

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Trademark Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Williamette Valley Medical Center, LLC		02/29/2008	LIMITED LIABILITY COMPANY:

RECEIVING PARTY DATA

Name:	Citicorp North America, Inc.
Street Address:	390 Greenwich Street
City:	New York
State/Country:	NEW YORK
Postal Code:	10013
Entity Type:	INC. ASSOCIATION:

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	3361682	WILLAMETTE VALLEY MEDICAL CENTER
Registration Number:	3314963	COMMUNITY RADIOLOGY CENTER
Registration Number:	3361683	WILLAMETTE VALLEY CANCER CENTER
Registration Number:	3314962	WILLAMETTE VALLEY CANCER FOUNDATION
Serial Number:	77154170	MCMINNVILLE FIRST MED CLINIC
Serial Number:	77154206	SHERIDAN MEDICAL CENTER
Serial Number:	77299186	NORTHWEST PHYSICAL MEDICINE

CORRESPONDENCE DATA

Fax Number: (212)370-8007
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 2123108000
Email: philip.ratner@weil.com, suzanne.inglis@weil.com
Correspondent Name: Philip Ratner c/o Weil, Gotshal & Manges
Address Line 1: 767 Fifth Avenue

CH \$190.00 3361682

Address Line 4: New York, NEW YORK 10153

ATTORNEY DOCKET NUMBER: 35899.0246.6847

NAME OF SUBMITTER: Philip Ratner

Signature: /Philip Ratner/

Date: 02/29/2008

Total Attachments: 5

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TRADEMARK SECURITY AGREEMENT, dated as of February 29, 2008, by each of the entities listed on the signature pages hereof (each a “*Grantor*” and, collectively, the “*Grantors*”), in favor of Citicorp North America, Inc. (“*CNAI*”), as collateral agent for the First Lien Secured Parties and the Second Lien Secured Parties (the “*Collateral Agent*”) (as defined in the Security Agreement referred to below).

W i t n e s s e t h:

WHEREAS, pursuant to the Second Amended and Restated First Lien Credit Agreement, dated as of February 29, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*First Lien Credit Agreement*”), among CAPELLA HEALTHCARE, INC. (the “*Borrower*”), CAPELLA HOLDINGS, INC., a Delaware corporation (“*Holdings*”), the lenders (the “*First Lien Lenders*”) and issuers (the “*Issuers*”) party thereto, CITICORP NORTH AMERICA, INC., as administrative agent for the First Lien Lenders and the Issuers (in such capacity, the “*First Lien Agent*”), the Collateral Agent and BANK OF AMERICA, N.A., as syndication agent for the First Lien Lenders and the Issuers, ING Capital LLC, as Senior Managing Agent and GENERAL ELECTRIC CAPITAL CORPORATION and CALYON NEW YORK BRANCH, as co-documentation agents for the First Lien Lenders and Issuers, the First Lien Lenders and the Issuers have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the Second Amended and Restated Second Lien Credit Agreement, dated as of February 29, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*Second Lien Credit Agreement*”), among the Borrower, Holdings, the lenders (the “*Second Lien Lenders*” and, together with the First Lien Lenders, the “*Lenders*”) party thereto, CITICORP NORTH AMERICA, INC., as administrative agent for the Second Lien Lenders (in such capacity, the “*Second Lien Agent*”), the Collateral Agent and BANK OF AMERICA, N.A., as syndication agent for the Second Lien Lenders, and GENERAL ELECTRIC CAPITAL CORPORATION and CALYON NEW YORK BRANCH, as co-documentation agents for the Second Lien Lenders, the Second Lien Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantors other than the Borrower are party to Amended and Restated Guaranties, dated as of February 29, 2008, pursuant to which they have guaranteed the First Lien Obligations and the Second Lien Obligations; and

WHEREAS, all the Grantors are party to an Amended and Restated Pledge and Security Agreement, dated as of February 29, 2008, in favor of the Collateral Agent (the “*Security Agreement*”) pursuant to which the Grantors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the Issuers and the other agents party thereto to enter into the Credit Agreements and to induce the Lenders and the Issuers to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Collateral Agent as follows:

Section 1. Defined Terms

Unless otherwise defined herein, terms defined in the Credit Agreements or in the Security Agreement and used herein have the meaning given to them in the Credit Agreements or the Security Agreement.

Section 2. Grants of Security Interests in Trademark Collateral

Each Grantor, (a) as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the First Lien Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Collateral Agent for the benefit of the First Lien Secured Parties, and grants to the Collateral Agent for the benefit of the First Lien Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor and (b) as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Second Lien Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Collateral Agent for the benefit of the Second Lien Secured Parties, and grants to the Collateral Agent for the benefit of the Second Lien Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the “*Trademark Collateral*”):

- (a) all of its Trademarks, including, without limitation, those referred to on *Schedule I* hereto;
- (b) all reissues, continuations or extensions of the foregoing;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark; and
- (d) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or (ii) injury to the goodwill associated with any Trademark.

Section 3. Security Agreement

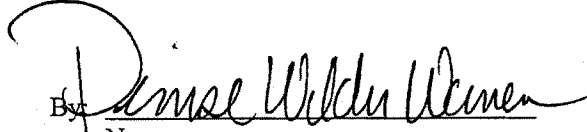
The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interests in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

CAPELLA HEALTHCARE, INC.,
as Grantor

By: 

Name:
Title:

WILLIAMETTE VALLEY MEDICAL CENTER, LLC,
as Grantor

By: 

Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

CITICORP NORTH AMERICA, INC.,
as Collateral Agent

By: 

Name: **David Leland**
Title: **Vice President**

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

TRADEMARK
REEL: 003729 FRAME: 0603

**Schedule I
to
Trademark Security Agreement**

Trademark Registrations

A. REGISTERED TRADEMARKS

CAPELLA HEALTHCARE, U.S. Registration No. 3179810 (standard characters), registered on December 5, 2006 and owned by Capella Healthcare, Inc.

WILLAMETTE VALLEY MEDICAL CENTER, U.S. Registration No. 3361682 (standard characters) registered on January 1, 2008 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

COMMUNITY RADIOLOGY CENTER, U.S. Registration No. 3314963 (standard characters), registered on October 16, 2007 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

MCMINNVILLE FIRST MED CLINIC, U.S. Application No. 77154170 (standard characters), filed on April 11, 2007 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

WILLAMETTE VALLEY CANCER CENTER, U.S. Registration No. 3361683 (standard characters), registered on January 1, 2008 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

WILLAMETTE VALLEY CANCER CENTER FOUNDATION, U.S. Registration No. 3314962 (standard characters), registered on October 16, 2007 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

SHERIDAN MEDICAL CENTER, U.S. Application No. 77154206 (standard characters), filed on April 11, 2007 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

NORTHWEST PHYSICAL MEDICINE, U.S. Application No. 77299186 (standard characters), filed on October 9, 2007 and owned by WILLAMETTE VALLEY MEDICAL CENTER, LLC.

B. TRADEMARK APPLICATIONS

None.