

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement (Pool B)

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Covenant Care California, LLC		02/20/2014	LIMITED LIABILITY COMPANY: CALIFORNIA

RECEIVING PARTY DATA

Name:	MIDCAP FINANCIAL, LLC
Street Address:	7255 Woodmont Avenue, Suite 200
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	2147326	
Registration Number:	2376501	COMMUNITY RESIDENT EMPLOYEE FAMILY
Registration Number:	2015886	WE ARE FAMILY, SERVING FAMILIES
Serial Number:	86083456	AFFIRMA REHABILITATION
Serial Number:	86116915	AFFIRMA REHABILITATION QUALITY. INNOVATI
Serial Number:	86081040	T·O·R·C·H TRANSITIONING ONTO REHABILITAT
Serial Number:	86081034	T·O·R·C·H TRANSITIONING ONTO REHABILITAT

CORRESPONDENCE DATA

Fax Number: 7036106200
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 703-610-6100
 Email: boxip@hoganlovells.com
 Correspondent Name: Valerie Brennan, Hogan Lovells US LLP
 Address Line 1: 7930 Jones Branch Drive, 9th Floor

OP \$190.00 2147326

Address Line 2: Box Intellectual Property
Address Line 4: McLean, VIRGINIA 22102

ATTORNEY DOCKET NUMBER:	39759.10
NAME OF SUBMITTER:	Valerie Brennan
Signature:	/vb/
Date:	02/27/2014

Total Attachments: 10

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of February 20, 2014 by and between MIDCAP FINANCIAL, LLC, a Delaware limited liability company ("Agent"), COVENANT CARE CALIFORNIA, LLC ("Covenant Care") and certain subsidiaries of Covenant Care set forth on Annex A hereto (together with Covenant Care, each a "Grantor" and collectively the "Grantors").

RECITALS

A. Pursuant to that certain Credit and Security Agreement of even date herewith (together with all extensions, renewals, restatements modifications, substitutions and amendments thereof, the "**Credit Agreement**") among Covenant Care Oxnard, LLC, a California limited liability company and Covenant Care Huntington Park, LLC, a California limited liability company, as borrowers (collectively and together with each other entity that may from time to time become party to the Credit Agreement as a Borrower, the "**Borrowers**"), Agent, MCF, and Lenders, Lenders are making available to Borrowers a term loan facility in the original principal amount twenty-one million, five hundred thousand and No/100 Dollars (\$21,500,000), as such amount may be increased or decreased from time to time in accordance with the terms of the Credit Agreement. Borrowers have executed and delivered one or more promissory notes evidencing the indebtedness incurred by Borrowers under the Credit Agreement (as the same may be amended, modified, increased, renewed or restated from time to time, and together with all renewal notes issued in respect thereof, collectively the "**Notes**").

B. Concurrently herewith, Grantors are executing and delivering that certain Guaranty Agreement for the benefit of Agent, in its capacity as Agent for Lenders (together with all extensions, renewals, restatements, modifications, substitutions and amendments thereof, the "**Guaranty**") which guarantees the performance and payment by the Borrower of all amounts due under the Notes and pursuant to the Loan Documents (as defined in the Guaranty).

C. To induce Agent and Lenders to enter into the Credit Agreement and to induce Lenders to extend to Borrowers the financial accommodations set forth in the Credit Agreement, Grantors have agreed to enter into this Agreement. Each Grantor acknowledges that without this Agreement, Lenders would be unwilling to make the Loan.

D. The Lenders are willing to make the Credit Extensions to the Borrowers, but only upon the condition, among others, that the Grantors shall grant to Agent, for the ratable benefit of the Lenders, a security interest in certain Copyrights, Trademarks, Patents, and Mask Works (as each term is described below) to secure the obligations of the Borrowers under the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Guaranty, each Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Guaranty, each Grantor grants and pledges to Agent, for the ratable benefit of the Lenders, a security interest in all of such Grantor's right, title and interest in, to and under its intellectual property (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights that may be available to such Grantor now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of such Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(f) All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "Mask Works");

(g) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

(j) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

This security interest is granted in conjunction with the security interest granted to Agent, for the ratable benefit of the Lenders, under the Guaranty. The rights and remedies of Agent with respect to the security interest granted hereby are in addition to those set forth in the Guaranty and the other Financing Documents, and those which are now or hereafter available to Agent as a matter of law or equity. Each right, power and remedy of Agent provided for herein or in the Guaranty or any of the Financing Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Agent of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Guaranty or any of the other Financing Documents, or now or hereafter existing at law or in equity,

shall not preclude the simultaneous or later exercise by any person, including Agent, of any or all other rights, powers or remedies.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTORS:

COVENANT CARE CALIFORNIA, LLC
COVENANT CARE MORGAN HILL, LLC
COVENANT CARE CAPITOLA, LLC
COVENANT CARE ENCINITAS, LLC
COVENANT CARE LA JOLLA, LLC
COVENANT CARE CLINTON HOUSE, LLC
COVENANT CARE WALDRON HOME, LLC
COVENANT CARE MCCORMICK, LLC
COVENANT CARE CARSON, LLC
COVENANT CARE LODI, LLC
COVENANT CARE COURTYARD, LLC
COVENANT CARE ENNOBLE, LLC
COVENANT CARE MEADOW MANOR, LLC
COVENANT CARE HILLTOP, LLC
COVENANT CARE SUNRISE, LLC
COVENANT CARE JACKSONVILLE, LLC
COVENANT CARE MARION, LLC
COVENANT CARE CAMBRIDGE, LLC
HCS HOLDCO, LLC
ELEVATE HOME HEALTH, LLC
COVENANT CARE SOUTHERN HILLS, LLC
COVENANT CARE HOMECARE 3, LLC

By: 
Name: Kevin Carney
Its: Chief Financial Officer

COVENANT CARE MISSION, INC.
COVENANT CARE LONG BEACH, INC.
COVENANT CARE ORANGE, INC.
COVENANT CARE VEGAS, INC.
COVENANT CARE MIDWEST, INC.
COVENANT CARE INDIANA, INC.
COVENANT CARE OHIO, INC.
AFFIRMA REHABILITATION, INC.

By: 
Name: Kevin Carney
Its: Chief Financial Officer

Address of Grantors:
27071 Aliso Creek Road, Suite 100
Aliso Viejo, CA 92656
Attn: Andrew Torok, General Counsel
Facsimile: 949-349-1405

Address of Agent:

7255 Woodmont Avenue, Suite 200
Bethesda, Maryland 20814
Attn: Portfolio Management- Life Sciences

AGENT:

MIDCAP FINANCIAL, LLC



Name: Brett Robinson
Title: Managing Director

Annex A

Subsidiary Borrowers

AFFIRMA REHABILITATION, INC., (fka Select Therapy, Inc.)
Covenant Care California, LLC
Covenant Care Capitola, LLC
Covenant Care Carson Holding, LLC
Covenant Care Carson, LLC
Covenant Care Clinton House, LLC
Covenant Care Courtyard, LLC
Covenant Care Dubuque, LLC
Covenant Care Encinitas, LLC
Covenant Care Ennoble, LLC
Covenant Care Frankfort, LLC
Covenant Care Indiana, Inc.
Covenant Care La Jolla, LLC
Covenant Care Lodi, LLC
Covenant Care Long Beach, Inc.
Covenant Care McCormick, LLC
Covenant Care Midwest, Inc.
Covenant Care Mission, Inc.
Covenant Care Morgan Hill, LLC
Covenant Care Ohio, Inc.
Covenant Care Orange, Inc.
Covenant Care Spencer LLC
Covenant Care Vegas, Inc.
Covenant Care Waldron Home, LLC
Waldron Holdings, LLC
Covenant Care Meadow Manor, LLC
Covenant Care Jacksonville, LLC
Covenant Care Sunrise, LLC
Covenant Care Hilltop, LLC
Covenant Care Marion, LLC
Covenant Care Cambridge, LLC
Covenant Care Southern Hills, LLC
Covenant Care Homecare 3, LLC
HCS Holdco, LLC
Elevate Home Health, LLC
Covenant Care Carlinville, LLC
Covenant Care Huntington Park, LLC
Covenant Care Oxnard, LLC

Exhibit A
Copyrights

None.

Exhibit B

Patents

None.

Exhibit C

Trademarks

Borrower	Trademark	Jurisdiction	Registration or Application Number
Covenant Care California, LLC	Heart and Figure Design	USPTO	App. No. 75201839 Reg. No. 2147326
Covenant Care California, LLC	COMMUNITY RESIDENT EMPLOYEE FAMILY (Stylized or with Design)	USPTO	App. No. 75456985 Reg. No. 2376501
AFFIRMA REHABILITATION, INC., (fka Select Therapy, Inc.)	Miscellaneous Design	USPTO	App. No. 77805784 Reg. No. 3883943
Covenant Care California, LLC	WE ARE FAMILY, SERVING FAMILIES	USPTO	App. No. 75047590 Reg. No. 2015886
Covenant Care California, LLC	AFFIRMA REHABILITATION & Design	USPTO	App. No. 86/083,456
Covenant Care California, LLC	AFFIRMA REHABILITATION QUALITY INNOVATIVE RESULTS & Design	USPTO	App. No. 86/116,915
Covenant Care California, LLC	T.O.R.C.H. TRANSITIONING ONTO REHABILITATION & CONTINUING HOME & Flame Design	USPTO	App. No. 86/081,040
Covenant Care California, LLC	T.O.R.C.H. TRANSITIONING ONTO REHABILITATION & CONTINUING HOME & Heart Design	USPTO	App. No. 86/081,034
Elevate Home Health, LLC	Elevate Health – Standard Character Mark, Service Mark	USPTO	Reg. No. 3489516
Elevate Home Health, LLC	Elevate Health The Center for Habilitative Medicine – Design plus words, letters and/or numbers	USPTO	Reg. No. 3604010

Exhibit D

Mask Works

None.