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Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Recovercare, LLC		109/03/2004	Limited Liability Company: PENNSYLVANIA

RECEIVING PARTY DATA

Name:	Commerce Bank, N.A. and Commerce Commercial Leasing, LLC		
Street Address:	2005 Market Street		
Internal Address:	One Commerce Square		
City:	Philadelphia		
State/Country:	PENNSYLVANIA		
Postal Code:	19103		
Entity Type:	National Association:		

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark	
Registration Number:	1818236	RECOVERCARE	
Registration Number:	2197320	STIMULUS SYSTEM	
Serial Number:	76523259	STIMULUS AERO	
Serial Number:	76527481	STIMULUS SYSTEM JR	
Serial Number:	76523261	PRONE-TECHTOR WBS	
Serial Number:	76523260	PRONE-TECHTOR WBS JR.	
Serial Number:	76523265	PRONECARE	
Serial Number:	76523263	PRONECARE PLUS	
Serial Number:	76523262	PRONE-TECHTOR 3.5	
Serial Number:	76523258	STIMAIR	
Serial Number:	76519882	STIMULUS PLUS JR.	

CORRESPONDENCE DATA

TRADEMARK REEL: 003095 FRAME: 0939

900025745

Fax Number: (215)405-2921

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 215-977-2463

Email: skullman@wolfblock.com

Correspondent Name: Elizabeth A. Grzywacz

Address Line 1: Wolf, Block, Schorr and Solis-Cohen LLP

Address Line 2: 1650 Arch Street, 22nd Floor

Address Line 4: Philadelphia, PENNSYLVANIA 19103

NAME OF SUBMITTER:	Elizabeth A. Grzywacz
Signature:	/elizabeth a. grzywacz/
Date:	06/02/2005

Total Attachments: 7

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made effective as of the ________ day of September, 2004 by and among Recovercare, LLC, a Pennsylvania limited liability company ("Assignor"), Commerce Bank, N.A. (the "Bank") and Commerce Commercial Leasing, LLC ("CCL", CCL and the Bank are sometimes collectively referred to herein as "Commerce").

BACKGROUND

- A. In accordance with the terms of that certain Amended and Restated Loan and Security Agreement of even date herewith by and between Assignor and Commerce and that certain Master Lease Agreement between Assignor and CCL (as the same may be amended, modified, supplemented, extended and/or renewed, the "Loan Agreements"), the Bank and CCL have agreed to extend to Assignor various lines of credit.
- B. The Loan Agreements provide, <u>inter alia</u>, that Assignor will grant to Commerce a security interest in substantially all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, service marks, trademarks, service mark and trademark applications, tradenames, goodwill, copyrights and licenses.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor agrees as follows:

1. <u>Incorporation of Loan Agreements</u>. The Loan Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

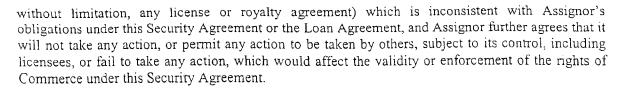
2. Security Interest.

- (a) Security Interest in Patents. Copyrights and Licenses. To secure the complete and timely payment and satisfaction of all now existing and hereafter arising obligations and liabilities of Assignor to the Bank and CCL, whether arising under the Loan Agreements, the Loan Documents referred to therein or otherwise, Assignor hereby collaterally assigns, pledges and grants to Commerce a security interest in, as and by way of a first security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively, with items named in Section 2(b) below, the "Collateral"):
- (i) patents and patent applications, and (A) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (C) the DSB:981642.1/COM212-221417



right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "Patents");

- (ii)copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file lavouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements. modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto. including, without limitation, damages and payments for past or future infringements thereof, and (C) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "Copyrights"); and
- (iii) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Licenses").
- Security Interest in Trademarks. To secure the complete and timely payment and satisfaction of all Commerce Indebtedness, Assignor hereby mortgages, pledges and grants to Commerce a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: service marks, trademarks, service mark and trademark registrations, tradenames, service mark and trademark applications, and all goodwill attendant thereto, including, without limitation, the service marks, trademarks and applications listed on Exhibit "A", attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing service marks, trademarks, service mark and trademark registrations, service mark and tradenames and applications together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks").
- 3. Restrictions on Future Agreements. Assignor agrees that until all Commerce Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Commerce's prior written consent, enter into any agreement (including, DSB:981642.1/COM212-221417



- New Patents, Trademarks, and Licenses. Assignor represents and warrants that the Trademarks registered listed on Exhibit "A", respectively, constitute all of the Trademarks and applications therefor now owned by Assignor and Assignor has no registered patents or copyrights. If, before all Commerce Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (a) obtain rights to any new patentable inventions, trademarks, service marks, trademark registrations, tradenames, copyrights or licenses, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, service mark, tradename, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and Assignor shall give to Commerce prompt written notice thereof. Assignor hereby authorizes Commerce to modify this Security Agreement by amending Exhibit "A", as applicable, to include any future patents, patent applications, trademarks, trademark registrations, service marks, trademark applications, tradenames, copyrights and licenses which are Patents, Copyrights, Licenses or Trademarks, as applicable, under Section 2 above or under this Paragraph 4. Assignor hereby agrees to provide to Commerce such assignment or other documentation as Commerce may request to record Commerce 's lien on such future Patents, Copyrights, Licenses or Trademarks.
- 5. Royalties: Term. Assignor hereby agrees that the use by Commerce of all Patents, Copyrights, Licenses and Trademarks as described herein shall be worldwide and without any liability for royalties or other related charges from Commerce to Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective Patents, Copyrights, Licenses and Trademarks assigned hereunder, or (b) the date on which all Commerce Indebtedness has been paid in full and the Loan Agreement is terminated.
- 6. Commerce's Right to Inspect. Commerce shall have the right, at any time and from time to time, to inspect Assignor's premises and to examine Assignor's books, records and operations, including, without limitation, Assignor's quality control processes. Assignor agrees that Commerce, or a conservator appointed by Commerce, shall have the right to establish such additional product quality controls as Commerce, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignor under the Trademarks. Assignor agrees (a) not to sell or assign its interest in, or grant any license under, the Patents, Copyrights, Licenses or Trademarks, without the prior written consent of Commerce; (b) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with quality of said products as of the date hereof; (c) not to adversely change the quality of said products without Commerce's express written consent; and (d) to provide Commerce, upon request, with a certificate of an officer of Assignor certifying Assignor's compliance with the foregoing.
- 7. <u>Termination</u>. This Security Agreement is made for collateral purposes only. Upon payment in full of all Commerce Indebtedness and termination of the Loan Agreement, Commerce DSB:981642.1/COM212-221417

shall execute and deliver to Assignor a termination of Commerce's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Patents, Copyrights, Licenses and Trademarks, subject to any disposition thereof which may have been made by Commerce pursuant hereto.

- 8. <u>Duties of Assignor</u>. Assignor shall have the duty (a) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Commerce Indebtedness shall have been paid in full and the Loan Agreement is terminated, (b) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (c) to preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor will not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application or any Patent, Trademark, License or Copyright without the prior consent of the Commerce.
- 9. Event of Default. Upon the occurrence of an Event of Default, Commerce may, without further notice to or consent of Assignor, and in addition to all other rights and remedies available to Commerce, immediately record all assignments previously executed and delivered to Commerce by Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Commerce by Assignor of all rights, title and interest of Assignor, in and to the Collateral. Assignor hereby authorizes and agrees that Commerce may, through the power of attorney granted in Section 14 hereof, upon the occurrence of an Event of Default irrevocably execute and deliver in Assignor's name any and all such assignments and agreements and to take any and all other actions in Assignor's name as Commerce shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignor in and to the Collateral to Commerce or any other person or entity selected by Commerce.
- 10. <u>Commerce's Right to Sue</u>. Commerce shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Commerce shall commence any such suit, Assignor shall, at the request of Commerce, do any and all lawful acts and execute any and all proper documents required by Commerce in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Commerce for all costs and expenses incurred by Commerce in the exercise of its rights under this <u>Section 10</u>.
- 11. <u>Waivers</u>. No course of dealing between Assignor and Commerce, nor any failure to exercise, nor any delay in exercising, on the part of Commerce, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 12. <u>Severability</u>. The provisions of this Security Agreement are severable, and if any clause or provision shall be invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

 DSB:981642.1/COM212-221417



- 13. <u>Modification</u>. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in <u>Section 4</u> hereof or by a writing signed by the parties hereto.
- 14. Cumulative Remedies: Power of Attorney: Effect on Loan Agreement. All of Commerce's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Commerce to make, constitute and appoint any officer or agent of Commerce as Commerce may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (a) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Commerce to protect, evidence or perfect its security interest in the Patents, Trademarks, Copyrights and Licenses, (b) upon the occurrence of an Event of Default, endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Commerce to enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (c) upon the occurrence of an Event of Default, take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Commerce reasonably deems in the best interest of the Commerce, (d) upon the occurrence of an Event of Default, grant or issue any exclusive or nonexclusive license under the Patents or Trademarks to anyone, including Commerce, and/or (e) upon the occurrence of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Commerce. Commerce may also act under such power of attorney to take the actions referenced in Section 4. Commerce hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Commerce Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Commerce under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction.
- 15. <u>Binding Effect: Benefits.</u> This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Commerce and its nominees, successors and assigns.
- 16. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

RECOVERCARE, LLC
By: Thomas Smith
Name: Thomas Snoth
Title: Pres, Lent
Name: Nice President Title: Vice President
COMMERCE COMMERCIAL LEASING.
LLC
By: 43h
Name: (ere/ Geslije
Title: Assistativice President

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EXHIBIT "A"

·TO

INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademark	Serial No.	Registration No.
Stimulus Air	76/523259	
Stimulus System Jr.	76/527481	
Prone-Techtor WBS	76/523261	
Prone-Techtor WBS Jr.	76/523260	
Pronecare	76/523265	
Pronecare Plus	76/523263	
Prone-Techtor 3.5	76/523262	
Stimair	76/523258	
Stimulus Plus, Jr.	76/519882	
Recovercare		1,818,236
Stimulus System		2,197,320

DSB:981642.1/COM212-221417

TRADEMARK REEL: 003095 FRAME: 0947

RECORDED: 06/02/2005