use or permit the Inventory or Equipment to be used for any unlawful purpose or in violation of any law or for hire;

(g) Not permit the Equipment to become a part of or to be affixed to any real property of any person;

(h) Advise the Secured Parties of all Trademarks, Patents and Copyrights or applications for or registration of the same, created or obtained by any Securing Party on or after the date of this Security Agreement; and

(i) Take all reasonable steps to maintain and enforce the Trademarks, Patents and Copyrights material to the conduct of its business, including but not limited to (1) payment of all fees, (2) prosecuting infringers if failure to do so would materially and adversely affect the business of the Securing Parties and (3) diligently pursuing any application or registration material to the business of the Securing Parties.

SECTION 7. Insurance.

(a) The Securing Parties shall, at their own expense, maintain insurance with respect to the Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be reasonably satisfactory to the Secured Parties from time to time.

(b) Reimbursement under any liability insurance maintained by the Securing Parties pursuant to this Section 7 may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Equipment or Inventory when subsection (c) of this Section 7 is not applicable, the Securing Parties shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance maintained by the Securing Parties pursuant to this Section 7 shall be paid to the Securing Parties as reimbursement for the costs of such repairs or replacements.

(c) Upon the occurrence of any Default (as defined in the Notes), all insurance payments in respect of such Equipment or Inventory shall be paid to the Secured Parties and applied on a pro rata basis to payment of the amounts due under the Note Purchase Agreement, the Notes and hereunder.

SECTION 8. As to Receivables.

(a) The Securing Parties shall keep the Receivables (except the originals of all chattel paper which evidences such Receivables, which shall have been delivered to the Secured Parties) at its chief place of business and chief executive office and the office where it keeps its records concerning the Receivables, at the location therefor specified in Schedule I hereto or, upon 30 days' prior written notice to the Secured Parties, at such other locations in a jurisdiction where all action required by Section 5 shall have been taken with respect to Receivables. The Securing Parties will hold and preserve such records and will permit representatives of the Secured Parties to inspect and make abstracts from such records.

(b) Except as otherwise provided in this subsection (b), the Securing Parties shall continue to collect, at its own expense, all amounts due or to become due to the Securing Parties under the Receivables. In connection with such collections, the Securing Parties may take (and, at the discretion of the Secured Parties, shall take) such action as the Securing Parties or the Secured Parties may deem necessary or advisable to enforce collection of the Receivables; provided, however, that the Secured Parties shall have the right at any time, upon the occurrence and during the continuance of a Default upon written notice to the Securing Parties of its intention to do so, to notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Secured Parties and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Securing Parties thereunder directly to the Secured Parties and, upon such notification and at the expense of the Securing Parties, to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Securing Parties might have done. After receipt by the Securing Parties of the notice from the Secured Parties referred to in the proviso to the preceding sentence and as long as there is a Default, (1) all amounts and proceeds (including instruments) received by the Securing Parties in respect of the Receivables shall be received in trust for the benefit of the Secured Parties hereunder, shall be segregated from other funds of the Securing Parties and shall be forthwith paid over to the Secured Parties in the same form as so received (with any necessary endorsement) to be held as cash collateral, or be applied as provided by Section 13(b), as determined by the Secured Parties, and (2) the Securing Parties shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon, other than any discount allowed for prompt payment.

SECTION 9. Transfer and Other Liens. The Securing Parties shall not:

(a) Sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except in the ordinary course of business.

(b) Except for purchase money financing in the ordinary course of business, create or suffer to exist any Lien upon or with respect to any of the Collateral to secure debt of any person.

SECTION 10. Secured Parties Appointed Attorney-in-Fact. The Securing Parties hereby irrevocably appoints each Secured Party as the Securing Parties' attorney-in-fact, with full authority in the place and stead of the Securing Parties and in the name of the Securing Parties, the Secured Parties or otherwise, to, after the occurrence and during the continuance of a Default, take any action and to execute any instrument which the Secured Parties may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Secured Parties pursuant to Section 7;

(b) to ask, demand, collect, sue for, recover, compromise, 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, assign, and collect any and all checks, notes, drafts and other negotiable and non-negotiable instruments, documents and chattel paper, in connection with clause (a) or (b) above, and the Securing Parties waive notice of presentment, protest and non-payment of any instrument, document or chattel paper so endorsed or assigned;

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

(e) to sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds or avails thereof, as fully and effectually as if the Secured Parties were the absolute owner thereof.

Each Securing Party hereby ratifies and approves all acts, other than those which result from the Secured Parties' gross negligence or willful misconduct, of the Secured Parties, as its attorney in-fact, pursuant to this Section 10; and the Secured Parties, as its attorney in-fact, will not be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law other than those which result from the Secured Parties' gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable so long as this Security Agreement remains in effect.

Each Securing Party also authorizes the Secured Parties, at any time and from time to time, after the occurrence and during the continuance of a Default, to communicate in its own name with any party to any contract, agreement or instrument included in the Collateral with regard to the assignment of such contract, agreement or instrument and other matters relating thereto.

SECTION 11. Secured Parties May Perform. If the Securing Parties fail to perform any agreement contained herein, the Secured Parties may themselves perform, or cause performance of, such agreement, and the expenses of the Secured Parties incurred in connection therewith shall be payable by the Securing Parties under Section 14(b).

SECTION 12. The Secured Parties' Duties. The powers conferred on the Secured Parties hereunder are solely to protect their interest in the Collateral and shall not impose any duty upon them to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Parties shall not have any 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.

SECTION 13. Remedies. If any Default shall have occurred, then during the continuance of such Default:

(a) The Secured Parties may exercise in respect of the Collateral, in addition to 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 (the "Code") (whether or not the Code applies to the affected Collateral) and also may (i) require each Securing Party to, and such Securing Party hereby agrees that it will at its expense and upon the request of the Secured Parties forthwith, assemble all or part of the Collateral as directed by the Secured Parties and make it available to the Secured Parties at a place to be designated by the Secured Parties which is reasonably convenient to both parties and (ii) to enter the premises where any of the Collateral is located and take and carry away the same, by any of its representatives, with or without legal process, to Secured Parties' place of storage, and (iii) 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 the Secured Parties' offices or elsewhere, for cash, on credit or for future delivery and upon such other terms as the Secured Parties may deem commercially reasonable. Each Securing Party agrees that, to the extent notice of sale shall be required by law, at least five (5) days' notice to such Securing Party of the time and place of any public or private sale is to be made shall constitute reasonable notification. The Secured Parties shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Parties 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 it was so adjourned.

(b) All cash proceeds received by the Secured Parties in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Secured Parties, be held by the Secured Parties as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Secured Parties pursuant to Section 14) in whole or in part by the Secured Parties against, all or any part of Secured Obligations in such order as the Secured Parties shall elect. Any surplus of such cash or cash proceeds held by the Secured Parties and remaining after payment in full of all the Secured Obligations to the Secured Parties shall be paid

over to the Securing Parties. If the proceeds of the sale of the Collateral are insufficient to pay all of the Secured Obligations the Securing Parties agree to pay upon demand any deficiency to the Secured Parties.

SECTION 14. Indemnity and Expenses.

(a) The Securing Parties agree to indemnify the Secured Parties from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from any Secured Party's gross negligence or willful misconduct.

(b) The Securing Parties will upon demand pay to each of the Secured Parties the amount of any and all expenses, including the reasonable fees and out of pocket disbursements of its counsel and of any experts and agents, which such Secured Party may incur in connection with (1) filing or recording fees incurred in connection with this Security Agreement, (2) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (3) the exercise or enforcement of any of the rights of the Secured Parties, or (4) the failure by the Securing Parties to perform or observe any of the provisions hereof. The Secured Parties shall not be liable to the Securing Parties for damages as a result of delays, temporary withdrawals of the Equipment from service or other causes other than those caused by the Secured Parties' gross negligence or willful misconduct.

SECTION 15. Amendments; Etc. No amendment or waiver of any provision of this Security Agreement nor consent to any departure by the Securing Parties herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be (i) mailed by registered or certified mail, postage prepaid, (ii) delivered by reliable overnight courier service, or (iii) otherwise delivered by hand or by messenger, addressed (A) if to a Secured Party, to the address set forth on Exhibit A to the Note Purchase Agreement, or at such other address as any Secured Party shall have furnished to the Securing Parties in writing, or (B) if to the Securing Parties, to 739 Bryant Street, San Francisco, California 94107, Attention: Bart Penfold and Rachel Fierberg, or at such other address as the Securing Parties shall have furnished to the Secured Parties in writing. All such notices and communications shall be effective upon receipt.

SECTION 17. Continuing Security Interest; Transfer of Notes. This Security Agreement shall create a continuing security interest in the Collateral and shall (1) remain in full force and effect until payment in full of the Secured Obligations, (2) be binding upon the Securing Parties and their successors and assigns, and (3) inure to the benefit of the Secured Parties and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (3), a Secured Party may assign or

otherwise transfer all or a portion of its rights and obligations under the Note Purchase Agreement and/or the Notes to any other person and such other person shall thereupon become vested with all the benefits in respect thereof granted to the Secured Parties herein or otherwise. Upon the payment in full of the Secured Obligation, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Securing Parties. Upon any such termination, the Secured Parties will, at the Securing Parties' expense, execute and deliver to the Securing Parties such Uniform Commercial Code termination statements and such other documentation as the Securing Parties shall reasonably request to effect the termination and release of the Liens on the Collateral.

SECTION 18. Governing Law; Terms. This Security Agreement shall be governed by and construed in accordance with the laws of the State of California, except to the extent that the validity or 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 California. Unless otherwise defined herein or in the Notes, terms used in Article 9 of the Uniform Commercial Code in the State of California are used herein as therein defined.

SECTION 19. Covenant Relating to Bank Line of Credit. The Securing Parties represent and warrant to the Secured Parties that the amount of the outstanding principal under the \$20,000 line of credit agreement, dated September 8, 1997, between WestAmerica Bank, as lender, and the Subsidiary Guarantor, as borrower, as of the date hereof is \$6,200. The Subsidiary Guarantor agrees not to make any further borrowings on such line of credit.


SECTION 20. Miscellaneous. This Security Agreement is in addition to and not in limitation of any other rights and remedies the Secured Parties may have by virtue of any other instrument or agreement heretofore, contemporaneously herewith or hereafter executed by the Securing Parties or by law or otherwise. If any provision of this Security Agreement is contrary to applicable law, such provision shall be deemed ineffective without invalidating the remaining provisions hereof. If and to the extent that applicable law confers any rights in addition to any of the provisions of this Security Agreement, the affected provision shall be considered amended to conform thereto. The Secured Parties shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder. A waiver by the Secured Parties of any right or remedy hereunder on any one occasion, shall not be construed as a bar to or waiver of any such right or remedy which the Secured Parties would have had on any future occasion nor shall the Secured Parties be liable for exercising or failing to exercise any such right or remedy. This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and the parties hereto may execute this Security Agreement by signing any such counterpart. Facsimile execution and delivery of this Security Agreement shall be legal, valid and binding execution and delivery for all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

COMPANY:

CAREGUIDE, INC.

By: _____



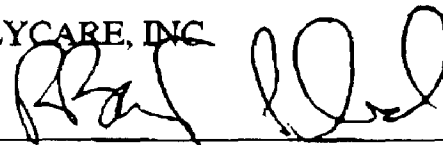
Name: Bart Penford

Title: President & CEO.

SUBSIDIARY GUARANTOR:

FAMILYCARE, INC

By: _____



Name:

Title:

SECURED PARTIES:

PEQUOT PRIVATE EQUITY
FUND II, L.P.

By: Pequot Capital Management, Inc.,
its Investment Manager

By: _____

Kevin E. O'Brien, General Counsel

PEQUOT VENTURE PARTNERS II, L.P.

By: Pequot Capital Management, Inc.,
its Investment Manager

By: _____

Kevin E. O'Brien, General Counsel

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

COMPANY:

CAREGUIDE, INC.

By: _____
Name:
Title:

SUBSIDIARY GUARANTOR:

FAMILYCARE, INC.

By: _____
Name:
Title:

SECURED PARTIES:

PEQUOT PRIVATE EQUITY
FUND II, L.P.

By: Pequot Capital Management, Inc.,
its Investment Manager

By: Kevin E. O'Brien
Kevin E. O'Brien, General Counsel

PEQUOT VENTURE PARTNERS II, L.P.

By: Pequot Capital Management, Inc.,
its Investment Manager

By: Kevin E. O'Brien
Kevin E. O'Brien, General Counsel

PVP II CAREGUIDE CON NOTE
GRANTOR TRUST

By: Pequot Capital Management, Inc.,
its Trustee

By: Kevin E. O'Brien
Kevin E. O'Brien, General Counsel

PVP II CAREGUIDE CON NOTE 2
GRANTOR TRUST

By: Pequot Capital Management, Inc.,
its Trustee

By: Kevin E. O'Brien
Kevin E. O'Brien, General Counsel

SCHEDULE I
to Security Agreement

Place of Business and Locations of Collateral

Chief Place of Business
and Chief Executive Office:

CareGuide, Inc. and FamilyCare, Inc.:

739 Bryant Street
San Francisco, California 94107

Locations of Equipment:

CareGuide, Inc.:

739 Bryant Street
San Francisco, California 94107

c/o Colo.com
650 Townsend Street
San Francisco, California 94107

c/o Level 3
China Basin
185 Berry Street, #1820
San Francisco, California 94107

FamilyCare, Inc.:

5820 Stone Ridge Mall Road
Suite 230
Pleasanton, California 94588

Locations of Inventory:

Not Applicable

Location of Records
Evidencing Receivables:

CareGuide, Inc. and FamilyCare, Inc.:

739 Bryant Street
San Francisco, California 94107

SCHEDULE II
to Security Agreement

Patents

Registered:

None.

Unregistered:

None.

Trademarks

Registered:

Registrant: CareGuide, Inc. (f/k/a Global CareGuide, Inc.)
Word Mark: CAREGUIDE
Mark Drawing Code: Design plus words, letters, and/or numbers
Country: United States
Serial Number: 75109037
Filing Date: May 23, 1996
Registration Date: November 25, 1997
Type of Mark: Service Mark

Applications:

Applicant: CareGuide, Inc. (f/k/a Global CareGuide, Inc.)
Word Mark: CAREGUIDE
Mark Drawing Code: Typed Drawing
Country: United States
Serial Number: 76010656
Filing Date: March 27, 2000
Type of Mark: Service Mark

Applicant: CareGuide, Inc. (f/k/a Global CareGuide, Inc.)
Word Mark: CAREGUIDE.COM
Mark Drawing Code: Typed Drawing
Country: United States
Serial Number: 76100716
Filing Date: August 1, 2000
Type of Mark: Service Mark

Applicant: CareGuide, Inc. (f/k/a Global CareGuide, Inc.)
Word Mark: CAREGUIDE
Country: United Kingdom
Serial Number: 2244536
Filing Date (by Care Products, Inc.): September 5, 2000
Type of Mark: Trade Mark

Unfiled:

Applicant: CareGuide, Inc. (f/k/a Global CareGuide, Inc.)
Word Mark: Circle of Care
Country: United States

Copyrights

Registered:

None.

Unregistered:

None

SCHEDULE 4(f)
to Security Agreement

Claims or Litigation against Patents, Trademarks or Copyrights

On August 8, 2001 the Company filed a Notice of Opposition to the application for a trademark and service mark on the word mark "LIFEMASTERS CAREGUIDE" by Care Products Inc., filed June 30, 1998. The Company has a pending application for a U.S. service mark for the "CAREGUIDE" mark. Care Products, Inc. has responded that it will not comply with the Company's demand because it does not believe that there is a conflict in the marketplace between the marks.

Although Care Products, Inc. has only been using the "LIFEMASTERS CAREGUIDE" mark since 1998, while the Company has used the "CAREGUIDE" mark since 1996, it is unclear whether the Company will be able to prevail in its opposition to the use of the mark by Care Products, Inc. The Company's original application to register the "CAREGUIDE" logo included an entry of disclaimer acknowledged that the name "CAREGUIDE" is a portion of the mark that is merely descriptive. A word or phrase that is merely descriptive is not subject to trademark protection until it has been used for a sufficient period of time that it has come to be recognized as a trademark by the relevant target audience.

CareGuide, Inc. filed an application for the "CAREGUIDE" mark on March 27, 2000. This application is currently pending.

The United States of America



CERTIFICATE OF REGISTRATION PRINCIPAL REGISTER

The Mark shown in this certificate has been registered in the United States Patent and Trademark Office to the named registrant.

The records of the United States Patent and Trademark Office show that an application for registration of the Mark shown in this Certificate was filed in the Office, that the application was examined and determined to be in compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks, and that the Applicant is entitled to registration of the Mark under the Trademark Act of 1946, as Amended.

A copy of the Mark and pertinent data from the application are a part of this certificate.

This registration shall remain in force for TEN (10) years, unless terminated earlier as provided by law, and subject to compliance with the provisions of Section 8 of the Trademark Act of 1946, as Amended.



Bruce Lehman

Commissioner of Patents and Trademarks

Maintenance Requirements

Section 8: This registration will be cancelled after six (6) years by the Commissioner of Patents and Trademarks, *UNLESS, before the end of the sixth year following the date of registration shown on this certificate*, the registrant files in the U.S. Patent and Trademark Office an affidavit of continued use as required by Section 8 of the Trademark Act of 1946, 15 U.S.C. §1058, as Amended. **It is recommended that the Registrant contact the Patent and Trademark Office approximately five years after the date shown on this registration to determine the requirements and fees for filing a Section 8 affidavit that are in effect at that time.** Currently a fee and a specimen showing how the mark is used in commerce are required for *each* international class of goods and/or services identified in the certificate of registration and both must be enclosed with the affidavit.

Section 9: This registration will expire by law after ten (10) years, *UNLESS, before the end of the tenth year following the date of registration shown on this certificate*, the registrant files in the U.S. Patent and Trademark Office an application for renewal of the registration as required by Section 9 of the Trademark Act of 1946, 15 U.S.C. §1059, as Amended. **It is recommended that the Registrant contact the Patent and Trademark Office approximately nine years after the date shown on this registration to determine the requirements and fees for filing a Section 9 application for renewal that are in effect at that time.** Currently a fee and a specimen showing how the mark is used in commerce are required for *each* international class of goods and/or services identified in the certificate of registration and both must be enclosed with the application for renewal.

Int. Cl.: 42

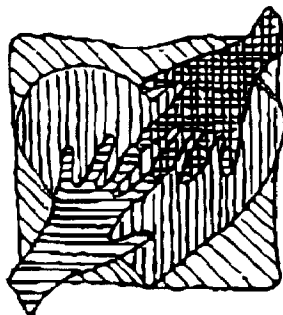
Prior U.S. Cls.: 100 and 101

Reg. No. 2,115,388

United States Patent and Trademark Office

Registered Nov. 25, 1997

SERVICE MARK
PRINCIPAL REGISTER



careguide

CAREGUIDE (CALIFORNIA SOLE PROPRI-
ETORSHIP)
1260 BROADWAY SUITE 103
SAN FRANCISCO, CA 94109

FOR: PROVIDING INFORMATION REGARD-
ING DAYCARE, CHILD CARE, PRESCHOOLS
AND ELDER CARE BY MEANS OF AN INTER-
ACTIVE, ON-LINE COMPUTER DATABASE
VIA THE GLOBAL COMPUTER NETWORK,
IN CLASS 42 (U.S. CLS. 100 AND 101).

FIRST USE 4-15-1996; IN COMMERCE
5-1-1996.

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "CARE GUIDE", APART
FROM THE MARK AS SHOWN.

THE DRAWING IS LINED FOR THE
COLORS GREEN, RED, BLUE, AND YELLOW.

SER. NO. 75-109,037, FILED 5-23-1996.

BARBARA GAYNOR, EXAMINING ATTOR-
NEY



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Typed Drawing

Word Mark CAREGUIDE

Goods and Services IC 042. US 100 101. G & S: providing to visitors and members via a global computer network the following-- informational content regarding day care, child care, elder care, preschools, and health care for the elderly; searchable directories of providers of elder and child care; searchable directories of providers of legal services and information in the field of elder law; a support network for caregivers to children and the elderly; and products and services targeted to caregivers of children and the elderly. FIRST USE: 19960415. FIRST USE IN COMMERCE: 19960501

Mark Drawing Code (1) TYPED DRAWING

Serial Number 76010656

Filing Date March 27, 2000

Owner (APPLICANT) Global Careguide, Inc. CORPORATION CALIFORNIA 180 Howard Street, 1st Floor San Francisco CALIFORNIA 94105

Attorney of Record Dyann L. Kostello

Type of Mark SERVICE MARK

Register PRINCIPAL

Live/Dead Indicator LIVE

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Typed Drawing

Word Mark CAREGUIDE.COM

Goods and Services IC 042. US 100 101. G & S: informational content regarding day care, child care, elder care, preschools, and health related issues for the elderly; searchable directories of providers of elder and child care; searchable directories of providers of legal services and information in the field of elder law; a support network for caregivers of children and the elderly; products and services targeted to caregivers to children and the elderly; a questionnaire to assess elder care needs; and a personalized report of elder care needs. FIRST USE: 19971021. FIRST USE IN COMMERCE: 19971021

Mark Drawing Code (1) TYPED DRAWING

Serial Number 76100716

Filing Date August 1, 2000

Owner (APPLICANT) Global Careguide, Inc. CORPORATION CALIFORNIA 180 Howard Street Fifth Floor San Francisco CALIFORNIA 94105

Attorney of Record Dyann L. Kostello

Type of Mark SERVICE MARK

Register PRINCIPAL

Live/Dead Indicator LIVE

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careguide

Word Mark CAREGUIDE
Goods and Services IC 042. US 100 101. G & S: providing information regarding daycare, child care, preschools and elder care by means of an interactive, on-line computer database via the global computer network. FIRST USE: 19960415. FIRST USE IN COMMERCE: 19960501
Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code 021101 021107 260921 261121
Serial Number 75109037
Filing Date May 23, 1996
Published for Opposition September 2, 1997
Registration Number 2115388
Registration Date November 25, 1997
Owner (REGISTRANT) CareGuide composed of Michael J. Goldberg, a U.S. citizen
 SOLE PROPRIETORSHIP CALIFORNIA 1260 Broadway Suite 103 San Francisco CALIFORNIA 94109
Disclaimer NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CARE GUIDE" APART FROM THE MARK AS SHOWN

Description of Mark The drawing is lined for the colors green, red, blue, and yellow.
Type of Mark SERVICE MARK
Register PRINCIPAL
Live/Dead Indicator LIVE

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