

U.S. DEPARTMENT OF COMMERCE

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

Patent and Trademark Office  
Docket No. 51270.11

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

1. Name of conveying party(ies):  
VITALWORKS INC.

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

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

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

Name: FOOTHILL CAPITAL CORPORATION  
Internal Address: Business Finance Division Manager  
Street Address: 2450 Colorado Avenue, Suite 3000 West  
City: Santa Monica State: CA ZIP: 90404

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

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

3. Nature of conveyance:

Assignment       Merger  
 Security Agreement       Change of Name  
 Other:

Execution Date: March 8, 2002

4. Application number(s) or registration number(s):  
If this document is being filed together with a new application, the execution date of the application is: NA

A. Trademark Application No.(s)	B. Registration No.(s)
75/202,862	2,191,807
75/514,264	2,166,869
76/203,850	2,103,110
76/031,877	2,108,725
76/102,332	2,132,665
76/032,063	

Additional numbers attached?  Yes  No

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

Jennifer Lee Taylor  
Morrison & Foerster LLP  
425 Market Street  
San Francisco, California 94105-2482

6. Total number of applications and trademark registrations involved: 11

7. Total fee (37 C.F.R. § 3.41): \$290

Enclosed  
 Authorized to be charged to deposit account, referencing Attorney Docket No. 51270.11

8. Deposit account number: 03-1952

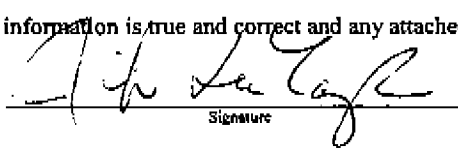
The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 which may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

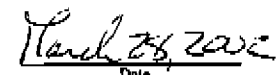
DO NOT USE THIS SPACE

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.

Name: Jennifer Lee Taylor

 \_\_\_\_\_  
Signature

 \_\_\_\_\_  
Date

Total number of pages comprising cover sheet, attachments and document: 17

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

ny-404802

**TRADEMARK SECURITY AGREEMENT**

**by and among**

**VITALWORKS INC.,**

**as Grantor**

**to**

**FOOTHILL CAPITAL CORPORATION,**

**as Lender**

**Dated as of March 8, 2002**

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Schedule I - Trademarks, Registrations and Applications

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TRADEMARK SECURITY AGREEMENT, dated March 8, 2002, made by and between VITALWORKS INC. ("Grantor") and FOOTHILL CAPITAL CORPORATION ("Lender") pursuant to the Loan and Security Agreement (as hereinafter defined).

#### PRELIMINARY STATEMENTS.

(1) The Lender has entered into a Loan and Security Agreement dated as of March 8, 2002 (said agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Loan and Security Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined) with Grantor, as borrower.

(2) It is a condition precedent to the making of the Term Loan by the Lender under the Loan and Security Agreement (or any other extension of credit provided for thereunder) that Grantor shall have granted the assignment and security interest and made the pledge and assignment contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender to make the Term Loan under the Loan and Security Agreement, Grantor hereby agrees with the Lender for its benefit as follows:

SECTION 1. Grant of Security. Grantor hereby assigns and pledges to the Lender for its benefit, and hereby grants to the Lender for its benefit a security interest in, all of Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified in Schedule I attached hereto and made a part hereof, and including without limitation (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (collectively, the "Trademarks"); and

(b) all license agreements with any other person in connection with any of the Trademarks or such other person's names or marks, whether Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule II attached hereto and made a part hereof, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security

interest, and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Loan and Security Agreement) now or hereafter owned by Grantor and now or hereafter covered by such licenses (collectively, the "Licenses").

**SECTION 2. Security for Obligations.** The assignment and pledge of and grant of a security interest in the Trademark Collateral by Grantor pursuant to this Agreement secures the payment of all Obligations of Grantor now or hereafter existing under the Loan Documents, if any, whether for principal, interest, fees, expenses or otherwise (all such Obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by Grantor to the Lender under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Lender or Grantor.

**SECTION 3. Grantor Remains Liable.** Anything herein to the contrary notwithstanding, (a) Grantor shall remain liable under the contracts and agreements included in the Trademark 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 the Lender of any of the rights hereunder shall not release Grantor from any of its duties or obligations under the contracts and agreements included in the Trademark Collateral and (c) Lender shall not have any obligation or liability under the contracts and agreements included in the Trademark Collateral by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

**SECTION 4. Representations and Warranties.** Grantor represents and warrants as to itself and its Trademark Collateral as follows:

(a) Grantor is the sole, legal and beneficial owner of the entire right, title and interest in and to the trademark registrations and applications for registration set forth in Schedule I hereto as being the property of Grantor free and clear of any Lien, except for the security interest created by this Agreement and Permitted Liens. No security agreement, effective financing statement or other instrument similar in effect covering all or any part of the Trademark Collateral, that has not been terminated or released, is on file in any recording office (including, without limitation, the United States Patent and Trademark Office), except such as may have been filed in favor of the Lender relating to this Agreement or any other Loan Document, and Grantor has not consented to the filing of a financing statement under the Uniform Commercial Code or the filing of any document or notice similar in effect, that has not been released or terminated, with the United States Patent and Trademark Office covering all or any part of the Trademark Collateral other than as contemplated hereby and thereby.

(b) Set forth in Schedule I is a complete and accurate list of the material trademark registrations and applications for registration owned by Grantor. Grantor has made all necessary filings and recordations to protect and maintain its interest in the trademark registrations and applications for registration set forth in Schedule I, including, without limitation, all necessary filings and recordings in the United States Patent and Trademark Office.

Set forth in Schedule II is a complete and accurate list of the material Licenses owned by Grantor in which Grantor is (i) a licensor or (ii) a licensee.

(c) Each trademark registration and application for registration of Grantor set forth in Schedule I is subsisting and as of the date of this Agreement has not been finally adjudged invalid, unregistrable or unenforceable, in whole or in part, and, to the best of Grantor's knowledge, is valid, registrable and enforceable. Each License of Grantor identified in Schedule II is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of Grantor's knowledge, is valid and enforceable. Grantor has notified the Lender in writing of all uses of any item of Trademark Collateral of which Grantor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Trademark Collateral, other than any such uses that would not have a Material Adverse Change.

(d) Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Trademark Collateral that has not been terminated or released, except where such assignment, sale, transfer or agreement would not have a Material Adverse Change. Grantor has not granted any license (other than those listed on Schedule II hereto), release, covenant not to sue, or non-assertion assurance to any person with respect to any part of the Trademark Collateral so as to have a Material Adverse Change.

(e) No consent of any other person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party in the United States is required either (A) for the grant by Grantor of the assignment and security interest granted hereby or for the execution, delivery or performance of this Agreement by Grantor, (B) for the perfection or maintenance of the pledge, assignment and security interest created hereby (including the first priority nature of such pledge, assignment or security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and filings with the United States Patent and Trademark Office, which financing statements and filings have been duly filed, or (C) for the exercise by the Lender of its rights provided for in this Agreement or the remedies in respect of the Trademark Collateral pursuant to this Agreement.

(f) Except for the licenses listed on Schedule II hereto, Grantor has no knowledge of the existence of any right or any claim that is likely to be made under any item of Trademark Collateral contained on Schedule I.

(g) No claim has been made and is continuing or threatened that the use by Grantor of any item of Trademark Collateral is invalid or unenforceable or that the use by Grantor of any Trademark Collateral does or may violate the rights of any person, other than any such claim which would not have a Material Adverse Change. To the best of Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Trademark Collateral contained on Schedule I.

(h) Grantor uses consistent standards of quality in all material respects in the manufacture, distribution and sale of all products sold and provision of all services provided under or in connection with any item of Trademark Collateral contained on Schedule I and has taken all steps necessary to ensure that all licensed users of any item of Trademark Collateral contained on Schedule I use such consistent standards of quality.

(i) Grantor has no knowledge of the existence of any trademark or license agreement held or claimed by any other person that would preclude Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the Trademark Collateral (except, in each case, to the extent that Grantor has granted an exclusive license to another person), or that would interfere with the ability of Grantor to carry on its business as currently carried on, and Grantor has no knowledge of any claim that is likely to be made that if upheld would preclude or interfere with the business of Grantor as currently carried on under any of the Trademark Collateral, other than any such trademark, license agreement or claim that would not have a Material Adverse Change.

**SECTION 5. Further Assurances.** (a) Grantor shall from time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Lender may request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any part of the Trademark Collateral. Without limiting the generality of the foregoing, Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as Lender, in its Permitted Discretion, deems necessary or desirable, or as the Lender may request, in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby.

(b) Grantor hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Trademark Collateral without the signature of Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Trademark Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

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

(d) Grantor agrees that, should it obtain an ownership interest in any trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, or application for trademark or service mark registration, or license, which is not now a part of the Trademark Collateral, (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such trademark, service mark, trade name, trade dress, indicia of trade origin, trademark or service mark registration or application for trademark or service mark registration, together with the goodwill of the business connected with the use of same and symbolized by same, or license, shall automatically become part of the Trademark

Collateral, and (iii) with respect to any ownership interest in any trademark or service mark registration, or application for trademark or service mark registration that Grantor should obtain, it shall give prompt written notice thereof to the Lender in accordance with Section 13 hereof. Grantor authorizes the Lender to modify this Agreement by amending Schedules I and II (and will cooperate reasonably with the Lender in effecting any such amendment) to include any trademark or service mark registration or application for trademark or service mark registration, or License, which becomes part of the Trademark Collateral under this Section.

(e) With respect to each trademark or service mark registration, application for trademark or service mark registration, and License, Grantor agrees, subject to the last sentence of this subsection, to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (i) maintain each such trademark or service mark registration, application for trademark or service mark registration, and License, and (ii) pursue each such application for trademark or service mark registration, now or hereafter included in the Trademark Collateral, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of applications for renewal, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, and the participation in opposition, cancellation and infringement and misappropriation proceedings. Grantor agrees to take corresponding steps with respect to each new or acquired trademark or service mark registration, application for trademark or service mark registration, or License to which it is now or later becomes entitled. Any expenses incurred in connection with such activities shall be borne by Grantor. Grantor shall not discontinue use of or otherwise abandon any trademark or service mark, or abandon any right to file an application for registration thereof, or abandon any pending application for registration or registration of any trademark or service mark, without the written consent of the Lender, unless Grantor shall have previously determined that such use or the pursuit or maintenance of such application or registration is no longer desirable in the conduct of Grantor's business and that the loss thereof will not have a Material Adverse Change, in which case, Grantor will give notice of any such abandonment to the Lender pursuant to the terms of Section 13 hereof.

(f) Grantor agrees to notify the Lender promptly and in writing if it learns (i) (x) that any item of the Trademark Collateral contained on Schedule I may be determined to have become abandoned or dedicated or (y) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any item of the Trademark Collateral, and (ii) that such event would have a Material Adverse Change.

(g) In the event that Grantor becomes aware that any item of the Trademark Collateral is infringed or misappropriated by a third party, Grantor shall promptly notify the Lender and shall take such actions as Grantor or the Lender deems appropriate under the circumstances to protect such Trademark Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation, unless any such infringement or misappropriation would not have a Material Adverse Change. Any expense incurred in connection with such activities shall be borne by Grantor.



(h) Grantor shall to the extent it deems reasonable in its best business judgment use proper statutory notice in connection with its use of each of its federally registered trademarks and service marks contained in Schedule I, and use the notice designation "TM" or "SM", as applicable, in connection with its use of its adopted trademarks and service marks that are not federally registered.

(i) Grantor shall take all steps which it or the Lender deems appropriate under the circumstances to preserve and protect its Trademark Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with the Trademark Collateral, consistent with the quality and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of said Trademark Collateral use consistent standards of quality.

**SECTION 6. Transfers and Other Liens.** Grantor shall not (a) except for Permitted Dispositions, sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any item of the Trademark Collateral that would have a Material Adverse Change or (b) create or suffer to exist any Lien upon or with respect to any of the Trademark Collateral except for the pledge, assignment, and security interest created by this Agreement or Permitted Liens.

**SECTION 7. Lender Appointed Attorney-in-Fact.** Grantor hereby irrevocably appoints the Lender as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, from time to time in the Lender's discretion after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, 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 Trademark Collateral,

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

(c) to file any claims or take any action or institute any proceedings that the Lender may deem necessary or desirable for the collection of any payments relating to any of the Trademark Collateral or otherwise to enforce the rights of the Lender with respect to any of the Trademark Collateral.

To the extent permitted by law, Grantor hereby ratifies all that the Lender shall lawfully do or cause to be done as attorney-in-fact for Grantor. This power of attorney is a power coupled with an interest and is irrevocable.

**SECTION 8. The Lender May Perform.** If Grantor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement after reasonable notice to Grantor to the extent practicable, and the expenses of the Lender incurred in connection therewith shall be payable by Grantor under Section 11.

**SECTION 9. The Lender's Duties.** The powers conferred on the Lender hereunder are solely to protect its interest in the Trademark Collateral and shall not impose any duty upon the Lender to exercise any such powers. Except for the safe custody of any Trademark Collateral in its possession and the accounting for any moneys actually received by it hereunder, the Lender shall have no duty as to any Trademark Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Trademark Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Trademark Collateral in its possession if such Trademark Collateral is accorded treatment substantially equal to that which the Lender accords its own property.

**SECTION 10. Remedies.** If any Event of Default shall have occurred and be continuing and if the Lender has taken or is taking remedial actions in respect of the Collateral that is Inventory or Accounts:

(a) The Lender may exercise in respect of the Trademark Collateral, in addition to other rights and remedies provided for herein or otherwise available to it and to the fullest extent permitted by law, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "N.Y. Uniform Commercial Code") (whether or not the N.Y. Uniform Commercial Code applies to the affected Trademark Collateral) and also may (i) require Grantor to, and Grantor hereby agrees that it will at its expense and upon request of the Lender forthwith, assemble all or part of the documents and things embodying the Trademark Collateral as directed by the Lender and make them available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties, (ii) occupy any premises owned or leased by Grantor where documents and things embodying the Trademark Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Lender's rights and remedies hereunder or under law, without obligation to Grantor in respect of such occupation, and (iii) without notice except as specified below, sell the Trademark Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the business connected with and symbolized by any Trademark Collateral subject to such disposition shall be included, and Grantor shall supply to the Lender or its designee Grantor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Trademark Collateral subject to such disposition, and Grantor's customer lists and other records and documents relating to such Trademark Collateral and to the manufacture, distribution, advertising and sale of such products and services. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to 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. The Lender shall not be obligated to make any sale of Trademark Collateral regardless of notice of sale having been given. The Lender 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.

(b) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Trademark Collateral may, in the

discretion of the Lender, be held by the Lender as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Lender pursuant to Section 11) in whole or in part by the Lender against, all or any part of the Secured Obligations in such order as the Lender shall elect. Any surplus of such cash or cash proceeds held by the Lender and remaining after payment in full of all the Secured Obligations shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Lender may exercise any and all rights and remedies of Grantor under or otherwise in respect of the Trademark Collateral.

(d) All payments received by Grantor under or in connection with any of the Trademark Collateral shall be received in trust for the benefit of the Lender, shall be segregated from other funds of Grantor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement).

**SECTION 11. Indemnity and Expenses.** (a) Grantor agrees to indemnify the Lender from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Lender's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Grantor will upon demand pay to the Lender the amount of any and all reasonable third-party expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Lender 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 Trademark Collateral, (iii) the exercise or enforcement of any of the rights of the Lender hereunder or (iv) the failure by Grantor to perform or observe any of the provisions hereof.

**SECTION 12. Amendments, Waivers, Etc.** No amendment or waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender and, in the case of an amendment, by Grantor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Lender to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**SECTION 13. Addresses for Notices.** All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication), and mailed, telegraphed, telecopied, telexed, cabled or delivered to Grantor, addressed to it at its address specified in the Loan and Security Agreement or to the Lender, addressed to it at its address specified in the Loan and Security Agreement or, as to either party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 13. All such notices and other communications shall, when mailed, telecopied, telegraphed, telexed or cabled, respectively, be

effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answerback, or delivered to the cable company, respectively, addressed as aforesaid.

**SECTION 14. Continuing Security Interest; Assignments Under the Loan and Security Agreement.** This Agreement shall create a continuing security interest in the Trademark Collateral and shall (a) remain in full force and effect until the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, (b) be binding upon Grantor, its successors and assigns and (c) inure to the benefit of the Lender and its respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan and Security Agreement, to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise, in each case as provided in Section 14 of the Loan and Security Agreement.

**SECTION 15. Release and Termination.** (a) Upon any sale, lease, transfer or other disposition of any item of Trademark Collateral in accordance with the terms of the Loan Documents (other than sales of Inventory in the ordinary course of business), the Lender will, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence the release of such item of Trademark Collateral from the assignment and security interest granted hereby; provided, however, that (i) at the time of such request and such release and after giving effect thereto no Default shall have occurred and be continuing, (ii) Grantor shall have delivered to the Lender, at least ten Business Days prior to the date of the proposed release, a written request for release describing the item of the Trademark Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Lender and a certification by Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Lender may request and (iii) the proceeds of any such sale, lease, transfer or other disposition required to be applied in accordance with Section 2.4 of the Loan and Security Agreement shall be paid to, or in accordance with the instructions of, the Lender at the closing.

(b) Upon the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, the pledge, assignment, and security interest granted hereby shall terminate and all rights to the Trademark Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof shall revert to Grantor. Upon any such termination, the Lender will, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination.

**SECTION 16. Governing Law; Terms.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR TRADEMARK COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW

**YORK. Unless otherwise defined herein or in the Loan and Security Agreement, terms used in Article 9 of the N.Y. Uniform Commercial Code are used herein as therein defined.**

**SECTION 17. Consent to Jurisdiction. Grantor agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of New York or any federal court sitting therein and consents to the non-exclusive jurisdiction of any such court and to service of process in any such suit being made upon Grantor by mail at the address specified in the Loan and Security Agreement. Grantor hereby waives any objection that it may now or hereafter have to venue of any such suit or any such court or that such suit is brought in an inconvenient forum.**

**SECTION 18. Waiver of Jury Trial. Grantor hereby irrevocably waives all rights to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement, the transactions contemplated hereby or the actions of the Lender in the negotiation, administration, performance or enforcement hereof.**

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed and delivered by an officer thereunto duly authorized as of the date first above written.

VITALWORKS INC., a Delaware corporation, as Grantor

By: [Signature]  
Title: EXEC. VP & CFO

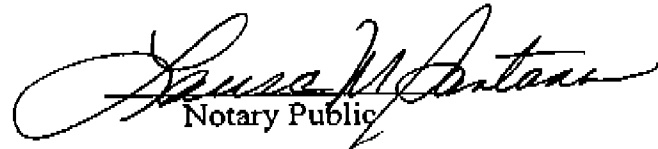
Agreed and consented to as of the date first above written:

FOOTHILL CAPITAL CORPORATION, a California corporation, as Lender

By: [Signature]  
Title: V.P.

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On the \_\_\_ day of March, 2002, before me personally came  
Michael Mawto to me known, who, being by me duly sworn, did  
depose and say he resides at  
26 Silver Spring Lane  
Ridgefield, CT 06877 and that he is the  
CEO of VITALWORKS INC., the corporation described in and which  
executed the above instrument; that he has been authorized to execute said instrument on behalf  
of said corporation; and that he signed said instrument on behalf of said corporation pursuant to  
said authority.

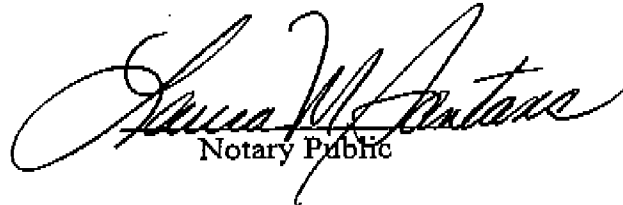
  
Notary Public

[Notarial Seal]

**LAURA M. SANTANA**  
Notary Public, State Of New York  
No. 015A5067242  
Qualified In Westchester County  
Commission Expires October 15, 2002

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On the 8th day of March, 2002, before me personally came  
Cheri Mac Donald to me known, who, being by me duly sworn, did depose  
and sayshe resides at 6556 Blucher Avenue  
Van Nuys, CA 91406 and thatshe is the  
Vice President of FOOTHILL CAPITAL CORPORATION, the corporation  
described in and which executed the above instrument; thathe has been authorized to execute  
said instrument on behalf of said corporation; and thatshe has signed said instrument on behalf of  
said corporation pursuant to said authority.

  
Notary Public

[Notarial Seal]

**LAURA M. SANTANA**  
Notary Public, State Of New York  
No. 015A5067242  
Qualified In Westchester County  
Commission Expires October 15, 2002

**SCHEDULE I: TRADEMARKS, REGISTRATIONS AND APPLICATIONS**

CHARTNOTE	CLASS 9: COMPUTER SOFTWARE FOR CREATING, MAINTAINING, DISTRIBUTING AND/OR RETRIEVING MEDICAL RECORDS, CLINICAL INFORMATION AND BILLING INFORMATION, AND ACCOMPANYING INSTRUCTION MANUALS SOLD THEREWITH
CHARTSTATION	CLASS 9: ELECTRONIC MEDICAL RECORD SOFTWARE INCLUDING THE CAPABILITY TO SUPPORT THE DOCUMENTATION AND PRODUCTION OF MEDICAL RECORDS
EMSTATION	CLASS 9: ELECTRONIC MEDICAL RECORD SOFTWARE INCLUDING THE CAPABILITY TO SUPPORT THE DOCUMENTATION AND PRODUCTION OF MEDICAL RECORDS; SPECIFICALLY, FOR EMERGENCY PHYSICIANS
EYESTATION	CLASS 9: ELECTRONIC MEDICAL RECORD KEEPING SOFTWARE WITH THE CAPABILITY TO SUPPORT THE DOCUMENTATION AND PRODUCTION OF MEDICAL RECORDS, SPECIFICALLY FOR OPHTHALMOLOGISTS
FPSTATION	CLASS 9: COMPUTER SOFTWARE COMPRISING A DATABASE OF MEDICAL CLINICAL PROTOCOLS AND CLINICAL NOTE TEMPLATES
INFOMINE	CLASS 9: COMPUTER SOFTWARE USED TO ANALYTICALLY PROCESS MEDICAL PRACTICE DATA
RADCONNECT	CLASS 9: COMPUTER SOFTWARE AND ACCOMPANYING DOCUMENTATION; COMPUTER SOFTWARE FOR COMMUNICATING RADIOLOGICAL STUDIES, NAMELY IMAGES AND REPORTS, OVER A COMPUTER NETWORK
VITALWORKS	CLASS 42: MAINTAINING PERSONAL MEDICAL HISTORY RECORDS AND FILES FOR INDIVIDUALS
VITALWORKS	CLASS 9: MEDICAL PRACTICE MANAGEMENT SOFTWARE
VITALWORKS (DESIGN)	CLASS 9: COMPUTER SOFTWARE FOR MEDICAL PRACTICE MANAGEMENT CLASS 35: MEDICAL PRACTICE MANAGEMENT SERVICES
WHERE DOCTORS GET CONNECTED	CLASS 9: COMPUTER SOFTWARE FOR MEDICAL PRACTICE MANAGEMENT; ENTERPRISE PRACTICE MANAGEMENT SOFTWARE FOR PHYSICIAN'S OFFICES AND MEDICAL INSTITUTIONS; WIRELESS HANDHELD DATA ENTRY TERMINALS FOR USE IN PHYSICIAN'S OFFICES AND MEDICAL INSTITUTIONS; MEDICAL DATA REPORTING AND ANALYSIS SOFTWARE; COMPUTER SOFTWARE FOR RADIOLOGY PRACTICE MANAGEMENT; COMPUTER SOFTWARE FOR MEDICAL DATA ACQUISITION, ELECTRONIC CLAIM SUBMISSION AND REMITTANCE, COLLECTIONS, REPORTING, APPOINTMENT SCHEDULING, CONTRACT MANAGEMENT, ELECTRONIC STATEMENT PROCESSING, INSURANCE FOLLOW-UP, PATIENT FLOW MONITORING, REFERRAL MANAGEMENT, AND MARKETING; HAND-HELD PERSONAL DIGITAL ASSISTANT COMPUTERS AND SOFTWARE FOR MEDICAL PRACTITIONERS; COMPUTER SOFTWARE FOR COMMUNICATING RADIOLOGICAL STUDIES OVER A COMPUTER NETWORK; PATIENT TRACKING, LETTER WRITING AND NARRATIVE REPORT WRITING SOFTWARE; FINANCIAL MANAGEMENT AND REPORTING SOFTWARE CLASS 42: CONSULTING SERVICES IN THE FIELD OF COMPUTER ASSISTED MEDICAL PRACTICE MANAGEMENT; APPLICATION SERVICE PROVIDER (ASP) SERVICES FOR DELIVERING SOFTWARE APPLICATIONS TO MEDICAL PRACTICES AND INSTITUTIONS OVER A GLOBAL COMPUTER NETWORK



**SCHEDULE II: LICENSES**