

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM307413

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Walden Behavioral Care, Inc.		06/09/2014	CORPORATION: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Seacoast Capital Partners III, L.P.		
<b>Street Address:</b>	9 Hope Avenue, Suite 500		
<b>City:</b>	Waltham		
<b>State/Country:</b>	MASSACHUSETTS		
<b>Postal Code:</b>	02453		
<b>Entity Type:</b>	LIMITED PARTNERSHIP: DELAWARE		
<b>PROPERTY NUMBERS Total: 6</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	4243869	CONTINUUM OF CARE	
<b>Registration Number:</b>	4243870	WHOLE HEALTH APPROACH	
<b>Registration Number:</b>	4420591	WALDEN BEHAVIORAL CARE	
<b>Registration Number:</b>	4282363	WALDEN	
<b>Registration Number:</b>	4243868	LASTING RECOVERY FOR BODY AND MIND	
<b>Registration Number:</b>	4282362	WALDEN BEHAVIORAL CARE	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	2024576315		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	2024576030		
<b>Email:</b>	deborah.lodge@squirepb.com, karen.agee@squirepb.com		
<b>Correspondent Name:</b>	Deborah Lodge, Squire Patton Boggs LLP		
<b>Address Line 1:</b>	2550 M Street, NW		
<b>Address Line 4:</b>	Washington, D.C. 20037		
<b>ATTORNEY DOCKET NUMBER:</b>	009091.0183		
<b>NAME OF SUBMITTER:</b>	Deborah M. Lodge		
<b>SIGNATURE:</b>	/Deborah M. Lodge/		
<b>DATE SIGNED:</b>	06/12/2014		
<b>Total Attachments: 14</b>			

OP \$165.00 4243869

TRADEMARK

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**THIS SECURITY AGREEMENT, AND THE RIGHTS OF THE SECURED PARTY HEREUNDER, ARE SUBORDINATED AND SUBJECT TO CERTAIN RESTRICTIONS AND LIMITATIONS AS SET FORTH IN THAT CERTAIN INTERCREDITOR AND SUBORDINATION AGREEMENT DATED AS OF JUNE 9, 2014 (THE “SUBORDINATION AGREEMENT”) BY AND AMONG THE COMPANY, THE SECURED PARTY AND RBS CITIZENS, N.A., (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, THE “SENIOR LENDER”) AS THE SAME MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE SUBORDINATION AGREEMENT IS AVAILABLE FROM THE SECRETARY OF THE COMPANY.**

### **INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This Intellectual Property Security Agreement (as amended, amended and restated, joined, extended, supplemented or otherwise modified from time to time, this “IP Security Agreement”) is made and effective as of June 9, 2014, by WALDEN BEHAVIORAL CARE, INC., a Delaware corporation (“Debtor”), and WALDEN BEHAVIORAL CARE, LLC, a Massachusetts limited liability company (“Subsidiary”), in favor of SEACOAST CAPITAL PARTNERS III, L.P., a Delaware limited partnership (“Secured Party”), (together with its successors and assigns, “Secured Party”), whose address is 9 Hope Avenue, Suite 500, Waltham, Massachusetts 02453. Capitalized terms used in this IP Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Purchase Agreement (defined below).

### **RECITALS**

**WHEREAS**, pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, by and among the Debtor, the Subsidiary, and the Secured Party (as amended, supplemented or otherwise modified from time to time, the “Purchase Agreement”), the Secured Party has agreed, subject to the terms and conditions set forth therein, to make a loan to Debtor; and

**WHEREAS**, it is a condition precedent to the obligation of the Secured Party to execute and perform under the Purchase Agreement that the Debtor and the Subsidiary shall have executed and delivered this IP Security Agreement to Secured Party;

**NOW, THEREFORE**, in consideration of the willingness of Secured Party to enter into the Purchase Agreement and to agree, subject to the terms and conditions set forth therein, to make the loan to Debtor pursuant thereto, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Grant of Security Interest. To secure all of the Obligations under the Purchase Agreement, the Note and the Warrant Agreement, the Debtor and the Subsidiary each hereby grants to the Secured Party a continuing security interest in all of the right, title and interest of the Debtor and the Subsidiary in and to any and all of the following collateral, whether now owned or hereafter acquired, but excluding any intellectual property for which the granting of a security interest therein would terminate, invalidate, void, cancel, degrade or abandon such intellectual property (the "IP Collateral"):

(a) The U.S and foreign copyrights, associated copyright registrations and applications for copyright registration, set forth on Schedule A attached hereto (collectively, the "Copyrights");

(b) The U.S. and foreign patents and patent applications set forth on Schedule B attached hereto, including, without limitation, divisions, continuations, reissues, extensions and continuations-in-part of the same (collectively, the "Patents");

(c) The U.S., state and foreign trademark and service mark registrations, and trademark and service mark applications, set forth on Schedule C attached hereto, including, without limitation, all common-law rights related to, and goodwill of the business associated with the foregoing (collectively, the "Trademarks");

(d) The domain names and registrations set forth on Schedule D attached hereto and all goodwill associated with the foregoing (collectively, the "Domain Names");

(e) Any and all claims and causes of action for past, present or future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect damages for infringement of the foregoing;

(f) Any and all licenses or rights granted under any of the foregoing, and all license fees and royalties arising from such licenses or rights, in each case to the extent permitted by such licenses or rights;

(g) Any and all amendments, renewals, extensions, reissuances and replacements of any of the foregoing; and

(h) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. The Debtor and the Subsidiary each authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authority to which this IP Security Agreement is submitted) file and record this IP Security Agreement (and any corresponding or separate forms of such jurisdiction) in order to publicly reflect the interests of Secured Party in the IP Collateral.

3. Assignment. Upon the occurrence and during the continuance of an Event of Default, the Debtor and the Subsidiary shall, upon request, execute and deliver to the Secured Party an absolute assignment transferring its entire right, title, and interest in and to the IP Collateral to the Secured Party.

4. After-Acquired IP Collateral. If, prior to the termination of the security interests granted herein pursuant to the terms hereof, the Debtor or the Subsidiary, as applicable, shall obtain any right, title or interest in or to any other or new Copyrights, Patents, Trademarks or Domain Names, or become entitled to the benefit of any other or new Copyrights, Patents, Trademarks or Domain Names, the provisions of this IP Security Agreement shall automatically apply thereto and the Debtor or the Subsidiary, as applicable, shall give notice thereof in writing to the Secured Party within thirty (30) days of the end of the applicable calendar quarter during the term of this IP Security Agreement during which such IP Collateral was initiated or obtained and execute and deliver to the Secured Party such documents or instruments as the Secured Party may reasonably request further to implement, preserve or evidence the Secured Party's interest therein.

5. Power of Attorney. Each of the Debtor and the Subsidiary hereby irrevocably

grants to the Secured Party a power of attorney, to act as the Debtor's and the Subsidiary's attorney-in-fact, respectively, with full authority in the name, place and stead of the Debtor and the Subsidiary, respectively, from time to time in the Secured Party's discretion, to take any action and to execute any instrument that the Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in the sole discretion of the Secured Party without first obtaining the Debtor's or the Subsidiary's, as applicable, approval thereof or signature thereto), but after providing notice to the Debtor or the Subsidiary, as applicable, Schedule A, Schedule B, Schedule C, and/or Schedule D hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by the Debtor or the Subsidiary, as applicable, after the execution hereof or to delete any reference to any IP Collateral in which the Debtor or the Subsidiary, as applicable, no longer has or claims any right, title or interest;

(b) To take any action reasonably necessary or advisable to perfect, maintain, or continue the Secured Party's interest in the IP Collateral, including, without limitation, executing and filing any financing statement, any continuation statement or any amendment thereto;

(c) To execute, file and pursue (in the sole discretion of the Secured Party without first obtaining the Debtor's or Subsidiary's, as applicable, approval thereof or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect the Secured Party's interest or the Debtor's or Subsidiary's, as applicable, rights in the IP Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; provided, however, unless an Event

of Default has occurred and is continuing, the Secured Party will not take any actions which result in an assignment or transfer of title of such IP Collateral to the Secured Party. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing, the Secured Party shall not undertake prosecution of any pending patent application listed in Schedule B before the United States Patent and Trademark Office; and responsibility for such prosecution of any pending patent application listed on Schedule B shall remain with the Debtor's or Subsidiary's attorney of record, as applicable, before the United States Patent and Trademark Office;

(d) To execute any document required to acknowledge, register or perfect the interest of the Secured Party in any part of the IP Collateral without the signature of the Debtor or Subsidiary, as applicable, unless prohibited by applicable law; and

(e) Upon the occurrence and during the continuation of an Event of Default, to (i) endorse the Debtor's or Subsidiary's name, as applicable, on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the IP Collateral, and (ii) take any other actions with respect to the IP Collateral as the Secured Party deems to be in the best interest of the Secured Party in its reasonable discretion.

The foregoing power of attorney is coupled with an interest and is irrevocable until the Obligations secured hereby have been unconditionally and indefeasibly paid or performed in full and the Purchase Agreement and the Warrant Agreement have been terminated (except for any obligations designated under the Purchase Agreement as continuing on an unsecured basis).

6. Release. Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the IP Collateral will revert to the Debtor or the Subsidiary, as applicable) upon payment and performance in full of the Note. Upon any such termination, the Secured Party (at the Debtor's or the Subsidiary's request, as applicable, and sole expense) will promptly execute and deliver to the Debtor or the Subsidiary, as applicable, such documents as the Debtor or the Subsidiary, as applicable, may reasonably request and as are provided to the Secured Party to evidence such termination. Notwithstanding the foregoing, if Secured Party exercises its Put on the date the Note is to be paid in full, and Debtor is unable to

pay in full both the Note and the Put Price, this Agreement shall remain in full force and effect until both the Note and the Put Price have been paid in full.

7. Miscellaneous.

(a) This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Secured Party under the Security Agreement. The rights and remedies of the Debtor, Subsidiary and the Secured Party with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Purchase Agreement, the Warrant Agreement and the Security Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Purchase Agreement, the Warrant Agreement or the other Transaction Documents, the provisions of the Purchase Agreement, the Warrant Agreement or the other Transaction Documents shall govern.

(b) This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document. Each such counterpart will be deemed to be an original, but all counterparts together will constitute one and the same instrument.

(c) THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS IP SECURITY AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IP SECURITY AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY SHALL BE GOVERNED BY, CONSTRUED UNDER, AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE.

8. Subordination Agreement Controls. This Agreement and the Lien in the IP Collateral pledged and granted hereunder are subordinated in the manner and to the extent set forth in the Subordination and the Subsidiary Agreement, as more particularly described therein. Prior to the Payment in Full of the Senior Debt (in each case, as defined in the Subordination Agreement), the Debtor and the Subsidiary shall not be obligated (and the Secured Party shall



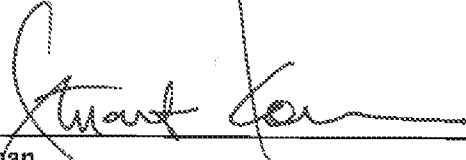
not be entitled) to take, or fail to take, any action to the extent that such action, or failure to take such action, would be prohibited by, or would in any way conflict with, the Subordination Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement as of the date first written above.

**DEBTOR:**

WALDEN BEHAVIORAL CARE, INC.



\_\_\_\_\_  
Stuart Koman  
Chief Executive Officer

**SUBSIDIARY:**

WALDEN BEHAVIORAL CARE, LLC



\_\_\_\_\_  
Stuart Koman  
Chief Executive Officer

SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

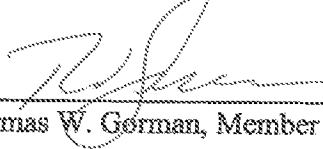
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SECURED PARTY:

SEACOAST CAPITAL PARTNERS III, L.P.

By: Seacoast III Advisors, LLC  
Its General Partner

  
\_\_\_\_\_  
Thomas W. German, Member

SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

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TRADEMARK  
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**SCHEDULE A**

**COPYRIGHT COLLATERAL**

Registered Copyrights

None

Pending Copyright ApplicationsNone

Schedule A to IP Security Agreement

**SCHEDULE B**

**PATENT COLLATERAL**

Registered Patents

None

Pending Patent Applications

None

Schedule B to IP Security Agreement

**SCHEDULE C**

**TRADEMARK COLLATERAL**

Registered Trademark Applications

<u>Word Mark</u>	<u>WALDEN BEHAVIORAL CARE</u>
<u>Serial Number</u>	<u>85644432</u>
<u>Registration Number</u>	<u>4420591</u>

<u>Word Mark</u>	<u>WALDEN BEHAVIORAL CARE</u>
<u>Serial Number</u>	<u>85644601</u>
<u>Registration Number</u>	<u>4282362</u>

<u>Word Mark</u>	<u>WHOLE HEALTH APPROACH</u>
<u>Serial Number</u>	<u>85644691</u>
<u>Registration Number</u>	<u>4243870</u>

<u>Word Mark</u>	<u>CONTINUUM OF CARE</u>
<u>Serial Number</u>	<u>85644673</u>
<u>Registration Number</u>	<u>4243869</u>

<u>Word Mark</u>	<u>LASTING RECOVERY FOR BODY AND MIND</u>
<u>Serial Number</u>	<u>85644632</u>
<u>Registration Number</u>	<u>4243868</u>

Schedule C to IP Security Agreement

Word Mark	WALDEN
Serial Number	85644620
Registration Number	4282363

Pending Trademark Applications

None

Common Law Trademarks

None

Schedule C to IP Security Agreement

## SCHEDULE D

### DOMAIN NAMES

waldenbehavioralcare.com  
waldenbehavioralcare.net  
theWaldenCenter.org  
theWaldenCenter.com  
theWaldenCenter.net  
theWaldenCenter.biz  
WaldenCenter.org  
WaldenED.com  
WaldenMH.com  
WaldenED.net  
WaldenMH.net  
WaldenCenter.net

Schedule D to IP Security Agreement