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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 25, 2010

BIOSCRIP, INC.

(Exact name of Registrant as specified in its charter)

Delaware	0-28740	05-0489664
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

100 Clearbrook Road, Elmsford, New York	10523
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (914) 460-1600

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement.

Overview

On March 25, 2010, BioScrip, Inc. (referred to herein as "the Company," "we," "us" and "our") completed its acquisition of Critical Homecare Solutions Holdings, Inc., a Delaware corporation (the "Target"). In connection with the financing of the acquisition, the Company entered into certain agreements which are summarized below. A copy of the press release announcing the completion of the acquisition is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The New Credit Facility

On March 25, 2010, the Company entered into a credit agreement (the "New Credit Facility") by and among the Company, as borrower, all of its subsidiaries as subsidiary guarantors thereto, the lenders party thereto, Jefferies Finance LLC, as lead arranger, as book manager, as administrative agent for the lenders, as collateral agent for the secured parties and as syndication agent, Compass Bank, as a co-documentation agent, GE Capital Corporation, a co-documentation agent, Healthcare Finance Group, LLC, as collateral manager, HFG Healthco-4, LLC, as swingline lender for the lenders, and Healthcare Finance Group, LLC, as issuing bank for the lenders. The New Credit Facility consists of a $100.0 million senior secured term loan facility (the "Term Loan") and $50.0 million senior secured revolving credit facility (the "Revolver"). The Term Loan matures five years after funding and has a repayment schedule with quarterly amortization equal to 2.5%, 5.0%, 7.5%, 10.0% and 12.5% per annum of its principal amount in years one through five, with the balance due at maturity. The Revolver will be available for five years after the closing of the Merger (as defined below). The amount of borrowings which may be made under the Revolver will be based on a borrowing base to be comprised of specified percentages of eligible receivables and eligible inventory, up to a maximum of $50.0 million. If the amount of borrowings outstanding under the Revolver exceeds the borrowing base then in effect, then the Company will be required to repay such borrowings in an amount sufficient to eliminate such excess. Additionally, if there are no borrowings outstanding under the Revolver, and the principal amount of the Term Loan then outstanding exceeds the borrowing base then in effect, then the Company will be required to repay the Term Loan in an amount sufficient to eliminate such excess. The Revolver includes $5.0 million of availability for letters of credit and $5.0 million of availability for swingline loans. Interest on both the Term Loan and advances under the Revolver will be based on a base rate or Eurodollar rate plus an applicable margin of 3.0% and 4.0%, respectively, with the base rate and Eurodollar rate having floors of 3.0% and 2.0%, respectively. In the event of any default, the interest rate may be increased to 2.0% over the rate applicable to base rate loans. The Revolver also carries a commitment fee of 0.75% per annum, payable quarterly in arrears, on the unused portion of the credit line.

Borrowings under the New Credit Facility will be subject to mandatory prepayment upon the occurrence of certain events, including the issuance of certain securities, the incurrence of certain debt and the sale or other disposition of certain assets. In addition, borrowings under the New Credit Facility will be subject to mandatory prepayment in the event the Company has excess cash flow, as defined in the New Credit Facility. Both the Term Loan and the Revolver have been guaranteed by substantially all of the Company's domestic subsidiaries and secured by first priority security interests in substantially all of the Company's assets (including the capital stock of our subsidiaries) and all such subsidiary guarantors. The New Credit Facility includes customary affirmative and negative covenants and events of default, as well as financial covenants relating to a maximum total leverage ratio and a minimum fixed charge coverage ratio. Negative covenants include, among other limitations, limitations on additional debt, liens, negative pledges, investments, dividends, stock repurchases, asset sales and affiliate transactions. Events of default include, among other events, non-performance of covenants, breach of representations, cross-default to other material debt, bankruptcy and insolvency, material judgments and changes in control.

Cautionary Statements

The representations, warranties and covenants made by the parties in the agreement documenting the New Credit Facility are qualified by information in disclosure schedules that the parties exchanged in connection with the execution of the agreement. Representations and warranties may be used as a tool to allocate risks between the parties, including where the parties do not have complete knowledge of all facts. Accordingly, investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of the Company's affiliates.

This description of the New Credit Facility is qualified in its entirety by the New Credit Facility filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

Security Agreement

In connection with the New Credit Facility, on March 25, 2010, the Company entered into a security agreement (the "Security Agreement"), by and among the Company and the other guarantors from time to time party thereto, as pledgors, assignors and debtors (collectively, the "Pledgors") and Jefferies Finance LLC, in its capacity as collateral agent pursuant to the New Credit Facility, as pledgee, assignee and secured party. Pursuant to the Security Agreement, the Pledgors each pledged a lien on and interest in and to all of the right, title and interest of such Pledgor in the Pledged Collateral (as defined in the Security Agreement) as collateral security for the payment and performance in full of all the secured obligations under the New Credit Facility.

This description of the Security Agreement is qualified in its entirety by the Security Agreement filed as Exhibit 10.2 to this Current Report on Form 8-K, which is incorporated herein by reference.

Indenture and Notes

On March 25, 2010, the Company also issued $225.0 million in aggregate principal amount of 10¼% Senior Notes due 2015 (the "Notes"), which mature on October 1, 2015, pursuant to an indenture, dated as of March 25, 2010 (the "Indenture"), by and among the Company, the Guarantors (as defined below) and U.S. Bank National Association, as trustee (the "Trustee"). The Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction, but we intend to make an offer to exchange the Notes for registered, publicly tradable notes with substantially identical terms as the Notes in accordance with the terms of the Registration Rights Agreement described below. The Notes were sold to qualified institutional buyers pursuant to Rule 144A and Regulation S under the Securities Act. The following is a brief description of the material provisions of the Indenture and the Notes.

- Interest. Interest on the Notes is payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2010.
- Guarantees. The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the Company's existing direct and indirect domestic restricted subsidiaries and will be guaranteed by future additional domestic restricted subsidiaries (the "Guarantors" and such guarantees, the "Guarantees").
- Ranking. The Notes and the Guarantees will rank equal in right of payment to all of the Company's and the Guarantors' existing and future senior unsecured indebtedness and rank senior in right of payment to all of the Company's future subordinated indebtedness. The Notes and the Guarantees will be effectively subordinated to the Company's and the Guarantors' existing and future secured indebtedness, including the indebtedness under the New Credit Facility with respect to the assets securing such debt.
- Optional Redemption. On or after April 1, 2013, the Company may redeem some or all of the Notes at a price of (i) 105.125% of the principal amount of the Notes if redeemed before October 1, 2014; and (ii) 100.000% of the principal amount of the Notes if redeemed on or after October 1, 2014, plus accrued and unpaid interest and liquidated damages, if any, on the Notes redeemed, to the date of redemption. Prior to April 1, 2013, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 110.250% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date, with the net cash proceeds of certain equity offerings. In addition, the Company may, at its option, redeem some or all of the Notes at any time prior to April 1, 2013, by paying a redemption price which includes a "make whole" premium.
- Change of Control Offer. If the Company experiences certain change-of-control events, the holders of the Notes will have the right to require the Company to purchase their Notes at a price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.
- Asset Sale Offer. Upon certain asset sales, the Company may be required to offer to use the net proceeds of the asset sale to purchase a portion of the Notes at 100% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.
- Other Covenants. The Indenture contains certain covenants limiting the Company's ability and the ability of its domestic restricted subsidiaries to (subject to certain exceptions): (i) incur or guarantee additional indebtedness or issue certain preferred stock; (ii) transfer or sell assets; (iii) make certain investments; (iv) pay dividends or distributions, redeem subordinated indebtedness or make other restricted payments; (v) create or incur liens; (vi) incur dividend or other payment restrictions affecting certain subsidiaries; (vii) enter into agreements that restrict dividends from subsidiaries; (viii) issue capital stock of the Company's subsidiaries; (ix) consummate a merger, consolidation or sale of all or substantially all of the Company's assets; and (x) enter into transactions with affiliates.
- Events of Default. The Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable.

The description of the Indenture and the Notes is qualified in its entirety by the Indenture and Form of 10¼% Senior Note due 2015, filed as Exhibit 4.1 to this Current Report on Form 8-K, which are incorporated herein by reference.

Amendment to PVA and Intercreditor Agreement

On March 25, 2010, the prime vendor agreement, effective as of August 25, 2009, by and among AmerisourceBergen Drug Corporation, a Delaware corporation ("ABDC") and the Company and certain subsidiaries of the Company (as amended, the "PVA"), was amended to modify the scope of the security interest in the collateral granted under the PVA to provide ABDC with a lien on the Company's and its subsidiaries' inventory, accounts and proceeds. On March 25, 2010, Jefferies Finance LLC, as agent for the first priority secured parties, and ABDC entered into an intercreditor agreement (the "Intercreditor Agreement") pursuant to which ABDC has agreed to subordinate the lien securing the Company's obligations under the PVA to the liens securing the New Credit Facility.

This description of the Amendment to the PVA and the Intercreditor Agreement is qualified in its entirety by the Amendment to the PVA and the Intercreditor Agreement filed as Exhibits 10.3 and 10.4 to this Current Report on Form 8-K, which are incorporated herein by reference.

Registration Rights Agreement

On March 25, 2010, BioScrip, the Guarantors and Jefferies & Company, Inc. entered into a registration rights agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, BioScrip and the Guarantors have agreed to file a registration statement with the Securities and Exchange Commission. Upon the effectiveness of the registration statement, BioScrip and the Guarantors will offer to the holders of the Notes registered, publicly tradable notes that have substantially identical terms as the Notes. If the Company fails to satisfy its obligations under the Registration Rights Agreement we may be required to pay additional interest on the Notes.

This description of the Registration Rights Agreement is qualified in its entirety by the Registration Rights Agreement filed as Exhibit 10.5 to this Current Report on Form 8-K, which is incorporated herein by reference.

Warrant Agreement

In connection with the consummation of the Merger, on March 25, 2010, the Company entered into the Warrant Agreement with the Target Stockholders and an optionholder of the Target (the "Warrant Agreement") providing for the issuance of warrants (the "Warrants") representing the right to purchase, in the aggregate, 3,400,945 shares of Company Common Stock (as defined below) at the effective time of the Merger.

The Warrants may be exercised at any time prior to 5:00 p.m., eastern time, on March 25, 2015 (the "expiration time") upon the payment of the exercise price for each share of Company Common Stock with respect to which the Warrants are then being exercised. The initial exercise price is equal to $10.00 per share, subject to adjustment. Upon the exercise of any Warrants, a warrantholder may pay the applicable exercise price in cash or by "net exercise." Any Warrants issued under the Warrant Agreement will be fully exercised pursuant to the terms thereof, without the need for any action by the holder of such Warrants, immediately prior to the expiration time if the resulting value upon such automatic exercise would be greater than zero. The Warrants are subject to stock-based and price-based anti-dilution provisions set forth in the Warrant Agreement.

This description of the Warrant Agreement is qualified in its entirety by the Warrant Agreement filed as Exhibit 4.2 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement

On March 25, 2010, contemporaneously with the execution and delivery of the New Credit Facility, the Amended and Restated Loan and Security Agreement, dated as of September 26, 2007, by and among BioScrip Pharmacy Services, Inc., BioScrip Infusion Services, Inc., BioScrip Pharmacy (NY), Inc., BioScrip PBM Services, LLC, BioScrip Pharmacy, Inc., Natural Living, Inc., BioScrip Infusion Services, LLC and Bradhurst Specialty Pharmacy, Inc., as Borrowers, and HFG Healthco-4 LLC, as Lender, was terminated and all amounts outstanding thereunder were repaid. The Company incurred no early termination penalties in connection with the termination of the agreement.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On March 25, 2010, pursuant to an agreement and plan of merger (the "Merger Agreement") dated as of January 24, 2010 by and among the Company, Camelot Acquisition Corp., a Delaware corporation and wholly owned subsidiary of the Company (the "Merger Sub"), the Target, Kohlberg Investors V, L.P., a Delaware limited partnership, in its capacity as the Stockholders' Representative and as a stockholder ("Kohlberg"), Kohlberg Partners V, L.P., a Delaware limited partnership, Kohlberg Offshore Investors V, L.P., a Delaware limited partnership, Kohlberg TE Investors V, L.P., a Delaware limited partnership, KOCO Investors V, L.P., a Delaware limited partnership, Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, Blackstone Mezzanine Holdings II L.P., a Delaware limited partnership, and S.A.C. Domestic Capital Funding, Ltd., a Cayman Islands limited company (collectively, the "Target Stockholders"), the Target merged with and into Merger Sub (the "Merger"). As a result of the Merger, the separate corporate existence of the Target ceased and Merger Sub is continuing as the surviving corporation of the Merger and a wholly owned subsidiary of the Company under the name "CHS Holdings, Inc." In connection with the Merger, pursuant to the terms of the Merger Agreement, the Company paid a total purchase price of approximately $347 million (plus Warrants) for the acquisition of the Target as follows:

- cash of approximately $114 million;
- the repayment of approximately $123.9 of indebtedness of the Target (net of Target's cash);
- approximately 13.1 shares of common stock, $0.0001 par value, of the Company (the "Company Common Stock") having an aggregate value of approximately $109.5 million based on the Company's closing stock price of $8.35 on March 25, 2010, the date of the consummation of the Merger; and
- Warrants.

At the closing of the Merger, the Company assumed and adopted the Target's 2006 Equity Incentive Plan, as amended (the "Stock Option Plan"). With respect to the right to purchase the Target Common Stock under the Stock Option Plan (the "Options") held by the top five executives of the Target, Options representing the right to acquire an aggregate of 716,086 shares of Company Common Stock rolled over into the Stock Option Plan assumed by the Company at the closing of the Merger, and all remaining Options were cashed out in connection with the Merger.

At the Stockholders' Meeting (as defined below), the stockholders of the Company approved and adopted a proposal to issue the Company Common Stock, including the Company Common Stock to be issued upon the conversion of the Warrants.

A total of 2,696,516 shares of Company Common Stock (of the total of approximately 13.1 million shares that were issued in connection with the Merger) were deposited into escrow and will be available to satisfy any indemnity to the Company under the Merger Agreement.

A copy of the Company's press releases, dated March 25, 2010 announcing the completion of the acquisition of the Target is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligations

The disclosure provided under Item 1.01 of this Form 8-K is incorporated by reference into this Item 2.03 as if fully set forth herein.

Item 3.02 Unregistered Sales of Equity Securities

The information regarding the issuance of shares of Company Common Stock set forth in Item 1.01 above is incorporated herein by reference.

The shares of Company Common Stock and Warrants issued to the Target Stockholders in connection with the Merger were offered and sold in reliance upon the exemption from registration provided by Section 4(2) under the Securities Act. The offer and sale of shares of Company Common Stock and Warrants to the Target Stockholders, as a portion of the consideration for the Merger, was a privately negotiated transaction with the Target Stockholders, who are all accredited investors, that did not involve a general solicitation. The certificates representing the shares of Company Common Stock and Warrants issued in connection with the Merger contain a legend to the effect that such shares are not registered under the Securities Act and may not be sold or transferred except pursuant to a registration which has become effective under the Securities Act or pursuant to an exemption from such registration.

Item 3.03. Material Modification to Rights of Security Holders.

The information included in Item 1.01 above is incorporated by reference into this Item 3.03.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

As of the effective time of the Merger, the board of directors of the Company expanded to 10 directors from nine directors (with a then-existing vacancy). The vacancy created by the increase in the authorization of the additional directorship and previously existing vacancy will be filled by Messrs. Samuel P. Frieder and Gordon H. Woodward in accordance with the stockholders' agreement (the "Stockholders' Agreement") with the Target Stockholders and certain optionholders of CHS.

For as long as Kohlberg has the right to designate one or more directors on the Company's board of directors pursuant to the terms of the Stockholders' Agreement, at least one of those directors will be entitled to representation on each of the Audit Committee, the Management Development and Compensation Committee and the Corporate Strategy Committee of the Company's board of directors. Effective as of the effective time of the Merger, Mr. Frieder has been designated to serve on the Management Development and Compensation Committee and Mr. Woodward has been designated to serve on the Audit and Corporate Strategy Committees.

Samuel P. Frieder, *44*, joined Kohlberg & Company, L.L.C. in 1989, became a Principal in 1995 and Co-Managing Partner in 2006. From 1988 to 1989 he was a senior associate in the Capital Funding Group at Security Pacific Business Credit. Prior to that, he was a senior real estate analyst at Manufacturers Hanover Trust Company. He is a member of the board of directors of AGY Holdings Corporation, Bauer Hockey, Centerplate, Inc., Central Parking Corporation, Hawkeye Group, Katy Industries, Inc., Hoffmaster Group Inc., Kohlberg Capital Corporation, Niagara Corporation, Nielsen & Bainbridge, Inc., Packaging Dynamics Corporation, Pittsburgh Glass Works L.L.C., Stanadyne Corporation, SVP Holdings, Ltd., Trico Products, Inc. and United States Infrastructure Corporation. Mr. Frieder holds an A.B. from Harvard College.

Gordon H. Woodward, *40*, joined Kohlberg & Company, L.L.C. in 1996 and became a Partner in 2001. Prior to joining Kohlberg & Company, L.L.C., Mr. Woodward was a financial analyst at James D. Wolfensohn Incorporated. He is a member of the board of directors of Centerplate, Inc., Central Parking Corporation, Hoffmaster Group Inc., Nielsen & Bainbridge, Inc., Packaging Dynamics Corporation, Stanadyne Corporation, and United States Infrastructure Corporation. Mr. Woodward received an A.B. from Harvard College.

The foregoing summary of certain provisions of the Stockholders' Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of the agreement, which was filed as Exhibit 10.1 of the Current Report on Form 8-K of the Company on January 27, 2010, and is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On March 25, 2010, the Company held a special meeting of stockholders (the "Stockholders' Meeting") to vote on the following proposal:

To approve the issuance of up to approximately 12.9 million shares of Company Common Stock (subject to increase if net indebtedness of the Target is less than $132 million at closing), as well as 3,400,945 shares of Company Common Stock to be issued upon exercise of Warrants.

Since there were sufficient votes to approve the above proposal, a proposal to approve adjournment of the Stockholders' Meeting was not voted on at the Stockholders' Meeting. Set forth below are the final results of the vote on the proposal to approve the issuance of shares of Company Common Stock.

For	Against	Abstain	Broker Non-Vote
32,453,901	262,085	58,814	0

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

Incorporated herein by reference are the Critical Homecare Solutions Holdings, Inc. audited consolidated financial statements as of and for the year ended December 31, 2009, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2010, and the Critical Homecare Solutions Holdings, Inc. audited consolidated financial statements as of and for the years ended December 31, 2008 and 2007, filed with the Company's Proxy Statement on Schedule 14A filed with the SEC on February 24, 2010.

(b) Pro Forma Financial Information.

Incorporated herein by reference is the Unaudited Pro Forma Combined Financial Information of BioScrip, Inc., filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2010.

(d) Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of January 24, 2010, by and among BioScrip, Inc., Camelot Acquisition Corp., Critical Homecare Solutions Holdings, Inc., Kohlberg Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P., Kohlberg TE Investors V, L.P., KOCO Investors V, L.P., Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Blackstone Mezzanine Partners II L.P., Blackstone Mezzanine Holdings II L.P. and S.A.C. Domestic Capital Funding, Ltd. (incorporated by reference to Exhibit 2.1 to the Form 8-K (SEC Accession No. 0000950123-10-005446) as filed with the SEC on January 27, 2010).
4.1	Indenture, dated as of March 25, 2010, by and among BioScrip, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (including Form of 10¼% Senior Note due 2015).
4.2	Warrant Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., Kohlberg Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P., Kohlberg TE Investors V, L.P., KOCO Investors V, L.P., Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Colleen Lederer, Blackstone Mezzanine Partners II L.P., Blackstone Mezzanine Holdings II L.P. and S.A.C. Domestic Capital Funding, Ltd.

Exhibit No.	Description
10.1	Credit Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., as borrower, the subsidiary guarantors party thereto, the lenders party thereto, Jefferies Finance LLC, as lead arranger, as book manager, as administrative agent for the lenders, as collateral agent for the secured parties and as syndication agent, Compass Bank, as a co-documentation agent, GE Capital Corporation, a co-documentation agent, Healthcare Finance Group, LLC, as collateral manager, HFG Healthco-4, LLC, as swingline lender for the lenders, and Healthcare Finance Group, LLC, as issuing bank for the lenders.
10.2	Security Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., the other guarantors from time to time party thereto, and Jefferies Finance LLC, as collateral agent pursuant to the Credit Agreement.
10.3	First Amendment, dated as of March 25, 2010, to Prime Vender Agreement, dated as of July 1, 2009, by and among AmerisourceBergen Drug Corporation, Bioscrip, Inc., BioScrip Infusion Services, Inc., Chonimed LLC, Los Feliz Drugs Inc., Bioscrip Pharmacy Inc., Bradhurst Specialty Pharmacy, Inc., Bioscrip Pharmacy (NY), Inc., Bioscrip PMB Services, LLC, Natural Living Inc., Bioscrip Infusion Services, LLC, Bioscrip Nursing Services, LLC, Bioscrip Infusion Management, LLC and Bioscrip Pharmacy Services, Inc.
10.4	Intercreditor Agreement, dated as of March 25, 2010, by and between Jefferies Finance LLC, as agent for the first priority secured parties, and AmerisourceBergen Drug Corporation.
10.5	Registration Rights Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., the guarantors party thereto and Jefferies & Company, Inc.
99.1	Press Release dated March 25, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BIOSCRIP, INC.

Date: March 31, 2010

/s/ Barry A. Posner

By: Barry A. Posner
Executive Vice President, Secretary and General Counsel

EXHIBIT INDEX

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4.2	Warrant Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., Kohlberg Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P., Kohlberg TE Investors V, L.P., KOCO Investors V, L.P., Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Colleen Lederer, Blackstone Mezzanine Partners II L.P., Blackstone Mezzanine Holdings II L.P. and S.A.C. Domestic Capital Funding, Ltd.
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10.4	Intercreditor Agreement, dated as of March 25, 2010, by and between Jefferies Finance LLC, as agent for the first priority secured parties, and AmerisourceBergen Drug Corporation.
10.5	Registration Rights Agreement, dated as of March 25, 2010, by and among BioScrip, Inc., the guarantors party thereto and Jefferies & Company, Inc.
99.1	Press Release dated March 25, 2010.

Exhibit 4.1

BIOSCRIP, INC.

AND EACH OF THE GUARANTORS PARTY HERETO

10 1/4% SENIOR NOTES DUE 2015

INDENTURE

Dated as of March 25, 2010

U.S. BANK NATIONAL ASSOCIATION.

Trustee

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	*Indenture Section*
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	12.03
(c)	12.03
313(a)	7.06
(b)(1)	N.A
(b)(2)	7.06; 7.07
(c)	7.06; 10.03;12.02
(d)	7.06
314(a)	4.03; 4.04, 12.02; 12.05
(b)	N.A.
(c)(1)	12.04
(c)(2)	12.04
(c)(3)	N.A.
(d)	N.A.
(e)	12.05
(f)	N.A.
315(a)	7.01
(b)	7.05; 12.02
(c)	7.01
(d)	7.01
(e)	6.11
316(a) (last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	2.12
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318(a)	12.01
(b)	N.A.
(c)	12.01

N.A. means not applicable.

* This Cross Reference Table is not part of the Indenture.

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INDENTURE dated as of March 25, 2010 among BioScrip, Inc., a Delaware corporation, the Guarantors (as defined herein) and U.S. Bank National Association, as Trustee.

The Company, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein) of the 10¼% Senior Notes due 2015 (the "*Notes*"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 *Definitions.*

"*144A Global Note"* means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*AI Global Note"* means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold to Accredited Investors.

"Accredited Investor" means an "accredited investor" as defined in Rule 501(a) under the Securities Act, who is not also a QIB.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person.

"*Acquisition*" means the transactions contemplated by the Acquisition Agreement.

"*Acquisition Agreement*" means the agreement and plan of merger, dated as of January 24, 2010, among the Company, Camelot Acquisition Corp., Critical Homecare Solutions Holdings, Inc., Kohlberg Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P., Kohlberg TE Investors V, L.P., KOCO Investors V, L.P., Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Blackstone Mezzanine Partners II L.P., Blackstone Mezzanine Holdings II L.P. and S.A.C. Domestic Capital Funding, Ltd.

"Additional Notes" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09, as part of the same series as the Initial Notes.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 20% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Agent" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"*Applicable Premium*" means with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of:

(A) the present value at such redemption date of (i) the redemption price of the Note at April 1, 2013, (such redemption pricing being set forth in the table appearing in Section 3.07(b) hereof) plus (ii) all required interest payments due on the Note through April 1, 2013, (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(B) the principal amount of the Note.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Sections 4.15 and 5.01 hereof and not by Section 4.10 hereof; and

(2) the issuance of Equity Interests in any of the Company's Restricted Subsidiaries or the sale of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets or Equity Interests having a Fair Market Value of less than $15.0 million;

(2) a transfer of assets to the Company or any of its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or to a Restricted Subsidiary of the Company;

(4) the sale or lease of products, services or accounts receivable in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) a Restricted Payment that does not violate Section 4.07(a) hereof or a Permitted Investment;

(7) the sale and leaseback of any assets within 90 days of the acquisition thereof;

(8) any trade-in of equipment in exchange for other equipment; provided that in the good faith judgment of the Company, the Company or such Restricted Subsidiary receives equipment having a fair market value equal to or greater than the equipment being traded in;

(9) the concurrent purchase and sale or exchange of assets or a combination of assets between the Company or any of its Restricted Subsidiaries and another person to the extent that the assets received by the Company or its Restricted Subsidiaries are of equivalent or better market value than the assets transferred;

(10) leases or subleases in the ordinary course of business to third persons that do not otherwise limit or restrict the ability of the Company or any of its Restricted Subsidiaries to engage in Permitted Businesses and otherwise in accordance with the provisions of this Indenture;

(11) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) to the extent it is a Permitted Lien;

(12) licensing or sublicensing of intellectual property or other general intangibles in accordance with industry practice in the ordinary course of business; and

(13) foreclosures on assets to the extent it would not otherwise result in a Default or Event of Default.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Broker-Dealer*" has the meaning set forth in the Registration Rights Agreement.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(3) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Fitch Ratings Bank Group rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having one of the two highest ratings obtainable from Moody's Investors Service, Inc. or Standard & Poor's Rating Services and, in each case, maturing within six months after the date of acquisition; and

(6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition.

"Change of Control" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company (for purposes of this clause (a), such person or group shall be deemed to Beneficially Own any Voting Stock of an entity held by any other entity (the "parent entity") so long as such person or group Beneficially Owns, directly or indirectly, in the aggregate a majority of the total voting power of the Voting Stock of such parent entity);

(4) during any period of two consecutive years commencing after the date of this Indenture, individuals who on the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election or appointment by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of at least a majority of the members of such Board of Directors then in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or

(5) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, other than any such transaction where the holders of a majority of the outstanding Voting Stock of the Company immediately prior to such transaction are holders of a majority of the outstanding shares of Voting Stock of the surviving or transferee Person immediately following such transaction.

Notwithstanding the foregoing, the creation of a holding company that owns 100% of the capital stock of the Company, or of multiple holding companies each of which owns 100% of the capital stock of another holding company or of the Company (including any related merger transactions to consummate the creation of such structure), will be deemed not to be a Change of Control.

"*Cisco Lease*" means the Master Agreement to Lease Equipment, dated as of January 15, 2010, between the Company and Cisco Systems Capital Corporation, as it may be amended from time to time.

"Clearstream" means Clearstream Banking, S.A.

"*Company"* means BioScrip, Inc., and any and all successors thereto.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) fees and expenses of the Company and its Restricted Subsidiaries payable in connection with the Transactions; *plus*

(5) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash items (excluding any such non-cash items to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash items were deducted in computing such Consolidated Net Income; *plus*

(6) the amount of any non-recurring restructuring charge or reserve deducted in accordance with GAAP (and not added back) in calculating Consolidated Net Income in such period; *plus*

(7) any non-recurring expenses or charges (including reasonable legal, accounting, financing, consulting, advisory and other out-of-pocket fees and expenses) incurred in connection with any equity offering, Permitted Investment, acquisition, recapitalization, any issuance or repayment of Indebtedness, amendment or modification of any debt instrument (in each case, including such transaction consummated prior to the date of this Indenture and any such transaction undertaken and not completed) and any non-recurring merger costs incurred during such period as a result of any such transaction, in each case deducted in accordance with GAAP (and not added back) in calculating Consolidated Net Income; plus

(8) (i) any integration costs, expenses or reserves deducted in accordance with GAAP (and not added back) in calculating Consolidated Net Income relating to retention, severance, systems establishment cost, excess pension charges, contract termination costs, future lease commitments and costs to consolidate facilities and relocate employees or equipment and similar costs, expenses or reserves and (ii) the amount of net cost savings projected by the Company in good faith to be realized as a result of specified actions taken or to be taken (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions, in each case described in clauses (i) and (ii) in connection with any acquisition, recapitalization or Permitted Investment; provided that (a) any such cost savings are reasonably identifiable and factually supportable, and (b) any such actions referred to in clause (ii) have been taken or are to be taken within six months after the date of determination to take such action; minus

(9) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation, amortization and other non-cash expenses of, a Restricted Subsidiary of the Company will be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the cumulative effect of a change in accounting principles will be excluded;

(4) any non-cash expense recorded from issuances of Equity Interests in connection with the early extinguishment of debt, and non-cash compensation expense from grants of stock appreciation or similar rights, stock options, restricted stock or other rights will, in each case, be excluded; and

(5) notwithstanding clause (1) above, the Net Income of any Unrestricted Subsidiary will be excluded, whether or not distributed to the specified Person or one of its Subsidiaries.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"Corporate Trust Office of the Trustee" will be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Company.

"Credit Agreement" means that certain Credit Agreement, to be dated the date of this Indenture, by and among the Company and the lenders from time to party thereto and Jefferies Finance LLC, as administrative agent, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"*Credit Facilities*" means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case, with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"*Custodian*" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Company that was formed under the laws of the United States or any state of the United States or the District of Columbia, or that guarantees or otherwise provides direct credit support for any Indebtedness of the Company.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Euroclear*" means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Exchange Notes*" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"*Exchange Offer*" has the meaning set forth in the Registration Rights Agreement.

"*Exchange Offer Registration Statement*" has the meaning set forth in the Registration Rights Agreement.

"*Existing Indebtedness*" means all Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of this Indenture, until such amounts are repaid.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided herein).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; plus

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; plus

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; plus

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock) or to the Company or a Restricted Subsidiary of the Company, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with GAAP.

"Foreign Subsidiary" means any Restricted Subsidiary of the Company that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*Global Note Legend*" means the legend set forth in Section 2.06(g)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A1 hereto and that bears the Global Note Legend and that

has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), 2.06(d)(1), 2.06(d)(2) or 2.06(f) hereof.

"*Government Securities*" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Guarantors*" means (1) each Domestic Subsidiary of the Company on the date of this Indenture and (2) each other Subsidiary of the Company that executes a Note Guarantee in accordance with the provisions of this Indenture, in each case, together with their respective successors and assigns until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Immaterial Subsidiary*" means, as of any date, any Restricted Subsidiary whose total assets, as of that date, are less than $100,000 and whose total revenues for the most recent 12-month period do not exceed $100,000; *provided* that a Restricted Subsidiary will not be considered to be an Immaterial Subsidiary if it, directly or indirectly, guarantees or otherwise provides direct credit support for any Indebtedness of the Company.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, Notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first $225,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchaser*" means, with respect to the Initial Notes, Jefferies & Company, Inc.

"*Insolvency Proceeding*" means, with respect to the Company or any Guarantor, (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code or under any other Bankruptcy Law with respect to the Company or any Guarantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to the Company or any Guarantor or with respect to a material portion of its respective assets, (c) any liquidation, dissolution, reorganization or winding up of the Company or any Guarantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any assignment for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief or any other marshalling of assets and liabilities of the Company or any Guarantor.

"*Investments*" means with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding (i) commission, travel and similar advances to officers and employees made in the ordinary course of business, (ii) advances or extensions of credit to customers in the ordinary course of business, and (iii) any debt or extension of credit represented by a bank deposit other than a time deposit), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in Section 4.07(c) hereof. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Section 4.07(c) hereof. Except as otherwise provided in this Indenture,

the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Liquidated Damages*" means all liquidated damages then owing pursuant to the Registration Rights Agreement.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, sales commissions, relocation expenses incurred as a result of the Asset Sale, and taxes paid or payable as a result of the Asset Sale after taking into account any available tax credits or deductions and any tax sharing arrangements, (2) amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility, secured by a Lien on the asset or assets that were the subject of such Asset Sale, (3) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, and (4) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender; and

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity.

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Note Guarantee*" means the Guarantee by each Guarantor of the Company's obligations under this Indenture and the Notes.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the Company's final offering memorandum, dated March 17, 2010, relating to the initial offering of the Notes.

"*Officer*" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Executive Vice-President of such Person.

"*Officers' Certificate*" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 12.05.

"*Opinion of Counsel*" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05. The counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"*Permitted Business*" means a business in which the Company and its Restricted Subsidiaries were engaged on the date of this Indenture, as described in the Offering Memorandum, and any business reasonably related, ancillary or complementary thereto.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) Investments the payment for which consist solely of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed $2.0 million at any one time outstanding;

(9) repurchases of the Notes;

(10) Investments in existence on the date of this Indenture;

(11) Investments in joint ventures in an amount not to exceed $500,000 per joint venture or $5.0 million in the aggregate; and

(12) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding, not to exceed $10.0 million.

"Permitted Liens" means:

(1) Liens on assets of the Company or any of the Company's Restricted Subsidiaries securing Indebtedness and other Obligations under Credit Facilities that was permitted by the terms of this Indenture to be incurred and/or securing Hedging Obligations related thereto;

(2) Liens in favor of the Company or the Guarantors;

(3) Liens on property of a Person existing at the time such Person is acquired, merged with or into or consolidated with the Company or any Subsidiary of the Company; provided that such Liens were not created in contemplation of such acquisition, merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; provided that such Liens were in existence prior to and not incurred in contemplation of, such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) or clause (14) of Section 4.09(b) covering only the assets acquired with or financed by such Indebtedness;

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (15) of Section 4.09(b) covering only the assets of Foreign Subsidiaries;

(8) Liens existing on the date of this Indenture;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(10) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) encumbrances, ground leases, survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens created for the benefit of (or to secure) the Notes or the Note Guarantees;

(13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under this Indenture; provided, however, that:

(a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Indebtedness (plus improvements and accessions to such property, or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (i) the outstanding principal amount, or, if greater, committed amount, of the original Indebtedness and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge; and

(14) Liens in favor of customs or revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods incurred in the ordinary course of business;

(15) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligation in respect of banker's acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(16) Liens (i) that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations and other cash management activities incurred in the ordinary course of business of the Company and or any of its Restricted Subsidiaries or (c) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business and (ii) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (a) encumbering reasonable customary initial deposits and margin deposits and attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, and (b) in favor of banking institutions arising as a matter of law or pursuant to customary account agreements encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(17) Liens securing judgments for the payment of money not constituting an Event of Default so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(18) leases, subleases, licenses or sublicenses of real or personal property (including intellectual property) granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiaries and do not secure any Indebtedness;

(19) any interest of title of an owner of equipment or inventory on loan or consignment to the Company or any of its Restricted Subsidiaries and Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(20) deposits in the ordinary course of business to secure liability to insurance carriers;

(21) Liens securing Hedging Obligations so long as any related Indebtedness is permitted to be incurred under this Indenture;

(22) options, put and call arrangements, rights of first refusal and similar rights relating to Investments in joint ventures, partnerships and the like permitted to be made under this Indenture;

(23) Liens granted to prime vendors on inventory, accounts receivable and the proceeds thereof in connection with prime vendor agreements in the ordinary course of business;

(24) Liens arising from filing Uniform Commercial Code financing statements regarding leases or other transactions that are not secured transactions;

(25) Liens securing reimbursement obligations with respect to letters of credit that are cash collateralized; and

(26) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to obligations that do not exceed $12.5 million at any one time outstanding.

"*Permitted Refinancing Indebtedness*" means any Indebtedness or Disqualified Stock of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Private Placement Legend*" means the legend set forth in Section 2.06(g)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Registration Rights Agreement*" means the Registration Rights Agreement, dated as of March 25, 2010, among the Company, the Guarantors and the Initial Purchaser, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements among the Company, the Guarantors and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Responsible Officer,*" when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*SEC*" means the Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Shelf Registration Statement*" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Indenture.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of this Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"TIA" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb).

"*Transactions*" means the Acquisition, the issuance of the Notes, entering into and incurring the initial borrowings under the Credit Agreement, and the other transactions related thereto, in each case substantially as described in the Offering Memorandum under the caption "The Transactions."

"*Treasury Rate"* means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to April 1, 2013; *provided*, *however*, that if the period from the redemption date to April 1, 2013, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trustee" means U.S. Bank National Association until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Definitive Note" means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.11 hereof is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"U.S. Person" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"Voting Stock" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; *by*

(2) the then outstanding principal amount of such Indebtedness.

Section 1.02 *Other Definitions.*

Term	Defined in Section
"Affiliate Transaction"	4.11
"Asset Sale Offer"	3.09
"Authentication Order"	2.02
"Change of Control Offer"	4.15
"Change of Control Payment"	4.15
"Change of Control Payment Date"	4.15
"Covenant Defeasance"	8.03
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.10
"incur"	4.09
"Legal Defeasance"	8.02
"Offer Amount"	3.09
"Offer Period"	3.09
"Paying Agent"	2.03
"Permitted Debt"	4.09
"Payment Default"	6.01
"Purchase Date"	3.09
"Registrar"	2.03
"Restricted Payments"	4.07

Section 1.03 *Incorporation by Reference of Trust Indenture Act.*

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"*indenture securities*" means the Notes;

"*indenture security Holder*" means a Holder of a Note;

"*indenture to be qualified*" means this Indenture;

"*indenture trustee*" or "*institutional trustee*" means the Trustee; and

"*obligor*" on the Notes and the Note Guarantees means the Company and the Guarantors, respectively, and any successor obligor upon the Notes and the Note Guarantees, respectively.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04 *Rules of Construction.*

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) *General.* The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the

extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream Procedures Applicable*. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon receipt of a written order of the Company signed by one Officer, either by manual or facsimile signature, (an "*Authentication Order*"), authenticate and deliver the (i) Initial Notes, (ii) any Additional Notes in accordance with Section 4.09, and (iii) Exchange Notes from time to time for issue only in exchange for a like principal amount at maturity of Initial Notes. All Notes issued under this Indenture shall vote and consent together on all matters as one class and no series of Notes shall have the right to vote or consent as a separate class on any matter, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar and Paying Agent.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent.

The Company may change any Paying Agent or Registrar without notice to any Holder. The Company will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and DTC has appointed U.S. Bank National Association to act as Custodian with respect to the Global Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes, and will notify the Trustee of any Default by the Company in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists.*

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA § 312(a).

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes and the Registrar has received a request from the Depositary to issue Definitive Notes.

Upon the occurrence of either of the preceding events in (1), (2) or (3) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes*. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(g) hereof, the requirements of this Section 2.06(b)(2) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note*. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the AI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(4) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) of this Section 2.06(b)(4) at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) of this Section 2.06(b)(4). Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interest in Restricted Global Notes to Restricted Definitive Notes*. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) of this Section 2.06(c)(1), a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes*. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes*. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) of this Section 2.06(d)(1), a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (C) above, the Regulation S Global Note, and in all other cases, the AI Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from

such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act. Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(D) or (3) of Section 2.06(d) at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes*. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes*. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes*. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Exchange Offer*. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate:

(1) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company; and

(2) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company.

Concurrently with the issuance of such Notes, the Trustee will cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company will execute and the Trustee will authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

(g) *Legends*. The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) *Private Placement Legend*.

(A) Except as permitted by subparagraph (B) of this Section 2.06(g)(1), each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PURCHASER AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH THE LAWS APPLICABLE TO SUCH PURCHASER IN THE JURISDICTION IN WHICH SUCH ACQUISITION IS MADE, OR (C) IT IS AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a) OF RULE 501 UNDER THE SECURITIES ACT, AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT, ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A

PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PURCHASERS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT.

THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH ABOVE."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (c)(3), (d)(2), (d)(3), (e)(2), (e)(3) or (f) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY

THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(h) *Cancellation and/or Adjustment of Global Notes*. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges*.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of

Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

(9) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary Participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08

as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate (upon receipt of an Authentication Order) definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the record retention requirement of the Exchange Act). Certification of all canceled Notes will be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; provided that no such special record date may

be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee will select Notes for redemption or purchase on a *pro rata* basis unless otherwise required by law or applicable securities exchange requirements.

The Trustee will promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in minimum amounts of $2,000 and integral multiples of $1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail (or in the case of Notes held in book entry form, by electronic transmission), a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 11 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided*, *however*, that the Company has delivered to the Trustee, at least 45 days prior to the redemption date (or such shorter period as the Trustee shall have agreed), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05 *Deposit of Redemption or Purchase Price.*

Prior to 10:00 am, New York City time, on the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Liquidated Damages, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Liquidated Damages, if any, on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part.*

Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to April 1, 2013, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price equal to 110.250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption, (subject to the rights of Holders of Notes on the relevant regular record date to receive interest due on the relevant interest payment date that is on or prior to the applicable date of redemption) with the net cash proceeds of a sale of Equity Interests (other than Disqualified Stock) of the Company or a contribution to the Company's common equity capital; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such sale or contribution.

(b) On or after April 1, 2013, the Company may redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed to the applicable redemption date, subject to the rights of Holders of Notes on the relevant regular record date to receive interest due on the relevant interest payment date:

Period	Percentage
On or after April 1, 2013 and before October 1, 2014	105.125%
On or after October 1, 2014	100.000%

(c) Notwithstanding the foregoing, at any time prior to April 1, 2013, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed, to the date of redemption, subject to the rights of Holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to Sections 3.07(a) and 3.07(c) hereof, the Notes will not be redeemable at the Company's option prior to April 1, 2013.

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(d) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds.*

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an Asset Sale Offer, it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased, prepaid or redeemed out of the Excess Proceeds. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Offer Period*"). No later than three Business Days after the termination of the Offer Period (the "*Purchase Date*"), the Company will apply all Excess Proceeds (the "*Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Liquidated Damages, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no Liquidated Damages will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in minimum amounts of $2,000 and integral multiples of $1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a

Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Trustee will select the Notes to be purchased on a *pro rata* basis based on the principal amount of Notes surrendered or required to be prepaid or repurchased (with such adjustments as may be deemed appropriate by the Company so that only Notes in minimum amounts of $2,000 and integral multiples of $1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Liquidated Damages, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Liquidated Damages, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company will pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 2% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports.*

(a) So long as any Notes are outstanding, the Company will furnish to the Holders of Notes or cause the Trustee to furnish to the Holders of Notes within the time periods specified in the SEC's rules and regulations:

(1) all quarterly and annual reports that would be required to be filed with the SEC on Forms 10-Q and 10-K if the Company were required to file such reports; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports.

The availability of the foregoing materials on the SEC's EDGAR service shall be deemed to satisfy the Company's delivery obligation.

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports. Each annual report on Form 10-K will include a report on the Company's consolidated financial statements by the Company's certified independent accountants. In addition, unless the reports are available on the SEC's EDGAR service, the Company will post the reports on its website within the time periods specified in the rules and regulations applicable to such reports and, following the consummation of the Exchange Offer contemplated by the Registration Rights Agreement, the Company will file a copy of each of the reports referred to in clauses (1) and (2) of this Section 4.03(a) with the SEC for public availability within those time periods (unless the SEC will not accept such filing).

(b) If, at any time after the consummation of the Exchange Offer contemplated by the Registration Rights Agreement, the Company is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, the Company will nevertheless continue filing the reports specified in clauses (1) and (2) of Section 4.03(a) above with the SEC within the time periods specified above unless the SEC will not accept such a filing. The Company will not take any action for the purpose of causing the SEC not to accept any such filings.

(c) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by clauses (1) and (2) of Section 4.03(a) will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

(d) The Company will also arrange and participate in quarterly conference calls open to the public to discuss its results of operations no later than 10 Business Days following the date on which each of the quarterly and annual financial statements are made available as provided above. Dial-in conference call information will be provided in advance by press release.

(e) In addition, the Company and the Guarantors agree that, for so long as any Notes remain outstanding, if at any time they are not required to file with the SEC the reports required by this Section 4.03, they will furnish to the Holders of Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Section 4.04 *Compliance Certificate.*

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, within five business days of any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05 *Taxes.*

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Restricted Payments.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company (other than any such Equity Interests owned by the Company or any of its Restricted Subsidiaries);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except (a) a payment of interest or principal at the Stated Maturity thereof or (b) payments in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case within six months of the due date thereof (but only to the extent such due date is not on or after the date on which the Notes mature); or

(4) make any Restricted Investment

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the date of this Indenture (excluding Restricted Payments permitted by clauses (2) through (8) of Section 4.07(b)), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of this Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(b) 100% of the aggregate net cash proceeds received by the Company since the date of this Indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(c) 100% of the net reduction in Restricted Investments after the date of this Indenture, in any Person, resulting from (i) payments of interest on Indebtedness, dividends, repayments of loans or advances, or any sale or disposition of such Investments (but only to the extent such items are not included in the calculation of Consolidated Net Income), in each case to the Company or any Restricted Subsidiary from any Person, or (ii) the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, not to exceed in the case of any Person the amount of Investments previously made by the Company or any Restricted Subsidiary in such Person after the date of this Indenture; *plus*

(d) 100% of any dividends received by the Company or a Restricted Subsidiary of the Company after the date of this Indenture from an Unrestricted Subsidiary of the Company, to the extent that such dividends were not otherwise included in the Consolidated Net Income of the Company for such period.

(b) The provisions of Section 4.07(a) hereof will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially

concurrent contribution of common equity capital to the Company; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (b) of Section 4.07(a)(3);

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

(4) so long as no Default has occurred and is continuing, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $2.0 million in any calendar year; provided, however, that any unused amounts in any calendar year may be carried forward to one or more future periods, subject to a maximum aggregate amount of repurchases made pursuant to this clause (4) not to exceed $4.0 million in any calendar year;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Equity Interests represent a portion of the exercise price of those securities, and any cash paid in lieu of fractional shares in connection with the exercise of stock options, warrants or other convertible or exchangeable securities;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary of the Company issued after the date of this Indenture in accordance with the Fixed Charge Coverage Ratio test as set forth in Section 4.09 hereof ;

(7) upon the occurrence of a Change of Control or Asset Sale, the defeasance, redemption, repurchase or other acquisition of any Indebtedness of the Company that is contractually subordinated to the Notes pursuant to provisions substantially similar to those described in Sections 4.10 and 4.15, provided that the Company has first complied with the provisions described under such sections; and

(8) so long as no Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed $15.0 million since the date of this Indenture.

(c) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Company, whose resolution with respect thereto will be delivered to the Trustee. The Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the Fair Market Value exceeds $15.0 million.

Section 4.08 *Dividend and Other Payment Restrictions Affecting Subsidiaries.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the date of this Indenture, and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of this Indenture;

(2) this Indenture, the Notes and the Note Guarantees;

(3) applicable law, rule, regulation or order;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(5) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;

(6) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.08(a)(3) hereof;

(7) any agreement for the sale or other disposition of the assets or Equity Interests of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens permitted to be incurred under the provisions of Section 4.12 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Company's Board of Directors, which limitation is applicable only to the assets that are the subject of such agreements;

(11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(12) any instrument governing Indebtedness of a Foreign Subsidiary; provided that such Indebtedness was permitted by the terms of this Indenture to be incurred; and

(13) any other agreement governing Indebtedness or Disqualified Stock entered into after the date of this Indenture that contains encumbrances and restrictions that are not materially more restrictive, taken as a whole, with respect to any Restricted Subsidiary that those in effect on the date of this Indenture with respect to that Restricted Subsidiary pursuant to agreements in effect on the date of this Indenture.

Section 4.09 *Incurrence of Indebtedness and Issuance of Preferred Stock.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; provided, however, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Guarantors may incur Indebtedness (including Acquired Debt) or issue preferred stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) hereof will not prohibit the incurrence of any of the following (collectively, "*Permitted Debt*"):

(1) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate amount at any one time outstanding under this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) not to exceed the greater of (a) $150.0 million, less the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any of its Restricted Subsidiaries since the date of this Indenture to repay any term Indebtedness under a Credit Facility or to repay any revolving credit

Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to Section 4.10, and (b) the sum of 80% of the book value of accounts receivable inventory plus 50% of the book value of inventory, in each case of the Company and its Restricted Subsidiaries shown on the most recent balance sheet of the Company and its Restricted Subsidiaries;

(2) Existing Indebtedness of the Company and its Restricted Subsidiaries;

(3) the incurrence by the Company and the Guarantors of Indebtedness represented by the Notes and the related Note Guarantees to be issued on the date of this Indenture and the Exchange Notes and the related Note Guarantees to be issued pursuant to the Registration Rights Agreement;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed $10.0 million at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be incurred under Section 4.09(a) hereof or clauses (2), (3), (4), (5), (13), (14), (15) or (16) of this Section 4.09(b).

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; *provided*, *however*, that:

(a) if the Company or any Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes and the Note Guarantees; and

(b) any (i) subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company, or (ii) sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that is not permitted by this clause (6);

(7) the issuance by any of the Company's Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however,* that any (a) subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; or (b) sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that is not permitted by this clause (7);

(8) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business;

(9) the guarantee by the Company or any of the Guarantors of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the Guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness (including by means of the issuance of letters of credit) in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, surety and similar bonds (or letters of credit performing a similar function) and completion guarantees in the ordinary course of business;

(11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five Business Days;

(12) the incurrence of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Equity Interests of a Restricted Subsidiary otherwise permitted under this Indenture;

(13) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness resulting from the acquisition of assets or a new Restricted Subsidiary; *provided* that such Indebtedness was incurred prior to such acquisition and was not incurred in connection with, or in contemplation of, such acquisition; *provided, further,* that the amount of such Indebtedness, together with any other outstanding Indebtedness incurred pursuant to this clause (13), and Permitted Refinancing Indebtedness in respect thereof, does not exceed $10.0 million;

(14) the incurrence by the Company or any Guarantor of Indebtedness in respect of the Cisco Lease in an aggregate amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (14), not to exceed $10.0 million;

(15) the incurrence by the Company's Foreign Subsidiaries of Indebtedness in an aggregate amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (15), not to exceed $2.0 million; and

(16) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (16), not to exceed $15.0 million.

(c) The Company will not incur, and will not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor unless such Indebtedness is also contractually

subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

(d) For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) of Section 4.09(b) hereof, or is entitled to be incurred pursuant to Section 4.09(a) hereof, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness under Credit Facilities outstanding on the date on which Notes are first issued and authenticated under this Indenture will initially be deemed to have been incurred on such date in reliance on the exception provided by Section 4.09(b)(1) hereof. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4.09; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

(e) The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the amount of the Indebtedness of the other Person.

Section 4.10 *Asset Sales.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets and with respect to which the Company or such Restricted Subsidiary is released from further liability;

(B) any securities, Notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 60 days, to the extent of the cash received in that conversion;

(C) any stock or assets of the kind referred to in Sections 4.10(b)(2) or 4.10(b)(4); and

(D) any cash received under any earn-out or similar provision, to the extent of the cash received.

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds:

(1) to repay Indebtedness and other Obligations under a Credit Facility, and if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes, or is merged into, a Restricted Subsidiary of the Company;

(3) to make a capital expenditure; or

(4) to acquire other assets that are not classified as current assets under GAAP and that are used or useful in a Permitted Business.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested as provided in Section 4.10(b) will constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds $15.0 million, the Company will, within 30 days thereof, make an offer ("*Asset Sale Offer*") to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after the consummation of an Asset Sale Offer (whether or not any Notes have been tendered), the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other *pari passu* Indebtedness

to be purchased on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(e) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.10, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.10 by virtue of such compliance.

Section 4.11 *Transactions with Affiliates.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unaffiliated Person; and

(2) the Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5.0 million, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this Section 4.11 and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, an opinion as to the fairness to the Company or such Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.11(a) hereof:

(1) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of directors' fees and the provision of indemnities and other benefits to Persons who are not otherwise Affiliates of the Company;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company;

(6) Restricted Payments that do not violate the provisions of Section 4.07; and

(7) any agreement or arrangement as in effect on the date of this Indenture and any amendment or modification thereto, and the performance of obligations thereunder, so long as such amendment or modification is not more disadvantageous to the holders of the Notes in any material respect.

Section 4.12 *Liens.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on any asset now owned or hereafter acquired, except Permitted Liens, and except Liens securing Indebtedness if all payments due under this Indenture and the Notes are secured equally and ratably with (or prior to) the Indebtedness secured by such Liens until such time as such Indebtedness is no longer secured by such Liens; *provided* that if the Indebtedness so secured is subordinated by its terms to the Notes or a Note Guarantee, the Liens securing such Indebtedness will also be so subordinated by their terms to the Notes and the Note Guarantees at least to the same extent.

Section 4.13 *Business Activities.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Section 4.14 *Corporate Existence.*

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Restricted Subsidiaries; *provided, however,* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Restricted Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.15 *Offer to Repurchase Upon Change of Control.*

(a) Upon the occurrence of a Change of Control, the Company will make an offer (a "*Change of Control Offer*") to each Holder to repurchase all or any part (equal to $2,000 or an integral

multiple of $1,000 in excess thereof) of that Holder's Notes at a purchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes repurchased to the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date (the *"Change of Control Payment"*). Within 30 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and stating:

(1) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment;

(2) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the *"Change of Control Payment Date"*);

(3) that any Note not tendered will continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Trustee at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their election if the Trustee receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $2,000 in principal amount or an integral multiple thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change in Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.15, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.15 by virtue of such compliance.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

(c) The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(d) The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of this Indenture are applicable. Except as described in this Section 4.15 with respect to a Change of Control, this Indenture does not contain provisions that permit the Holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

(e) The Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.02 unless and until there is a default in payment of the applicable redemption price.

Section 4.16 *Payments for Consent.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes, unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.17 *Additional Note Guarantees.*

If the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary after the date of this Indenture, then the Company will (1) cause that newly acquired or created Domestic Subsidiary to (a) execute a supplemental indenture substantially in the Form of Exhibit F hereto pursuant to which it becomes a Guarantor and (b) if any obligations remain under the Registration Rights Agreement, execute an amendment to the Registration Rights Agreement pursuant to which it becomes subject to the obligations of a Guarantor thereunder, and (2) deliver an opinion of counsel satisfactory to the Trustee; *provided* that any Domestic Subsidiary that constitutes an Immaterial Subsidiary need not become a Guarantor until such time as it ceases to be an Immaterial Subsidiary.

Section 4.18 *Designation of Restricted and Unrestricted Subsidiaries.*

(a) The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 hereof or under one or more clauses of the

definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

(b) If, at any time, any Unrestricted Subsidiary would fail to meet the requirements in Section 4.18(a) as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09 hereof, the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

Section 4.19 *Consummation of the Transactions*

Notwithstanding anything to the contrary in this Indenture, the Company will be permitted to consummate the Acquisition and the other Transactions, and the consummation of the Transactions will be deemed not to violate any provision of this Indenture or constitute a Change of Control. For all purposes under this Indenture, the Acquisition will be deemed to have occurred immediately prior to entering into this Indenture.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets.*

(a) The Company will not, directly or indirectly, (1) consolidate or merge with or into another Person (whether or not the Company is the surviving entity), or (2) sell, assign, lease, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either:

(A) the Company is the surviving entity; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made is a corporation, limited liability company or partnership organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, lease, transfer, conveyance or

other disposition has been made assumes all the obligations of the Company under the Notes, this Indenture and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee; *provided* that if the Person formed by or surviving any such consolidation or merger is not a corporation, the Person formed by or surviving any such consolidation or merger shall cause a wholly owned corporate Subsidiary to become a co-obligor under the Notes, this Indenture and the Registration Rights Agreement;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, (a) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a), or (b) have a Fixed Charge Coverage Ratio at least equal to the Company's Fixed Charge Coverage Ratio immediately prior to such transaction.

(b) This Section 5.01 will not apply to:

(1) a merger of the Company with an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Company and its Restricted Subsidiaries.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided, however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest, or Liquidated Damages, if any, with respect to, the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with the provision of Section 5.01 hereof;

(4) failure by the Company or any of its Restricted Subsidiaries for 30 days to comply with the provisions described in Sections 4.07, 4.09, 4.10 and 4.15 hereof;

(5) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date hereof, if that default:

(A) is caused by a failure to pay principal of , or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $20.0 million or more;

(7) failure by the Company or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of $20.0 million (net of any amounts that a reputable and credit-worthy insurance company has acknowledged liability for in writing), which judgments are not paid, discharged or stayed for a period of 60 days;

(8) except as permitted by this Indenture, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Note Guarantee;

(9) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due; and

(10) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02 *Acceleration.*

(a) In the case of an Event of Default arising under clause (9) or (10) of Section 6.01 hereof, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

(b) The Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration and its consequences or waive any existing Default or Event of Default and its consequences under this Indenture except a continuing Default or Event of Default in the payment of principal, interest, premium or Liquidated Damages, if any.

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Liquidated Damages, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture, including payment for all sums due the Trustee hereunder.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or

constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 *Waiver of Past Defaults.*

Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of principal, interest, premium or Liquidated Damages, if any. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

Subject to Section 7.01(e), Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits.*

Except to enforce the right to receive payment of principal, interest, premium or Liquidated Damages, if any, when due, no Holder of a Note may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07 *Rights of Holders of Notes to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium and Liquidated Damages, if any, and interest on the Note, on or

after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided* that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(1) or (2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as Trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money or other property pursuant to this Article 6 it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holders of Notes unless such Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(h) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event

which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by the Trustee in its capacity hereunder, and each agent, custodian and other Person employed to act hereunder.

(k) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 7.03 *Individual Rights of Trustee.*

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee (if this Indenture has been qualified under the TIA) or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it is known to the Trustee. Except in the case of a Default or Event of Default in payment of principal, interest, premium or Liquidated Damages, if any, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 *Reports by Trustee to Holders of the Notes.*

(a) Within 60 days after each May 15 beginning with May 15, 2010, and for so long as Notes remain outstanding, the Trustee will mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA § 313(a) (but if no event described in TIA § 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also will comply with TIA § 313(b)(2). The Trustee will also transmit by mail all reports as required by TIA § 313(c).

(b) A copy of each report at the time of its mailing to the Holders of Notes will be mailed by the Trustee to the Company and filed by the Trustee with the SEC and each stock exchange on which the Notes are listed in accordance with TIA § 313(d). The Company will promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07 *Compensation and Indemnity.*

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Guarantors, jointly and severally, will indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Company, the Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee as applicable, will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee, as applicable, to so notify the Company will not relieve the Company or any of the Guarantors of their obligations hereunder. The Company or such Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Guarantor need pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Guarantors under this Section 7.07 will survive the satisfaction and discharge of this Indenture.

(d) To secure the Company's and the Guarantors' payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(9) or (10) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) The Trustee will comply with the provisions of TIA § 313(b)(2) to the extent applicable.

Section 7.08 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

Section 7.09 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.10 *Eligibility; Disqualification.*

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100.0 million as set forth in its most recent published annual report of condition.

This Indenture will always have a Trustee who satisfies the requirements of TIA § 310(a)(1), (2) and (5). The Trustee is subject to TIA § 310(b).

Section 7.11 *Preferential Collection of Claims Against Company.*

The Trustee is subject to TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other sections of this Indenture referred to in clauses (1) and (2) of this Section 8.02, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, and interest, premium and Liquidated Damages, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's and the Guarantors' obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18 and clause (4) of Section 5.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(3) through 6.01(8) hereof will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants selected by the Company, to pay the principal of, and interest, premium and Liquidated Damages, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 *Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Liquidated Damages, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium or Liquidated Damages, if any, or interest on, any Note and remaining unclaimed for two years after such principal, premium or Liquidated Damages, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as Trustee thereof, will thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided, however*, that, if the Company makes any payment of principal of, premium or Liquidated Damages, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes.*

Notwithstanding Section 9.02, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes and the Note Guarantees without the consent of any Holder of Note:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to conform the text of this Indenture, the Notes or the Note Guarantees to any provision of the "Description of Notes" section of the Offering Memorandum to the extent that such provision was intended by the Company to be a verbatim recitation of a provision of this Indenture, the Notes or the Note Guarantees;

(7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture; or

(8) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes; or

(9) to evidence and provide for the acceptance of appointment under this Indenture by a successor Trustee.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 and 9.06 hereof, the Trustee will join with the Company and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders of Notes.*

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof), the Notes and the Note Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07, any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Company and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or

waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Company with any provision of this Indenture, the Notes or the Note Guarantees. However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest, premium or Liquidated Damages, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in currency other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest, premium or Liquidated Damages, if any, on, the Notes;

(7) waive a redemption or repurchase payment with respect to any Note (other than a payment required by Sections 3.09, 4.10 or 4.15 hereof);

(8) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions.

Section 9.03 *Compliance with Trust Indenture Act.*

Every amendment or supplement to this Indenture or the Notes will be set forth in a amended or supplemental indenture that complies with the TIA as then in effect.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive and (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 12.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10

NOTE GUARANTEES

Section 10.01 *Guarantee.*

(a) Subject to this Article 10, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(1) the principal of, premium and Liquidated Damages, if any, and interest on, the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof (including, but not limited to, all interest accrued or accruing (or which would, absent commencement of an Insolvency Proceeding (and the effect of provisions such as Section 502(b)(2) of the Bankruptcy Code), accrue) after commencement of an Insolvency Proceeding, whether or not the claim for such interest is allowed as a claim in such Insolvency Proceeding); and

(2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Note Guarantee will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(d) Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

Section 10.02 *Limitation on Guarantor Liability.*

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance.

Section 10.03 *Execution and Delivery of Note Guarantee.*

To evidence its Note Guarantee set forth in Section 10.01 hereof, each Guarantor hereby agrees that a notation of such Note Guarantee substantially in the form attached as Exhibit E hereto will be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Note Guarantee set forth in Section 10.01 hereof will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

If an Officer whose signature is on this Indenture or on the Note Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Note Guarantee is endorsed, the Note Guarantee will be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that the Company or any of its Restricted Subsidiaries creates or acquires any Domestic Subsidiary after the date of this Indenture, if required by Section 4.17 hereof, the Company will cause such Domestic Subsidiary to comply with the provisions of Section 4.17 hereof and this Article 10, to the extent applicable.

Section 10.04 *Guarantors May Consolidate, etc., on Certain Terms.*

Except as otherwise provided in Section 10.05 hereof, no Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under this Indenture, its Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(B) the Net Proceeds of such sale or other disposition are applied in accordance with Section 4.10 hereof.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person will succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Note Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Note Guarantees so issued will in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding Section 10.04(2)(A) and 10.04(2)(B) hereof, nothing contained in this Indenture or in any of the Notes will prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or will prevent

any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 10.05 *Releases.*

(a) The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.10 hereof;

(2) in connection with any sale or other disposition of all of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.10 hereof;

(3) if the Company designates that Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of this Indenture; or

(4) upon legal defeasance in accordance with Article 8 or satisfaction and discharge of this Indenture in accordance with Article 11 hereof.

(b) At the Company's written direction and expense, in the event that a Note Guarantee of a Guarantor shall be released in accordance with this Section 10.05, the Trustee will execute and deliver an instrument acknowledging such release in accordance with the terms of this Indenture (in a form prepared by the Company).

(c) Any Guarantor not released from its obligations under its Note Guarantee as provided in this Section 10.05 will remain liable for the full amount of principal of and interest and premium and Liquidated Damages, if any, on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 10.

ARTICLE 11
SATISFACTION AND DISCHARGE

Section 11.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company following the expiration of the period for holding unclaimed funds set forth in this Indenture, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have (i) become due and payable, (ii) will become due and payable at their Stated

Maturity within one year, or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption in the name, and at the expense, of the Company, and, in any such case, the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination of cash in United States dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, interest, premium, and Liquidated Damages, if any, to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all other sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, except in the case of satisfaction and discharge of this Indenture resulting from repayment of the Notes at their Stated Maturity, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section 11.01, the provisions of Sections 11.02 and 8.06 hereof will survive. In addition, nothing in this Section 11.01 will be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 11.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 11.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium and Liquidated Damages, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 11.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.01 hereof; *provided* that if the Company has made any payment of principal of, premium or Liquidated Damages, if any, or

interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 12
MISCELLANEOUS

Section 12.01 *Trust Indenture Act Controls.*

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA §318(c), the imposed duties will control.

Section 12.02 *Notices.*

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

BioScrip, Inc.
100 Clearbrook Road,
Elmsford, New York 10523
Attention: Barry Posner

with a copy to:

King & Spalding LLP
1185 Avenue of the Americas
New York, NY 10036
Attention: E. William Bates II, Esq.

If to the Trustee:

Corporate Trust Services
One Federal Street, 3rd Floor
Boston, MA 02110
Facsimile No.: (617) 667-6667
Attention: Earl Dennison

The Company, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery, provided, however, that notice to the Trustee shall be effective only upon actual receipt.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that (a) the party providing such written instructions, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, and (b) such originally executed instructions or directions shall be signed by an authorized representative of the party providing such instructions or directions. If the party elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The party providing electronic instructions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication will also be so mailed to any Person described in TIA § 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 12.03 *Communication by Holders of Notes with Other Holders of Notes.*

Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

Section 12.04 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA § 314(a)(4)) must comply with the provisions of TIA § 314(e) and must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07 *No Personal Liability of Directors, Officers, Employees and Stockholders.*

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 12.08 *Governing Law.*

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 12.09 *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors, except as otherwise provided in Section 10.05.

Section 12.11 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 12.12 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Section 12.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 12.14 *Waiver of Jury Trial*

EACH OF THE COMPANY, THE GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CHRONIMED, LLC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY (NY), INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PBM SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BRADHURST SPECIALTY PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NATURAL LIVING, INC. (d/b/a BioScrip Pharmacy)

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP NURSING SERVICES, LLC (d/b/a American Disease Management Associates)

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION MANAGEMENT, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

LOS FELIZ DRUGS INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CHS HOLDINGS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CRITICAL HOMECARE SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SPECIALTY PHARMA, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NEW ENGLAND HOME THERAPIES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

DEACONESS ENTERPRISES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

PROFESSIONAL HOME CARE SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

WILCOX MEDICAL, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

DEACONESS HOMECARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

REGIONAL AMBULATORY DIAGNOSTICS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY PROFESSIONAL AFFILIATES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

KNOXVILLE HOME THERAPIES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION I

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION II

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION III

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

APPLIED HEALTH CARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

EAST GOSHEN PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NATIONAL HEALTH INFUSION, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS OF BRUNSWICK, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

OPTION HEALTH, LTD.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SCOTT-WILSON, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS OF MELBOURNE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

GERICARE, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CEDAR CREEK HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY HEALTH SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

TRUSTEE

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Earl W. Dennison Jr.
Name: Earl W. Dennison Jr.
Title: Vice President

EXHIBIT A

FORM OF 10 1/4% SENIOR NOTE DUE 2015

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (“DTC”), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PURCHASER AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH THE LAWS APPLICABLE TO SUCH PURCHASER IN THE JURISDICTION IN WHICH SUCH ACQUISITION IS MADE, OR (C) IT IS AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF SUBPARAGRAPH (a) OF RULE 501 UNDER THE SECURITIES ACT, AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER

SUCH SECURITY, PRIOR TO THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT, ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PURCHASERS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT.

THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BIOSCRIP, INC.

10 1/4% SENIOR NOTES DUE 2015

CUSIP No.

Certificate No. U.S.$

BioScrip, Inc., a Delaware corporation (the "Company") promises to pay to_____, or registered assigns, the principal sum of _____DOLLARS on October 1, 2015 and to pay interest thereon as hereinafter set forth.

Interest Rate: 10 1/4%

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

BIOSCRIP, INC.,
a Delaware corporation

By: _____
Name:
Title:

Dated: _____, 20___

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10 1/4% Senior Notes due 2015 referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Authorized Signatory

Dated: _____, 20___

(REVERSE OF SECURITY)

10 1/4% Senior Notes due 2015

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. *Interest*. BioScrip, Inc., a Delaware corporation (the "*Company*"), promises to pay interest on the principal amount of this Note at a rate of 10 1/4% per annum until maturity [and shall pay the Liquidated Damages, if any, payable pursuant to Section 4 of the Registration Rights Agreement referred to below]. The Company will pay interest [and Liquidated Damages, if any,] semi-annually in arrears on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"), and no interest shall accrue on such payment for the intervening period. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be October 1, 2010. The Company will pay interest on overdue principal and premium [and Liquidated Damages, if any,] on demand at a rate that is 2% per annum in excess of the rate then in effect to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest [and Liquidated Damages, if any,] (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. *Method of Payment*. The Company will pay interest on the Notes [and Liquidated Damages, if any,] to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, interest, [and] premium [and Liquidated Damages, if any,] at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest [and Liquidated Damages, if any,] may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds will be required with respect to principal, interest, [and] premium [and Liquidated Damages, if any,] on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. *Paying Agent and Registrar*. Initially, U.S. Bank National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. *Indenture*. The Company issued the Notes under an Indenture dated as of March 25, 2010 (the "*Indenture*") among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the TIA. The Notes are subject to all such terms, and Holders are referred to the Indenture and the

TIA for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are unsecured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time.

5. *Optional Redemption.*

(a) At any time prior to April 1, 2013, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price equal to 110.250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest [and Liquidated Damages, if any,] to the date of redemption, (subject to the rights of Holders of Notes on the relevant regular record date to receive interest due on the relevant interest payment date that is on or prior to the applicable date of redemption) with the net cash proceeds of a sale of Equity Interests (other than Disqualified Stock) of the Company or a contribution to the Company's common equity capital; provided that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such sale or contribution.

(b) On or after April 1, 2013, the Company may redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest [and Liquidated Damages, if any,] on the Notes redeemed to the applicable redemption date, subject to the rights of Holders of Notes on the relevant regular record date to receive interest due on the relevant interest payment date:

Period	Percentage
On or after April 1, 2013 and before October 1, 2014	105.125%
On or after October 1, 2014	100.000%

(c) Notwithstanding the foregoing, at any time prior to April 1, 2013, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest [and Liquidated Damages, if any,] on the Notes redeemed, to the date of redemption, subject to the rights of Holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

(e) Except pursuant to Paragraphs 5(a) and (c), the Notes will not be redeemable at the Company's option prior to April 1, 2013.

(f) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

6. *No Mandatory Redemption.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. *Repurchase at the Option of Holder.*

(a) If there is a Change of Control, the Company will make an offer (a "*Change of Control Offer*") to each Holder to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of each Holder's Notes at a purchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest [and Liquidated Damages, if any,] thereon to the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date (the "*Change of Control Payment*"). Within 30 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

(b) If the Company or a Restricted Subsidiary of the Company consummates any Asset Sales, within 30 days of each date on which the aggregate amount of Excess Proceeds exceeds $15.0 million, the Company will make an offer to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase, prepay or redeem the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased, prepaid or redeemed out of the Excess Proceeds (an "*Asset Sale Offer*") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest [and Liquidated Damages, if any,] thereon to the date of purchase, prepayment or redemption, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes and other *pari passu* Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use such remaining Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased on a *pro rata* basis (unless the Notes are in Global form, in which case the selection will be made according to the procedures of the Depository). Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "*Option of Holder to Elect Purchase*" attached to the Notes.

8. *Notice of Redemption*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes and portions of Notes selected will be in minimum amounts of $2,000 and integral multiples of $1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed or purchased.

9. *Denominations, Transfer, Exchange*. The Notes are in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The

transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. *Persons Deemed Owners*. The registered Holder of a Note may be treated as its owner for all purposes.

11. *Amendment, Supplement and Waiver*. Subject to certain exceptions, the Indenture, the Notes and the Note Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and, subject to Sections 6.04 and 6.07 of the Indenture, any existing Default or Event or Default or compliance with any provision of the Indenture, the Notes and the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

(a) Without the consent of any Holder of a Note, the Indenture, the Notes or the Note Guarantees may be amended or supplemented (i) to cure any ambiguity, defect or inconsistency; (ii) to provide for uncertificated Notes in addition to or in place of certificated Notes; (iii) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (iv) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under this Indenture of any such Holder; (v) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA; (vi) to conform the text of the Indenture, the Notes or the Note Guarantees to any provision of the "Description of Notes" section of the Offering Memorandum to the extent that such provision was intended by the Company to be a verbatim recitation of a provision of the Indenture, the Note or the Note Guarantee; (vii) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of the Indenture; (iix) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes; or (ix) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee.

12. *Defaults and Remedies*. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, any Restricted Subsidiary of the Company that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing and has not been waived in accordance with the terms of this Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice

of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal or interest or premium [or Liquidated Damages, if any].

Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of principal or interest or premium [or Liquidated Damages, if any]. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required, within five Business Days of becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. [*Registration Rights.* Pursuant to the Registration Rights Agreement, dated March 25, 2010 (the "*Registration Rights Agreement*"), among the Company, the Guarantors and the Initial Purchaser, the Company will be obligated to consummate an Exchange Offer. Upon such Exchange Offer, the Holders of Notes shall have the right, subject to compliance with securities laws, to exchange such Notes for Exchange Notes in like principal amount and having terms identical in all material respects to the Notes. The Holders of the Notes shall be entitled to receive certain Liquidated Damages in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.]

14. *Trustee Dealings with Company*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

15. *No Recourse Against Others.* A director, officer, employee, incorporator or stockholder or other owner of Capital Stock of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or the Guarantors under the Notes, the Note Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

16. *Authentication*. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

17. *Abbreviations*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. *Additional Rights of Holders of Restricted Global Notes and Restricted Definitive Notes.* In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes will have all the rights set forth in the Registration Rights Agreement.

19. *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

20. *GOVERNING LAW.* THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE, THIS NOTE AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

BioScrip, Inc.
100 Clearbrook Road,
Elmsford, New York 10523
Attention: Barry Posner

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(*Print or type assignee's legal name, address and zip code and social security or tax ID number*)

and irrevocably appoint
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(*Sign exactly as your name appears on the other side of this Note*)

Signature Guarantee*: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the U.S. Securities Act of 1933, as amended (the "Securities Act"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) _____, 20___, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[***Check One***]

(1) _____ to the Company or a subsidiary thereof; or

(2) _____ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) _____ to an "accredited investor" (as defined in Rule 501(a) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) _____ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) _____ pursuant to the exemption from registration provided by Rule 144 under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.06 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(*Sign exactly as your name appears on the other side of this Note*)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have all or any part of this Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, check the appropriate box:

o Section 4.10 o Section 4.15

If you want to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_____
(*multiple of $1,000*)

Date: _____ Your Signature: _____
(*Sign exactly as your name appears on the other side of this Note*)

Tax Identification No: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE *

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decreases or Increases	Signature of Authorized Officer of Trustee or Custodian

* This schedule should be included only if the Note is issued in global form.

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

BioScrip, Inc.
100 Clearbrook Road,
Elmsford, New York 10523
Attention: Barry Posner

U.S. Bank National Association
Corporate Trust Services
One Federal Street, 3rd Floor
Boston, MA 02110
Facsimile No.: (617) 667-6667
Attention: Earl Dennison

Re: 10 1/4% Senior Notes due 2015

Reference is hereby made to the Indenture, dated as of March 25, 2010 (the "*Indenture*"), among BioScrip, Inc., a Delaware corporation, (the "*Company*"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $___in such Note[s] or interests (the "*Transfer*"), to ___(the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. o **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. o **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been

made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. o **Check and complete if Transferee will take delivery of beneficial interest in the AI Global Note or a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) o such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) o such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) o such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) o such Transfer is being effected to an Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144, Rule 903 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the AI Global Note and/or the Restricted Definitive Notes and in the Indenture and the Securities Act.

4. o **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note**.

(a) o **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) o **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) o **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

CHECK ONE OF (a) OR (b)

(a) o a beneficial interest in the:

(i) o 144A Global Note (CUSIP ___), or

(ii) o Regulation S Global Note (CUSIP ___), or

(iii) o AI Global Note (CUSIP ___), or

(b) o a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) o a beneficial interest in the:

(i) o 144A Global Note (CUSIP ___), or

(ii) o Regulation S Global Note (CUSIP ___), or

(iii) o AI Global Note (CUSIP ___), or

(iv) o Unrestricted Global Note (CUSIP ___); or

(b) o a Restricted Definitive Note; or

(c) o an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

FORM OF CERTIFICATE OF EXCHANGE

BioScrip, Inc.
100 Clearbrook Road,
Elmsford, New York 10523
Attention: Barry Posner

U.S. Bank National Association
Corporate Trust Services
One Federal Street, 3rd Floor
Boston, MA 02110
Facsimile No.: (617) 667-6667
Attention: Earl Dennison

Re: 10 1/4% Senior Notes due 2015

Reference is hereby made to the Indenture, dated as of March 25, 2010 (the "*Indenture*"), among BioScrip, Inc., a Delaware corporation, (the "*Company*"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $___in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) o **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) o **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) o **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial

interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) o **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) o **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) o **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] o 144A Global Note, o Regulation S Global Note, o AI Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____

[Insert Name of Transferor]

By: _____

Name:

Title:

Dated: _____

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING ACCREDITED INVESTOR

BioScrip, Inc.
100 Clearbrook Road,
Elmsford, New York 10523
Attention: Barry Posner

U.S. Bank National Association
Corporate Trust Services
One Federal Street, 3rd Floor
Boston, MA 02110
Facsimile No.: (617) 667-6667
Attention: Earl Dennison

Re: 10 1/4% Senior Notes due 2015

Reference is hereby made to the Indenture, dated as of March 25, 2010 (the "*Indenture*"), among BioScrip, Inc. (the "*Company*"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $___aggregate principal amount of:

(a) o a beneficial interest in a Global Note, or

(b) o a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "*Securities Act*").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144 under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any Person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an "accredited investor" (as defined in Rule 501(a) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

_____

[Insert Name of Accredited Investor]

By: _____

Name:

Title:

Dated: _____

FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, irrevocably and unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of March 25, 2010 (the "*Indenture*"), among BioScrip, Inc., (the "*Company*"), the Guarantors party thereto and U.S. Bank National Association, as trustee (the "*Trustee*"), (a) the due and punctual payment of the principal, premium, interest [and Liquidated Damages, if any,] the Notes, whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal of and interest on the Notes, if any, if lawful, and the due and punctual performance of all other Obligations of the Company to the Holders or the Trustee all in accordance with the terms set forth in this Note and the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to this Notation of Guarantee (this "*Guarantee*") and the Indenture, and the limitations thereon, are expressly set forth in Article 10 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee. The validity and enforceability of this Guarantee shall not be affected by the fact that it is not affixed to any particular Note. Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

THE OBLIGATIONS OF THE UNDERSIGNED TO HOLDERS OF THE NOTES AND TO THE TRUSTEE PURSUANT TO THIS GUARANTEE AND THE INDENTURE ARE EXPRESSLY SET FORTH IN ARTICLE TEN OF THE INDENTURE AND REFERENCE IS HEREBY MADE TO THE INDENTURE FOR THE PRECISE TERMS OF THE GUARANTEE AND ALL OTHER PROVISIONS OF THE INDENTURE TO WHICH THE GUARANTEE RELATES. EACH HOLDER OF A NOTE, BY ACCEPTING THE SAME, (A) AGREES TO AND SHALL BE BOUND BY SUCH PROVISIONS AND (B) APPOINTS THE TRUSTEE AS ATTORNEY-IN-FACT FOR SUCH HOLDER FOR SUCH PURPOSES.

THIS IS A CONTINUING GUARANTEE AND SHALL REMAIN IN FULL FORCE AND EFFECT AND SHALL BE BINDING UPON EACH GUARANTOR AND ITS SUCCESSORS AND ASSIGNS UNTIL FULL AND FINAL PAYMENT OF ALL OF THE COMPANY'S OBLIGATIONS UNDER THE NOTES AND THE INDENTURE OR UNTIL RELEASED OR LEGALLY DEFEASED IN ACCORDANCE WITH THE INDENTURE AND SHALL INURE TO THE BENEFIT OF THE SUCCESSORS AND ASSIGNS OF THE TRUSTEE AND THE HOLDERS, AND, IN THE EVENT OF ANY TRANSFER OR ASSIGNMENT OF RIGHTS BY ANY HOLDER OR THE TRUSTEE, THE RIGHTS AND PRIVILEGES HEREIN CONFERRED UPON THAT PARTY SHALL AUTOMATICALLY EXTEND TO AND BE VESTED IN SUCH TRANSFEREE OR ASSIGNEE, ALL SUBJECT TO THE TERMS AND CONDITIONS HEREOF. THIS IS A GUARANTEE OF PAYMENT AND PERFORMANCE AND NOT OF COLLECTABILITY.

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS GUARANTEE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

IN WITNESS WHEREOF, each Guarantor has caused this Guarantee to be duly executed as of ___, 20___.

[NAME OF GUARANTOR(S)]

By: _____
Name:
Title:

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

This Supplemental Indenture , dated as of ___, 20___, (this "*Supplemental Indenture*") among ___(the "*Guaranteeing Subsidiary*"), BioScrip, Inc., a Delaware corporation (the "*Company*") and U.S. Bank National Association, a New York banking corporation (the "*Trustee*"), as trustee under the Indenture referred to below.

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "*Indenture*"), dated as of March 25, 2010 providing for the issuance of 10¼% Senior Notes due 2015 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. JOINDER TO INDENTURE. The Guaranteeing Subsidiary hereby agrees to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations stated therein, with the same force and effect as if originally named as a Guarantor therein and if such party executed the Indenture on the date thereof.

3. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof, and subject to the limitations therein.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of the Company or Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE

EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first written above

BIOSCRIP, INC.

By: _____
Name:
Title:

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

Exhibit 4.2

EXECUTION COPY

BIOSCRIP, INC.

WARRANT AGREEMENT

DATED AS OF MARCH 25, 2010

WARRANTS TO PURCHASE 3,400,945 SHARES OF COMMON STOCK

TABLE OF CONTENTS

BIOSCRIP, INC.

WARRANT AGREEMENT

WARRANTS FOR COMMON STOCK

WARRANT AGREEMENT, dated as of March 25, 2010, among BioScrip, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Kohlberg Investors V, L.P., a Delaware limited partnership, Kohlberg Partners V, L.P., a Delaware limited partnership, Kohlberg Offshore Investors V, L.P., a Delaware limited partnership, Kohlberg TE Investors V, L.P., a Delaware limited partnership, KOCO Investors V, L.P., a Delaware limited partnership, Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Colleen Lederer, Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, Blackstone Mezzanine Holdings II L.P., a Delaware limited partnership, and S.A.C. Domestic Capital Funding, Ltd., a Cayman Islands limited company (collectively and together with each of their respective successors and assigns, the "Purchasers"). Capitalized terms shall have the meaning specified in Section 5.1 hereof.

RECITALS

WHEREAS, pursuant to the Merger Agreement, the Purchasers have agreed to acquire from the Company, and the Company has agreed to issue to the Purchasers, Warrants to purchase the number of shares of Common Stock set forth opposite such Person's name on Annex 1 attached hereto, which Warrants represent the right to purchase, in the aggregate, 3,400,945 shares of Common Stock, subject to adjustment as set forth herein; and

WHEREAS, the Company and the Purchasers wish to enter into this Agreement to govern the terms of the Warrants.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth herein, the parties to this Agreement hereby agree as follows:

1. FORM, EXECUTION AND TRANSFER OF WARRANT CERTIFICATES.

1.1. Form of Warrant Certificates.

The Warrant Certificates shall be in the form set forth in Attachment A hereto. The Warrant Certificates may have such letters, numbers or other marks of identification or designation as may be required to comply with any law or with any rule or regulation of any governmental authority, stock exchange or self-regulatory organization made pursuant thereto ("Law"). Each Warrant Certificate shall be dated the date of issuance thereof by the Company, either upon initial issuance or upon transfer or exchange. Each Warrant Certificate shall represent the right to purchase the number of shares of Common Stock set forth in such Warrant

Certificate at a price per share of Common Stock equal to the Exercise Price; *provided*, that the number of shares of Common Stock issuable upon exercise of the Warrants and the Exercise Price thereof shall be subject to adjustment as provided herein.

1.2. Execution of Warrant Certificates; Registration Books.

(a) **Execution of Warrant Certificates**. The Warrant Certificates shall be executed on behalf of the Company by an officer of the Company authorized by the Board of Directors. In case the officer of the Company who shall have signed any Warrant Certificate shall cease to be such an officer of the Company before issuance and delivery by the Company of such Warrant Certificate, such Warrant Certificate nevertheless may be issued and delivered with the same force and effect as though the individual who signed such Warrant Certificate had not ceased to be such an officer of the Company, and any Warrant Certificate may be signed on behalf of the Company by any individual who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Agreement any such individual was not such an officer.

(b) **Registration Books.** The Company will keep or cause to be kept at its office, maintained at the address of the Company referenced in Section 6.6, at the Company's transfer agent, or at such other office of the Company of which the Company shall have given notice to each holder of Warrant Certificates, books for registration and transfer of the Warrant Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Warrant Certificates, the registration number and date of each of the Warrant Certificates and the Denomination thereof.

1.3. Transfer, Split Up, Combination and Exchange of Warrant Certificates; Lost or Stolen Warrant Certificates.

(a) **Transfer, Split Up, etc.**

(i) Transfer. Subject to compliance with the Securities Act, any applicable state securities laws and the Stockholders' Agreement, any Warrant Certificate (or portion thereof), with or without other Warrant Certificates, may be transferred to any Person for a Warrant Certificate or Warrant Certificates in an aggregate like Denomination as the Warrant Certificate or Warrant Certificates (or portions thereof) surrendered then entitled such registered holder to purchase. Any registered holder desiring to transfer any Warrant Certificate shall make such request in writing delivered to the Company, which request shall include the identity of the Transferee and the aggregate number of Warrants to be transferred, and shall surrender the Warrant Certificate or Warrant Certificates

(or portions thereof) to be transferred at the office of the Company referenced in Section 6.6, whereupon the Company shall deliver promptly to such Transferee a Warrant Certificate or Warrant Certificates, as the case may be, as so requested, which Warrant Certificate or Warrant Certificates shall evidence, collectively, the same aggregate number of Warrants as the Warrant Certificate or Warrant Certificates (or portions thereof) so surrendered for transfer and shall issue a new Warrant Certificate to the transferor representing the Warrants retained by the Transferor if such transfer involved less than the entire number of Warrants held by such Transferor.

(ii) Split Up, Combination, Exchange, etc. Any Warrant Certificate, with or without other Warrant Certificates, may be split up, combined or exchanged for another Warrant Certificate or Warrant Certificates, in an aggregate like Denomination as the Warrant Certificate or Warrant Certificates surrendered then entitle such registered holder to purchase. Any registered holder desiring to split up, combine or exchange any Warrant Certificate shall make such request in writing delivered to the Company, and shall surrender the Warrant Certificate or Warrant Certificates to be split up, combined or exchanged at the office of the Company referenced in Section 6.6, whereupon the Company shall deliver promptly to such registered holder a Warrant Certificate or Warrant Certificates, as the case may be, as so requested, which Warrant Certificate or Warrant Certificates shall evidence, collectively, the same aggregate Denomination as the Warrant Certificate or Warrant Certificates so surrendered for split-up, combination or exchange.

(b) **Loss, Theft, etc.** Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of, and the loss, theft, destruction or mutilation of, any Warrant Certificate, and:

(i) in the case of loss, theft or destruction, an affidavit of loss, together with a customary and reasonable indemnity; or

(ii) in the case of mutilation, upon surrender and cancellation thereof;

the Company at its own expense will execute and deliver, in lieu thereof, a new Warrant Certificate, dated the date of such lost, stolen, destroyed or mutilated Warrant Certificate and of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant Certificate and evidencing the same Denomination as the Warrant Certificate so lost, stolen, destroyed or mutilated.

1.4. Subsequent Issuance of Warrant Certificates.

Subsequent to the original issuance, no Warrant Certificates shall be issued except:

(a) Warrant Certificates issued upon any transfer, combination, split up or exchange of Warrants pursuant to Section 1.3(a);

(b) Warrant Certificates issued in replacement of mutilated, destroyed, lost or stolen Warrant Certificates pursuant to Section 1.3(b);

(c) Warrant Certificates issued pursuant to Section 2.3 upon the partial exercise of any Warrant Certificate to evidence the unexercised portion of such Warrant Certificate; and

(d) Warrant Certificates to reflect any adjustments pursuant to Section 4.

1.5. Effect of Issuance in Registered Form.

Every holder of a Warrant Certificate by accepting the same consents and agrees with the Company and with every other holder of a Warrant Certificate that:

(a) the Warrant Certificates, to the extent then currently transferable, are transferable only on the registry books of the Company if and when surrendered at the office of the Company referenced in Section 6.6, duly endorsed or accompanied by an instrument of transfer (in the form attached thereto) and payment of any applicable transfer, stamp or issue tax (a "Tax"); and

(b) the Company may deem and treat the Person in whose name each Warrant Certificate is registered as the absolute owner thereof and of the Warrants evidenced thereby (notwithstanding any notations of ownership or writing on the Warrant Certificates made by anyone other than the Company) for all purposes whatsoever, and the Company shall not be affected by any notice to the contrary.

2. EXERCISE OF WARRANTS; PAYMENT OF EXERCISE PRICE.

2.1. Exercise of Warrants.

(a) **Manner of Exercise**. At any time and from time to time prior to the Expiration Time, the holder of any Warrant Certificate may exercise the Warrants evidenced thereby, in whole or in any part, by surrender to the Company, at its office referenced in Section 6.6, of such Warrant Certificate, together with a duly executed election to purchase (a form of which is attached to each Warrant Certificate) and payment of the applicable Exercise Price for each share of Common Stock with respect to which the Warrants are then being exercised and an amount equal to any applicable Tax (if not payable by the Company as provided in Section 3.3). Such Exercise Price shall be payable either:

(i) in cash pursuant to Section 2.1(b); or

(ii) by delivery of Warrant Certificates pursuant to Section 2.1(c).

(b) **Payment in Cash**. Upon exercise of any Warrants, the holder of a Warrant Certificate may pay the Exercise Price by certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to the account of the Company.

(c) **Net Exercise**. In the event that any holder of Warrant Certificates delivers such Warrant Certificates to the Company and notifies the Company in writing that such holder intends to exercise all, or any portion of, the Warrants represented by such Warrant Certificates to satisfy its obligation to pay the Exercise Price in respect thereof by virtue of the provisions of this Section 2.1(c), such holder shall become entitled to receive, instead of the number of shares of Common Stock such holder would have received had the Exercise Price been paid pursuant to Section 2.1(b), a number of shares of Common Stock in respect of the exercise of such Warrants equal to the product of:

(i) the number of shares of Common Stock issuable upon such exercise of such Warrant Certificate (or, if only a portion of such Warrant Certificate is being exercised, issuable upon the exercise of such portion); multiplied by

(ii) the quotient of:

(A) the difference of:

(I) the Market Price per share of Common Stock at the time of such exercise; minus

(II) the Exercise Price per share of Common Stock at the time of such exercise;

divided by

(B) the Market Price per share of Common Stock at the time of such exercise.

(d) **Fractional shares of Common Stock**. The Company may, in accordance with Section 2.6, pay the exercising holder cash in lieu of issuing a fractional share in connection with an exercise of Warrants; *provided* that, if it does not issue a fractional share in such circumstances, it will make such cash payment.

(e) **Automatic Exercise**. Notwithstanding anything herein to the contrary, any Warrants issued hereunder shall be fully exercised pursuant to Section 2.1(c), without the need for any action by the holder thereof or the Company, immediately prior to the Expiration Time, provided that upon such automatic exercise the resulting value is greater than zero.

2.2. Issuance of Common Stock.

Upon timely receipt of a Warrant Certificate, accompanied by the form of election to purchase duly executed, and payment of the Exercise Price for each of the shares of the Common Stock to be purchased (if payable in the manner provided in Section 2.1(a)(i)) and by an amount equal to any applicable Tax (if not payable by the Company as provided in Section 3.3), the Company shall thereupon promptly cause certificates representing the number of whole shares of

Common Stock then being purchased to be delivered to or upon the order of the registered holder of such Warrant Certificate, registered in such name or names as may be designated by such holder, and, promptly after such receipt deliver the cash, if any, to be paid in lieu of fractional shares pursuant to Section 2.6 to or upon the order of the registered holder of such Warrant Certificate.

2.3. Unexercised Warrants.

In the event that the registered holder of any Warrant Certificate shall exercise less than all the Warrants evidenced thereby, a new Warrant Certificate evidencing Warrants equal in number to the number of Warrants remaining unexercised shall be issued by the Company to the registered holder of such Warrant Certificate or to its duly authorized assigns.

2.4. Cancellation and Destruction of Warrant Certificates.

All Warrant Certificates surrendered to the Company for the purpose of exercise, exchange, substitution or transfer shall be cancelled by it, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall cancel and retire any other Warrant Certificates purchased or acquired by the Company otherwise than upon the exercise thereof.

2.5. Expiration.

All Warrants that have not been exercised or purchased in accordance with the provisions of this Agreement shall expire and all rights of holders of such Warrants shall terminate and cease at the Expiration Time.

2.6. Fractional shares of Common Stock.

The Company shall not be required to issue fractional shares of Common Stock upon the exercise of any Warrant. If fractional shares are not issued upon the exercise of any Warrant, there shall be paid to the holder thereof, in lieu of any fractional share of Common Stock resulting therefrom, an amount of cash equal to the product of:

(a) the fractional amount of such share of Common Stock; and

(b) the Market Price, as determined on the trading day immediately prior to the date of exercise of such Warrant.

3. AGREEMENTS OF THE COMPANY.

3.1. Reservation of Common Stock.

The Company covenants and agrees that it will at all times cause to be reserved and kept available out of its authorized and unissued shares or treasury shares of Common Stock such number of shares of Common Stock as will be sufficient to permit the exercise in full of all Warrants issued hereunder into Common Stock.

3.2. Common Stock To Be Duly Authorized and Issued, Fully Paid and Nonassessable etc; Compliance with Law

The Company covenants and agrees that it will take all such action as may be necessary to ensure that all shares of Common Stock delivered upon the exercise of any Warrant and the payment of the Exercise Price pursuant to Section 2.1 (in each case, at the time of delivery of the certificates representing such shares of Common Stock) shall (a) be duly and validly authorized and issued and fully paid and nonassessable, free of any preemptive rights in favor of any Person in respect of such issuance and free of any security interest, pledge, mortgage, lien, charge or other encumbrance created by, or arising out of actions of, the Company (other than such rights and security interests, pledges, mortgages, liens, charges, or other encumbrances, if any, arising out of the provisions of this Agreement or the Stockholders' Agreement) and (b) be issued without violation of any applicable Law.

3.3. Taxes.

The Company covenants and agrees that it will pay when due and payable any and all Taxes and charges that may be payable in respect of the initial issuance or delivery of:

(a) each Warrant Certificate;

(b) each Warrant Certificate issued in exchange for any other Warrant Certificate pursuant to Section 1.3, Section 2.3 or Section 4; and

(c) each share of Common Stock issued upon the exercise of any Warrant.

The Company shall not, however, be required to:

(i) pay any Tax that may be payable in respect of the transfer or delivery of Warrant Certificates in a name other than that of the registered holder of the Warrant Certificate surrendered for exercise, conversion, transfer or exchange (any such Tax being payable by the holder of such certificate at the time of surrender); or

(ii) issue or deliver any such certificates referred to in the foregoing clause (i) until any such Tax referred to in the foregoing clause (i) shall have been paid.

3.4. Common Stock Record Date.

Each Person in whose name any certificate for shares of Common Stock is issued upon the exercise of Warrants shall for all purposes be deemed to have become the holder of record of the Common Stock represented thereby on, and such certificates (if any) shall be dated, the date upon which the Warrant Certificate evidencing such Warrants was duly surrendered with an election to purchase attached thereto duly executed and payment of the aggregate Exercise Price (and any applicable Taxes, if payable by such Person) was made.

3.5. Rights in Respect of Common Stock.

Except as otherwise set forth herein or in the Stockholders' Agreement, prior to the exercise of the Warrants evidenced thereby, the holder of a Warrant Certificate shall not be entitled to any rights of a stockholder of the Company with respect to the Common Stock into which the Warrants shall be exercisable, including, without limitation, the right to vote in respect of any matter upon which the holders of Common Stock may vote, the right to receive any distributions of cash or property and, except as expressly set forth herein, in the Merger Agreement, in the Stockholders' Agreement or in this Agreement, the right to receive any notice of any proceedings of the Company. Prior to the exercise of the Warrants evidenced thereby, the holders of the Warrant Certificates shall not have as such any obligation in respect of any assessment or any other obligation or liability as a stockholder of the Company, whether such obligations or liabilities are asserted by the Company or by creditors of the Company, but shall have the obligations set forth in the Stockholders' Agreement.

3.6. Noncircumvention.

The Company hereby covenants and agrees that the Company will not, by amendment of its charter, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant Agreement, and will at all times in good faith carry out all the provisions of this Warrant Agreement.

4. ANTI-DILUTION ADJUSTMENTS.

4.1. Adjustments.

The number of shares of Common Stock purchasable upon the exercise of each Warrant, and the Exercise Price, shall be subject to adjustment as set forth in this Section 4.

4.2. Stock Splits, Subdivisions, Reclassifications or Combinations.

If the Company shall (i) declare and pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon exercise of any Warrants at the time of the record date for such dividend or effective date of such split, reverse split, subdivision, combination or reclassification shall be proportionately adjusted so that the holder of such Warrants after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to such Warrants after such date had such Warrants been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the effective date of such split, reverse split, subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of shares of Common Stock issuable upon the exercise of such Warrants before such adjustment and (2) the Exercise Price in effect immediately prior to the

record or effective date, as the case may be, for the dividend, distribution, split, reverse split, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of shares of Common Stock issuable upon exercise of such Warrants determined pursuant to the immediately preceding sentence; *provided* that the Exercise Price shall not be adjusted to be less than the par value of the Common Stock.

4.3. Price Based Anti-Dilution

(a) Without duplication of the adjustments set forth in Sections 4.2 or 4.4, (a) if the Company shall issue or sell any shares of Common Stock (as actually issued or, pursuant to Section 4.3(b), deemed to be issued) for a consideration per share less than 90% of the Market Price per share immediately prior to such issuance or sale, or if earlier, upon the execution of the definitive documentation with respect to such issuance or sale (the "Effective Time"), then immediately upon the Effective Time the number of shares of Common Stock issuable upon exercise of any Warrants at the time of the effective date shall be increased by multiplying such number of shares of Common Stock by a fraction, (i) the numerator of which shall be the Fully Diluted Number of shares of Common Stock outstanding immediately prior to the Effective Time plus the number of shares of Common Stock so issued or sold, and (ii) the denominator of which shall be the Fully Diluted Number of shares of Common Stock outstanding immediately prior to the Effective Time plus the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of shares of Common Stock so issued or sold would purchase if such shares were sold at Market Price. For the purposes of this Section 4.3(a), none of the following issuances shall be considered the issuance or sale of Common Stock:

(i) the issuance of Common Stock upon the conversion of any then-outstanding Common Stock Equivalents;

(ii) the issuance of any Common Stock or Common Stock Equivalents for which the adjustment provided in Section 4.2 applies;

(iii) the issuance of shares of Common Stock or Common Stock Equivalents to Employees of the Company or any Company Subsidiary that is approved by the Board of Directors; or

(iv) the issuance of Common Stock pursuant to the terms of the Amended and Restated Rights Agreement, dated as of December 3, 2002, between the Company and American Stock Transfer and Trust Company LLC, as amended December 13, 2006, March 4, 2009 and January 24, 2010.

(b) For the purposes of Section 4.3(a), the following subparagraphs (i) to (iii), inclusive, shall also be applicable:

(i) If the Company shall grant any rights to subscribe for, or any rights or options to purchase, Common Stock Equivalents, whether or not such rights or options or the right to convert or exchange any such Common Stock Equivalents

are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such rights or options or upon conversion or exchange of such Common Stock Equivalents (determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the granting of such rights or options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such rights or options, plus, in the case of any such rights or options which relate to such Common Stock Equivalents, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Common Stock Equivalents and upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the exercise of such rights or options or upon the conversion or exchange of all such Common Stock Equivalents issuable upon the exercise of such rights or options) shall be less than the Market Price per share of Common Stock immediately prior to the time of the granting of such rights or options, or, if earlier, the execution of definitive documentation with respect to such grant, then the total maximum number of shares of Common Stock issuable upon the exercise of such rights or options or upon conversion or exchange of the total maximum amount of such Common Stock Equivalents issuable upon the exercise of such rights or options shall (as of the date of granting of such rights or options) be deemed to be outstanding and to have been issued for such price per share; *provided* that no further adjustment of the conversion price pursuant to this Section 4.3(b)(i) shall be made (i) upon the actual issuance or sale of such Common Stock Equivalents upon the exercise of any rights to subscribe for, or any rights or options to purchase, such Common Stock Equivalents or (ii) upon the actual issuance or sale of such Common Stock upon the exercise of any such Common Stock Equivalents, including without limitation, in each case of clauses (i) and (ii) with respect to shares of Common Stock Equivalents or Common Stock issued or issuable as a result of the effect of antidilution adjustments under any such security.

(ii) If the Company shall issue or sell any Common Stock Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (A) the total amount received or receivable by the Company as consideration for the issue or sale of such Common

Stock Equivalents, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Common Stock Equivalents) shall be less than the Market Price per share of Common Stock immediately prior to the Effective Time, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of such Common Stock Equivalents shall (as of the date of the issue or sale of such Common Stock Equivalents) be deemed to be outstanding and to have been issued for such price per share, *provided* that no further adjustment of the conversion price pursuant to this Section 4.3(b)(ii) shall be made upon the actual issuance or sale of such Common Stock upon the exercise of any such Common Stock Equivalents, including without limitation, in each case with respect to shares of Common Stock issued or issuable as a result of the effect of antidilution adjustments under any such security.

(iii) In case at any time any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any such Common Stock, or Common Stock Equivalents shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor. In case any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any such Common Stock or Common Stock Equivalents shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the Fair Market Value of such consideration.

4.4. Other Distributions.

In case the Company shall fix a record date for the making of a dividend or distribution to all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 4.2), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades on the Exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "Per Share Fair Market Value") divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of shares of Common Stock issuable upon the exercise of any Warrants shall be increased to the number obtained by dividing (x) the product of (1) the number of shares of Common Stock issuable upon the exercise of such Warrants before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Exercise Price and the number of shares of Common Stock issuable upon exercise of such Warrants then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the Exercise Price that would then be in effect and the number of shares of Common Stock that would then be issuable upon exercise of such Warrants if such record date had not been fixed.

4.5. Business Combinations.

In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 4.2), a holder's right to receive shares of

Common Stock upon exercise of any Warrants shall be converted into the right to exercise such Warrant to acquire the number of shares of stock or other securities or property (including cash) which the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of such Warrants immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of such holder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to such holder's right to exercise such Warrants in exchange for any shares of stock or other securities or property pursuant to this Section 4.5. In determining the kind and amount of stock, securities or the property receivable upon exercise of any Warrants following the consummation of such Business Combination, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the holder of such Warrants shall be entitled to elect the kind or amount of consideration receivable upon consummation of such Business Combination. The Company shall not enter into or be party to any Business Combination unless the successor of the Company (if any), assumes in writing all of the obligations of the Company under this Warrant Agreement pursuant to written agreements, including agreements to deliver to each holder of Warrants hereunder in exchange for such Warrants a security of such successor evidenced by a written instrument substantially similar in form and substance to this Warrant Agreement.

4.6. Expiration of Rights or Options.

Upon the expiration of any rights or options to subscribe for, purchase or convert or exchange Common Stock or Common Stock Equivalents in respect of the issuance, sale or grant of which adjustment was made pursuant to Section 4.3, without the exercise thereof, the Exercise Price and the number of shares of Common Stock purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such Exercise Price and such number of shares of Common Stock as would have been had such Exercise Price and such number of shares of Common Stock not been originally adjusted (or had the original adjustment not been required, as the case may be), as if:

(a) the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights or options; and

(b) such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all of such rights or options, whether or not exercised; *provided* that no such readjustment shall have the effect of increasing the Exercise Price by an amount in excess of the amount of the reduction initially made in respect of the issuance, sale, or grant of such rights or options.

4.7. Rounding of Calculations; Minimum Adjustments.

All calculations under this Section 4 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 4 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of shares of Common Stock into which any Warrants are exercisable shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

4.8. Timing of Issuance of Additional Common Stock Upon Certain Adjustments.

In any case in which the provisions of this Section 4 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the holder of any Warrants exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such holder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

4.9. Miscellaneous.

(a) **Statement Regarding Adjustments**. Whenever the Exercise Price or the number of shares of Common Stock into which any Warrants are exercisable shall be adjusted as provided in Section 4, the Company shall forthwith file at the principal office of the Company referenced in Section 6.6 a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of shares of Common Stock into which such Warrants shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of Warrants at the address appearing in the Company's records.

(b) **Notice of Adjustment Event**. In the event that the Company shall propose to take any action of the type described in this Section 4 (but only if the action of the type described in this Section 4 would result in an adjustment in the Exercise Price or the number of shares of Common Stock into which Warrants are exercisable or a change in the type of securities or property to be delivered upon exercise of Warrants), the Company shall give notice to the holders of Warrants, in the manner set forth in Section 4.9(a), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the

effect on the Exercise Price and the number, kind or class of shares or other securities or property which shall be deliverable upon exercise of any Warrants. In the case of any action which would require the fixing of a record date, such notice shall be given at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action. Without limiting the foregoing, to the extent notice of any of the foregoing actions or events is given to the holders of the Common Stock, such notice shall be provided to the holders of the Warrants on or before such notice to the holders of Common Stock.

(c) **Proceedings Prior to Any Action Requiring Adjustment**. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 4, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange, NASDAQ Stock Market or other applicable national securities exchange (an "Exchange") or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the holders are entitled to receive upon exercise of this any Warrants pursuant to this Section 4.

(d) **Adjustment Rules**. Any adjustments pursuant to this Section 4 shall be made successively whenever an event referred to herein shall occur. If more than one subsection of this Section 4 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 4 so as to result in duplication. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

5. INTERPRETATION OF THIS AGREEMENT.

5.1. Certain Defined Terms.

For the purpose of this Agreement, the following terms shall have the meanings set forth below or set forth in the Section hereof following such term:

"Affiliate" means, with respect to any Person, (a) a director, officer or shareholder of such Person, (b) a spouse, parent, sibling or descendant of such Person (or spouse, parent, sibling or descendant of any director or executive officer of such Person) and (c) any other Person that, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person, at such time; *provided*, *however*, that none of the Purchasers shall be deemed to be an "Affiliate" of the Company and no Person holding any one or more of the Warrants shall be deemed to be an "Affiliate" of the Company solely by virtue of the ownership thereof.

"Agreement" means this Warrant Agreement as it may from time to time be amended, restated, modified or supplemented.

"Board of Directors" means the board of directors of the Company, including any duly authorized committee thereof.

"Business Combination" means any consolidation of the Company with, or merger of the Company with or into, another Person (other than a merger in which (a) the Company is the surviving corporation, (b) that does not result in any reclassification or change of shares of Common Stock outstanding immediately prior to such merger and (c) the holders of Common Stock are not entitled to receive any consideration therefrom), or any sale or conveyance to another Person of the assets of the Company substantially as an entirety.

"business day" means any day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by Law or executive order to close.

"Capital Stock" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"Charter" means, with respect to any Person, its certificate or articles of incorporation, articles of association, or similar organizational document.

"Closing" has the meaning set forth in the Merger Agreement.

"Closing Date" has the meaning set forth in the Merger Agreement.

"Common Stock" means the Company's common stock, par value $.0001 per share.

"Common Stock Equivalents" means outstanding Warrants or other securities convertible or exchangeable into Common Stock.

"Company" has the meaning set forth in the introductory paragraph hereof.

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting Securities, by contract or otherwise.

"Denomination" means, in the case of any Warrant Certificate, the number of shares of Common Stock issuable upon exercise of such Warrant Certificate represented thereby.

"Effective Time" has the set forth in Section 4.3.

"Exchange" has the set forth in Section 4.9(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"Exercise Price" means, prior to any adjustment pursuant to Section 4 of this Agreement, the Initial Exercise Price; and thereafter, the Initial Exercise Price as successively adjusted and readjusted from time to time in accordance with the provisions of Section 4.

"Expiration Time" means 5:00 p.m., Eastern time, on March 25, 2015.

"Fair Market Value" means, with respect to any security or other property, the fair market value of such security or other property as determined by the Board of Directors, acting in good faith. The Required Warrantholders may object in writing to the Board of Director's calculation of Fair Market Value within 10 days of receipt of written notice thereof. If the Required Warrantholders and the Board of Directors are unable to agree on Fair Market Value during the 10-day period following the delivery of the Required Warrantholders' objection, then the Board of Directors shall select and approve an appraiser experienced in the business of evaluating or appraising the market value of securities (which appraiser shall be subject to approval by the Required Warrantholders, which approval shall not be unreasonably withheld). The Fair Market Value established by such appraiser shall be conclusive and binding on the parties. In the event the Fair Market Value established by such appraiser is greater than the Fair Market Value previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the Company. In the event the Fair Market Value established by such appraiser is less than or equal to the Fair Market Value previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the holders of Warrants.

"Fully Diluted Number of Common Shares" means the sum of (i) all shares of Common Stock actually outstanding (which shall in no event include the Common Stock to be so issued and sold and for which Section 4.3 is being applied) and (ii) all shares of Common Stock issuable upon conversion or exchange of the Common Stock Equivalents.

"Initial Exercise Price" means $10.00 per share of Common Stock.

"Issue Date" means March 25, 2010.

"Law" has the set forth in Section 1.1.

"Market Price" means, with respect to a particular security, on any given day, the last reported sale price or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices in either case on the Exchange on which the applicable securities are listed or admitted to trading. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the Board of Directors in reliance on an opinion of a nationally recognized independent investment banking corporation retained by the Company for this purpose (which opinion shall be made available to the holders of Warrants); *provided* that the Required Warrantholders may object in writing to the Board of Director's calculation of fair market value within 10 days of receipt of written notice thereof. If the Required Warrantholders and the Board of Directors are unable to agree on fair market value during the 10-day period

following the delivery of the Required Warrantholders' objection, then the Board of Directors shall select and approve an appraiser experienced in the business of evaluating or appraising the market value of securities (which appraiser shall be subject to approval by the Required Warrantholders, which approval shall not be unreasonably withheld). The Market Price established by such appraiser shall be conclusive and binding on the parties. In the event the Market Price established by such appraiser is greater than the Market Price previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the Company. In the event the Market Price established by such appraiser is less than or equal to the Market Price previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the holders of Warrants. For the purposes of determining the Market Price of the Common Stock on the "trading day" preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the Nasdaq Stock Market or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

"Merger Agreement" means the Agreement and Plan of Merger, dated as January 24, 2010, by and among the Company, Camelot Acquisition Corp., a Delaware corporation, a Delaware corporation, Critical Homecare Solutions Holdings, Inc., a Delaware corporation, and the Purchasers (other than Colleen Lederer).

"Per Share Fair Market Value" has the meaning set forth in Section 4.4.

"Person" has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

"Purchasers" has the meaning set forth in the introductory paragraph hereof.

"Required Warrantholders" means, at any time, the holders of Warrants representing at least a majority of the Common Stock issuable upon exercise of the Warrants issued hereunder and outstanding (exclusive of any Warrants directly or indirectly held by the Company or any Affiliate of the Company).

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"Stockholders' Agreement" means the Stockholders' Agreement of even date herewith among the Company and the Purchasers, as such agreement may be amended from time to time pursuant to its terms.

"Tax" has the set forth in Section 1.5(a).

"trading day" means (A) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a business day or (B) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a business day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock.

"Transferee" means any registered transferee of all or any part of any one or more Warrant Certificates initially acquired by the Purchasers under this Agreement; *provided*, that such transfer is in accordance with the Stockholders' Agreement, if applicable.

"U.S. GAAP" means United States generally accepted accounting principles.

"Warrant" means a warrant to initially purchase one share of Common Stock issued pursuant to this Agreement and the Merger Agreement.

"Warrant Certificate" means a certificate evidencing the Warrants in the form of Attachment A.

5.2. Section Heading and Table of Contents and Construction.

(a) **Section Headings and Table of Contents, etc.** The titles of the Sections of this Agreement and the Table of Contents of this Agreement appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words "herein," "hereof," "hereunder" and "hereto" refer to this Agreement as a whole and not to any particular Section or other subdivision. References to Sections are, unless otherwise specified, references to Sections of this Agreement. References to Annexes and Attachments are, unless otherwise specified, references to Annexes and Attachments attached to this Agreement.

(b) **Independent Construction**. Each covenant contained herein shall be construed (absent an express contrary provision herein) as being independent of each other covenant contained herein, and compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with one or more other covenants.

5.3. Directly or Indirectly.

Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, including actions taken by or on behalf of any partnership in which such Person is a general partner.

5.4. Governing Law.

THIS AGREEMENT AND THE WARRANT CERTIFICATES SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES THEREOF TO THE EXTENT THAT ANY SUCH RULES WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION, EXCEPT TO THE EXTENT THAT THE DELAWARE GENERAL CORPORATION LAW SPECIFICALLY AND MANDATORILY APPLIES.

6. MISCELLANEOUS.

6.1. Expenses.

Issuance of certificates for shares of Common Stock to a holder upon the exercise of any Warrants shall be made without charge to such holder for any Tax or other incidental expense in respect of the issuance of such certificates, all of which Taxes and expenses shall be paid by the Company (other than the Taxes not payable by the Company pursuant to Section 3.3).

6.2. Amendment and Waiver.

This Agreement may be amended, and the observance of any term of this Agreement may be waived, with and only with the written consent of the Company and the Required Warrantholders; *provided*, *however,* that no amendment or waiver of the provisions of this Section 2.1, Section 6.2, Section 4 or of any term defined in Section 5.1 to the extent used herein or therein, may be made without the prior written consent of all holders of Warrants then outstanding (excluding any Warrants directly or indirectly held by the Company or any Affiliate of the Company); and, *provided*, *further*, that

(a) no such amendment or waiver of any of the provisions of this Agreement pertaining to the Exercise Price or the number of shares or kind of Common Stock that may be purchased upon exercise of each Warrant; and

(b) no change accelerating the occurrence of the Expiration Time; shall be effective as to a holder of Warrants unless consented to in writing by such holder.

6.3. Warrants Subject to Stockholders' Agreement.

The holders of the Warrants and the Company are subject in all respects to the terms of the Stockholders' Agreement, the terms and provisions of which are incorporated herein, *mutatis mutandis*, as if set forth fully herein. By its acceptance of a Warrant Certificate, each holder of Warrants agrees to be bound by the provisions of the Stockholders' Agreement to the extent applicable.

6.4. Entire Agreement.

This Agreement, the Merger Agreement, the Stockholders' Agreement and the Warrant Certificates embody the entire agreement and understanding among the Company and the Purchasers, and supersede all prior agreements and understandings, relating to the subject matter hereof.

6.5. Successors and Assigns.

All covenants and other agreements in this Agreement made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto to the extent they become holders of Warrants (including, without limitation, any Transferee) whether so expressed or not. Notwithstanding the foregoing sentence, the Company may not assign any of its rights, duties or obligations hereunder or under the Warrant Certificates without the prior written consent of the Required Warrantholders.

6.6. Notices.

All communications hereunder or under the Warrants shall be in writing and shall be delivered either by certified or registered mail, postage pre-paid, return receipt requested, or nationally recognized overnight courier, and shall be addressed to the following addresses:

(a) if to a Purchaser, at its address set forth on Annex 2 to this Agreement, or at such other address as such Purchaser shall have specified to the Company in writing;

(b) if to any other holder of any Warrant Certificate, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Warrant Certificate that shall have so specified an address to the Company; and

(c) if to the Company, at the address set forth on Annex 3 to this Agreement, or at such other address as the Company shall have specified to each holder of Warrants in writing.

Any communication addressed and delivered as herein provided shall be deemed to be received when actually delivered to the address of the addressee (whether or not delivery is accepted) by a nationally recognized overnight delivery service which provides proof of delivery or on the date postmarked if sent by registered or certified mail, as the case may be. Any communication not so addressed and delivered shall be ineffective unless actually received by the intended addressee. Notwithstanding the foregoing provisions of this Section 6.6, service of process in any suit, action or proceeding arising out of or relating to this Agreement or any document, agreement or transaction contemplated hereby shall be delivered in the manner provided in Section 6.9(c).

6.7. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.8. Execution in Counterpart.

This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts that, collectively, show execution by each party hereto shall constitute one duplicate original.

6.9. Waiver of Jury Trial; Consent to Jurisdiction, Etc.

(a) **Waiver of Jury Trial**. THE PARTIES HERETO VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE WARRANTS OR ANY OF THE DOCUMENTS, AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY.

(b) **Consent to Jurisdiction**. ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE WARRANTS, OR ANY OF THE DOCUMENTS, AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN TORT, CONTRACT OR OTHERWISE) OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH UNDER THIS AGREEMENT, THE WARRANTS OR ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY SHALL BE BROUGHT BY SUCH PARTY IN ANY NEW YORK STATE COURT OR FEDERAL DISTRICT COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK AS SUCH PARTY MAY IN ITS SOLE DISCRETION ELECT, AND BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE *IN PERSONAM* JURISDICTION OF EACH SUCH COURT, AND EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES AND AGREES NOT TO ASSERT IN ANY PROCEEDING BEFORE ANY TRIBUNAL, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, ANY CLAIM THAT IT IS NOT SUBJECT TO THE *IN PERSONAM* JURISDICTION OF ANY SUCH COURT. IN ADDITION, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED HEREBY BROUGHT IN ANY SUCH COURT, AND HEREBY IRREVOCABLY WAIVES ANY

CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) **Service of Process**. EACH PARTY HERETO IRREVOCABLY AGREES THAT PROCESS PERSONALLY SERVED OR SERVED BY U.S. REGISTERED MAIL AT THE ADDRESSES PROVIDED HEREIN FOR NOTICES SHALL CONSTITUTE, TO THE EXTENT PERMITTED BY LAW, ADEQUATE SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE WARRANTS OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED HEREBY, OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH HEREUNDER, UNDER THE WARRANTS OR UNDER ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY. RECEIPT OF PROCESS SO SERVED SHALL BE CONCLUSIVELY PRESUMED AS EVIDENCED BY A DELIVERY RECEIPT FURNISHED BY THE UNITED STATES POSTAL SERVICE OR ANY COMMERCIAL DELIVERY SERVICE.

[Remainder of page intentionally left blank; next page is signature page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered on its behalf by one of its duly authorized officers or representatives.

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

KOHLBERG INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name: Gordon H. Woodward
Title: Authorized Representative

KOHLBERG TE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name: Gordon H. Woodward
Title: Authorized Representative

KOHLBERG OFFSHORE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name: Gordon H. Woodward
Title: Authorized Representative

KOHLBERG PARTNERS V, L.P.

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name: Gordon H. Woodward
Title: Authorized Representative

KOCO INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name: Gordon H. Woodward
Title: Authorized Representative

S.A.C. DOMESTIC CAPITAL FUNDING, LTD.

By: /s/ Peter Nussbaum
Name: Peter Nussbaum
Title: Authorized Signature

BLACKSTONE MEZZANINE PARTNERS II, L.P.

By: Blackstone Mezzanine Associates II L.P., its General Partner

By: Blackstone Mezzanine Management Associates II L.L.C., its General Partner,

By: /s/ Marisa J. Beeney
Name: Marisa J. Beeney
Title: Authorized Signatory

[Signature Page to Warrant Agreement]

BLACKSTONE MEZZANINE HOLDINGS II, L.P.

By: BMP II Side-by-side GP L.L.C., its General Partner

By: /s/ Marisa J. Beeney
Name: Marisa J. Beeney
Title: Authorized Signatory

/s/ Nitin Patel
Nitin Patel

/s/ Robert Cucuel
Robert Cucuel

/s/ Mary Jane Graves
Mary Jane Graves

/s/ Joey Ryan
Joey Ryan

/s/ Colleen Lederer
Colleen Lederer

[Signature Page to Warrant Agreement]

ATTACHMENT A

[FORM OF WARRANT CERTIFICATE]

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN A TRANSACTION REGISTERED UNDER SUCH ACT OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT OR STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF A CERTAIN WARRANT AGREEMENT, DATED AS OF MARCH 25, 2010, THE PROVISIONS OF WHICH ARE INCORPORATED HEREIN BY REFERENCE. A COPY OF SUCH AGREEMENT IS AVAILABLE FROM THE COMPANY UPON REQUEST.

WARRANT CERTIFICATE

BIOSCRIP, INC.

No. WR- _____ Warrants
Date: March 25, 2010

This Warrant Certificate certifies that _____ , or registered assigns, is the registered holder of _____ **(**_____**)** Warrants. Each Warrant entitles the owner thereof to purchase at any time on or after the date hereof and on or prior to the Expiration Time, one (1) fully paid and nonassessable share of Common Stock, $.001 par value per share (the "Common Stock"), of BIOSCRIP, INC., a Delaware corporation (together with its successors and assigns, the "Company"), at a purchase price (subject to adjustment as provided in the Warrant Agreement (as defined below), the "Exercise Price") of $10.00 per share of Common Stock upon presentation and surrender of this Warrant Certificate to the Company with a duly executed election to purchase and payment of the Exercise Price, all in the manner set forth in the Warrant Agreement (defined below). The number of shares of Common Stock that may be initially purchased upon exercise of each Warrant and the Exercise Price are the number and the Exercise Price as of the date hereof, and are subject to adjustment as referred to below.

The Warrants are issued pursuant to a Warrant Agreement (as it may from time to time be amended or supplemented, the "Warrant Agreement"), dated as of March 25, 2010, among the Company and the Purchasers named therein, and are subject to all of the terms, provisions and conditions thereof, which Warrant Agreement is hereby incorporated herein by reference and made a part hereof and to which Warrant Agreement reference is hereby made for a full

description of the rights, obligations, duties and immunities of the Company and the holders of the Warrant Certificates. Capitalized terms used, but not defined, herein have the respective meanings ascribed to them in the Warrant Agreement. In the event of any conflict between this Warrant Certificate and the Warrant Agreement, the Warrant Agreement shall control and govern.

As provided in the Warrant Agreement, the Exercise Price and the number of shares of Common Stock that may be purchased upon the exercise of the Warrants evidenced by this Warrant Certificate are, upon the happening of certain events, subject to modification and adjustment. Except as otherwise set forth in, and subject to, the Warrant Agreement, the Expiration Time of this Warrant Certificate is as set forth in the Warrant Agreement.

This Warrant Certificate shall be exercisable, at the election of the holder, at any time on or after the date hereof and on or prior to the Expiration Time either as an entirety or in part from time to time. If this Warrant Certificate shall be exercised in part, the holder shall be entitled to receive, upon surrender hereof, another Warrant Certificate or Warrant Certificates for the number of Warrants not exercised. This Warrant Certificate, with or without other Warrant Certificates, upon surrender in the manner set forth in the Warrant Agreement and subject to the conditions set forth in the Warrant Agreement and the Stockholders' Agreement, may be transferred or exchanged for another Warrant Certificate or Warrant Certificates of like tenor evidencing Warrants entitling the holder to purchase a like aggregate number of shares of Common Stock as the Warrants evidenced by the Warrant Certificate or Warrant Certificates surrendered shall have entitled such holder to purchase.

Except as expressly set forth in the Warrant Agreement or the Stockholders' Agreement, no holder of this Warrant Certificate shall be entitled to vote or receive distributions or be deemed for any purpose the holder of shares of Common Stock or of any other Securities of the Company that may at any time be issued upon the exercise hereof, nor shall anything contained in the Warrant Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a holder of a share of Common Stock in the Company or any right to vote upon any matter submitted to holders of shares of Common Stock at any meeting thereof, or to give or withhold consent to any corporate action of the Company (whether upon any recapitalization, issuance of stock, reclassification of Securities, change of par value, consolidation, merger, conveyance, or otherwise), or to receive dividends or subscription rights, or otherwise, until the Warrant or Warrants evidenced by this Warrant Certificate shall have been exercised as provided in the Warrant Agreement.

THIS WARRANT CERTIFICATE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE COMPANY AND THE HOLDER HEREOF SHALL BE GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES THEREOF TO THE EXTENT THAT ANY SUCH RULES WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION, EXCEPT TO THE EXTENT THAT THE DELAWARE GENERAL CORPORATION LAW SPECIFICALLY AND MANDATORILY APPLIES.

WITNESS the signature of a proper officer of the Company as of the date first above written.

BIOSCRIP, INC.

By: _____
Name:
Title:

Attachment A-3

[FORM OF ASSIGNMENT]
(To be executed by the registered holder if such holder desires to transfer the Warrant Certificate)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto

_____

(Please print name and address of transferee.)

the accompanying Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint:

_____

attorney, to transfer the accompanying Warrant Certificate on the books of the Company with full power of substitution.

Dated: _____, _____.

[HOLDER]

By: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the accompanying Warrant Certificate or any prior assignment thereof in every particular, without alteration or enlargement or any change whatsoever.

[FORM OF ELECTION TO PURCHASE]
(To be executed by the registered holder if such holder desires to exercise the Warrant Certificate)

To: **BIOSCRIP, INC.**

The undersigned hereby irrevocably elects to exercise _____ Warrants represented by the accompanying Warrant Certificate to purchase the shares of Common Stock issuable upon the exercise of such Warrants, and requests that certificates for such shares be issued in the name of:

_____

(Please print name and address.)

_____

(Please insert social security or other identifying number.)

If such number of Warrants shall not be all the Warrants evidenced by the accompanying Warrant Certificate, a new Warrant Certificate for the balance remaining of such Warrants shall be registered in the name of and delivered to:

_____

(Please print name and address.)

_____

(Please insert social security or other identifying number.)

The undersigned is paying the Exercise Price for the Common Stock to be issued on exercise of the foregoing Warrants, unless payment of such Exercise Price has been waived by the Company:

o by certified or bank check by wire transfer pursuant to Section 2.1(a)(i) of the Warrant Agreement; or

o by cashless exercise pursuant to Section 2.1(a)(ii) of the Warrant Agreement.

Dated: _____, _____.

[HOLDER]

By: _____

NOTICE

The signature to the foregoing Election to Purchase must correspond to the name as written upon the face of the accompanying Warrant Certificate or any prior assignment thereof in every particular, without alteration or enlargement or any change whatsoever.

ANNEX 1

Warrants Issuable to the Purchasers

Purchaser	No. of Warrants
Kohlberg Investors V, L.P.	1,585,904
Kohlberg Partners V, L.P.	89,302
Kohlberg Offshore Investors V, L.P.	106,232
Kohlberg TE Investors V, L.P.	1,153,407
KOCO Investors V, L.P.	70,042
Blackstone Mezzanine Partners II, L.P.	72,119
Blackstone Mezzanine Holdings II, L.P.	3,003
S.A.C. Domestic Capital Funding, Ltd.	18,781
Robert Cucuel	172,648
Mary Jane Graves	66,446
Nitin Patel	24,698
Joey Ryan	23,178
Colleen Lederer	15,185
Total	**3,400,945**

ANNEX 2

Address for Purchasers for Notices

[Purchaser]
c/o Kohlberg Investors V, L.P.
c/o Kohlberg & Company
111 Radio Circle
Mount Kisco, New York 10549
Attention: Gordon Woodward

In each case with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019 6064
Attention: Angelo Bonvino, Esq.

ANNEX 3

Address of Company for Notices

BioScrip, Inc.
100 Clearbrook Road
Elmsford, New York 10523
Attention: Chief Executive Officer

With a copy to:

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036
Attention: E. William Bates II, Esq.

Exhibit 10.1

EXECUTION VERSION

CREDIT AGREEMENT

dated as of March 25, 2010,

among

BIOSCRIP, INC.,
as Borrower,

and

THE GUARANTORS PARTY HERETO,
as Guarantors,

THE LENDERS PARTY HERETO,

HEALTHCARE FINANCE GROUP, LLC,
as Collateral Manager and Issuing Bank,

HFG HEALTHCO-4, LLC,
as Swingline Lender,

ING CAPITAL LLC,
as Syndication Agent,

COMPASS BANK and
GENERAL ELECTRIC CAPITAL CORPORATION,
as Co-Documentation Agents

and

JEFFERIES FINANCE LLC,
as Arranger, Administrative Agent,
Collateral Agent and Book Manager

TABLE OF CONTENTS

Schedule 6.09(i) Other Affiliate Transactions

EXHIBITS

CREDIT AGREEMENT

This CREDIT AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of March 25, 2010, among BioScrip Inc., a Delaware corporation (the "**Borrower**"), the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, Jefferies Finance LLC, as lead arranger (in such capacity, the "**Arranger**"), as book manager (in such capacity, the "**Book Manager**"), as administrative agent for the Lenders (in such capacity, the "**Administrative Agent**"), as collateral agent for the Secured Parties (in such capacity, the "**Collateral Agent**"), ING Capital LLC, as syndication agent (in such capacity, the "**Syndication Agent**"), Compass Bank, as a co-documentation agent (in such capacity, a "**Co-Documentation Agent**"), General Electric Capital Corporation, a co-documentation agent (in such capacity, a "**Co-Documentation Agent**"), Healthcare Finance Group, LLC, as collateral manager (in such capacity, the "**Collateral Manager**"), HFG Healthco-4, LLC, as swingline lender (in such capacity, the "**Swingline Lender**") for the Lenders, and Healthcare Finance Group, LLC, as issuing bank for the Lenders (in such capacity, the "**Issuing Bank**").

WITNESSETH:

WHEREAS, Borrower has entered into a merger agreement, dated as of January 24, 2010 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof and thereof, the "**Acquisition Agreement**"), with Camelot Acquisition Corp., a Delaware corporation ("**Merger Sub**"), Critical Homecare Solutions Holdings, Inc., a Delaware corporation (the "**Target**"), Kohlberg Investors V, L.P., solely in its capacity as the stockholders' representative, and Kohlberg Partners V, L.P., a Delaware limited partnership, Kohlberg Offshore Investors V, L.P., a Delaware limited partnership, Kohlberg TE Investors V, L.P., a Delaware limited partnership, KOCO Investors V, L.P., a Delaware limited partnership, Robert Cucuel, Mary Jane Graves, Nitin Patel, Joey Ryan, Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, Blackstone Mezzanine Holdings II L.P., a Delaware limited partnership, and S.A.C. Domestic Capital Funding, Ltd., a Cayman Islands limited company, each a selling stockholder, to acquire (the "**Acquisition**") the capital stock of the Target by means of a merger between Merger Sub and Target.

WHEREAS, immediately following the Acquisition, (i) the Target will be a Wholly Owned Subsidiary of Borrower, (ii) the Target will become a Subsidiary Guarantor and Pledgor for all purposes under the Loan Documents, and (iii) each Subsidiary of the Target, each of which is identified on Schedule 1.01(c) and which is a Restricted Subsidiary will become a Subsidiary Guarantor and Pledgor for all purposes under the Loan Documents.

WHEREAS, Borrower has previously entered into that certain amended and restated loan and security agreement, dated September 26, 2007 (as amended, supplemented or otherwise modified from time to time, the "**Borrower Existing Credit Agreement**"), among MIM Funding, LLC, BioScrip Pharmacy Services, Inc., BioScrip Infusion Services, Inc., BioScrip Pharmacy (NY), Inc., BioScrip PBM Services, LLC, BioScrip Pharmacy, Inc., Natural Living, Inc., and BioScrip Infusion Services, LLC, as borrowers, and HFG Healthco-4 LLC, as lender.

WHEREAS, the Target has previously entered into that certain amended and restated first lien credit agreement, dated as of January 8, 2007 (as amended, supplemented or otherwise modified from time to time, the "**Target Existing First Lien Credit Agreement**"), among the Target, KCHS Holdings, Inc., a Delaware corporation, the subsidiary guarantors party thereto, the lenders party thereto, Jefferies Finance LLC, as lead arranger, as swingline lender, as book manager, as administrative agent and as collateral agent, Churchill Financial LLC, as syndication agent, and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent and as issuing bank.

WHEREAS, the Target has previously entered into that certain second lien term loan agreement, dated as of January 8, 2007 (as amended, supplemented or otherwise modified from time to time, the "**Target Existing Second Lien Agreement**" and, together with the Target Existing First Lien Credit Agreement and the Borrower Existing Credit Agreement, the "**Existing Credit Agreements**"), among KCHS Holdings, Inc., a Delaware corporation, the subsidiary guarantors party thereto, the lenders party thereto, Jefferies Finance LLC, as lead arranger, as documentation agent and as book manager, Blackstone Corporate Debt Administration L.L.C., as administrative agent and as collateral agent, and Jefferies & Company, Inc., as syndication agent.

WHEREAS, in order to fund, in part, the consummation of the Acquisition and the repayment in full of amounts outstanding under, and the termination of any commitment to make extensions of credit under, the Existing Credit Agreements and all of the other outstanding indebtedness of Borrower and its Subsidiaries and Target and its Subsidiaries listed on Schedule 1.01(e) (the "**Refinancing**"), Borrower has requested that the Lenders enter into this Agreement to extend credit in the form of Term Loans on the Closing Date in an aggregate principal amount of $100,000,000.

WHEREAS, in order to fund, in part, the consummation of the Acquisition and the Refinancing, concurrently with the initial extension of credit hereunder, Borrower is issuing $225,000,000 in aggregate principal amount of Senior Notes to certain qualified purchasers in a transaction exempt from the registration requirements of the Securities Act.

WHEREAS, in order to fund working capital and other corporate purposes (other than the Acquisition and the Refinancing), Borrower has requested the Lenders to extend credit in the form of Revolving Loans at any time and from time to time on and after the Closing Date and prior to the Revolving Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $50,000,000.

WHEREAS, Borrower has requested the Swingline Lender to make Swingline Loans, at any time and from time to time on and after the Closing Date and prior to the Revolving Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $10,000,000.

WHEREAS, Borrower has requested the Issuing Bank to issue standby letters of credit, in an aggregate face amount at any time outstanding not in excess of $5,000,000, to support payment obligations incurred by Borrower and its Subsidiaries.

WHEREAS, the proceeds of the Loans are to be used in accordance with Section 3.12.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and in the other Loan Documents, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"**ABDC** means AmerisourceBergen Drug Corporation, a Delaware corporation, and its successors and assigns.

"**ABDC Intercreditor Agreement**" shall mean the Intercreditor Agreement, dated as of the Closing Date, between the Collateral Agent (for the benefit of the Secured Parties) and ABDC, concerning the subordination of the ABDC Lien, substantially in the form of the Supplier Intercreditor Agreement, as amended, supplemented, waived or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**ABDC Lien**" shall mean the Lien of ABDC on the Inventory of Borrower and its Subsidiaries (to the extent sold or supplied by ABDC), related Accounts and the products and proceeds thereof, as described more particularly and defined in the definition of "Second Priority Collateral" (as defined in the ABDC Intercreditor Agreement) and, in all events, subject to the provisions of the ABDC Intercreditor Agreement.

"**ABR**," when used in reference to any Loan or Borrowing, is used when such Loan comprising such Borrowing is, or the Loans comprising such Borrowing are, bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"**ABR Borrowing**" shall mean a Borrowing comprised of ABR Loans.

"**ABR Loan**" shall mean any ABR Term Loan or ABR Revolving Loan.

"**ABR Revolving Loan**" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"**ABR Term Loan**" shall mean any Term Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"**Accounts**" shall have the meaning assigned to such term in the Security Agreement.

"**Accreditations**" shall mean collectively all accreditations, approvals or other rights issued by any health care accrediting agency including the Joint Commission, Accreditation Commission for Health Care, National Quality Forum and Community Health Accreditation Program.

"**Accrued Amounts**" shall mean, as of any date of determination, the aggregate amount of accrued but unpaid (whether or not due and payable) (a) interest on Loans that will become due and payable on or prior to the next Interest Payment Date, (b) fees and expenses that will become due and payable on or prior to the next Interest Payment Date, in each case, to the extent constituting Obligations.

"**Acquired Business**" shall mean the Target and its Subsidiaries.

"**Acquisition**" shall have the meaning assigned to such term in the recitals hereto, and as the context requires.

"**Acquisition Agreement**" shall have the meaning assigned to such term in the recitals hereto.

"**Acquisition Consideration**" shall mean the purchase consideration for a Permitted Acquisition and all other payments, directly or indirectly, by any Company in exchange for, or as part of, or in connection with, a Permitted Acquisition, whether paid in cash or by exchange of Equity Interests or of properties or otherwise and whether payable at or prior to the consummation of a Permitted Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and includes any and all payments representing the purchase price and any assumptions of Indebtedness, "earn-outs" and other agreements to make any payment the amount of

which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; *provided* that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP at the time of the consummation of such Permitted Acquisition to be established in respect thereof by the Companies.

"**Acquisition Documents**" shall mean the collective reference to the Acquisition Agreement and the other documents listed or required to be listed on Schedule 3.22.

"**Adjusted LIBOR Rate**" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the greater of (i) (a) an interest rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) determined by the Administrative Agent to be equal to the LIBOR Rate for such Eurodollar Borrowing in effect for such Interest Period divided by (b) 1 *minus* the Statutory Reserves (if any) for such Eurodollar Borrowing for such Interest Period and (ii) 2.00%.

"**Administrative Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor administrative agent pursuant to Article X.

"**Administrative Agent Fees**" shall have the meaning assigned to such term in Section 2.05(b).

"**Administrative Questionnaire**" shall mean an administrative questionnaire in the form supplied from time to time by the Administrative Agent.

"**Advisors**" shall mean legal counsel (including local counsel and in-house counsel), auditors, engineers, accountants, consultants, appraisers or other advisors.

"**Affiliate**" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; *provided*, *however*, that, for purposes of Section 6.09, the term "Affiliate" shall also include any person that directly or indirectly owns more than 10% of any class of Equity Interests of the person specified.

"**Agents**" shall mean the Arranger, the Syndication Agent, the Administrative Agent, the Co-Documentation Agents, the Collateral Agent, the Collateral Manager and the Book Manager; and "**Agent**" shall mean any of them, as the context may require.

"**Agreement**" shall have the meaning assigned to such term in the preamble hereto.

"**Alternate Base Rate**" shall mean, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the Base Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* 0.50%, (c) except during the Eurodollar Unavailability Period, the Eurodollar Rate for a Eurodollar Loan with a one-month interest period (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1.00%, and (d) 3.00%. If the Administrative Agent shall have determined in its reasonable discretion (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Base Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective on the effective date of such change in the Base Rate, the Federal Funds Effective Rate or the Eurodollar Rate, respectively.

"**Anti-Terrorism Laws**" shall have the meaning assigned to such term in Section 3.23.

"**Applicable Margin**" shall mean, for any date of determination, with respect to any Loan, (i) 3.00%, in the case of ABR Loans and (ii) 4.00%, in the case of Eurodollar Loans.

"**Approved Fund**" shall mean any person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or investing in bank and other commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Approved Valuation**" shall mean any periodic valuation of the Inventory of the Loan Parties performed by Hilco Appraisal Services, LLC or such other unaffiliated valuation company selected by the Collateral Manager and acceptable to the Collateral Agent, performed at the Borrower's request not more than once every six months (unless a Default or Event of Default is continuing, in which case the Collateral Manager may request valuations on a more frequent basis); it being understood such valuation shall (except as may be approved by the Collateral Manager) take into account the amount estimated by such valuation company for marshalling, reconditioning, carrying, and sales expenses designated to maximize the resale value of such Inventory and assuming that the time required to dispose of such Inventory is customary with respect to such Inventory.

"**Arranger**" shall have the meaning assigned to such term in the preamble hereto.

"**Asset Sale**" shall mean (a) any disposition of any property, by any Company and (b) any sale or other disposition of any Equity Interests in a Subsidiary by Borrower or any issuance, sale or other disposition of any Equity Interests by any Restricted Subsidiary (including any sale or other disposition of any Equity Interests in a Subsidiary by any such Restricted Subsidiary), in each case, to any person other than a Loan Party. Notwithstanding the foregoing, none of the following shall constitute "Asset Sales": (i) any disposition of assets permitted by Section 6.04(c)(ii), Section 6.05(a), Section 6.06(a), Section 6.06(d), Section 6.06(i) or Section 6.06(j), or (ii) solely for purposes of clause (a) above, (A) any trade-in of equipment in exchange for other equipment in the ordinary course of business; ***provided*** that in the good faith judgment of such Company it receives equipment having a Fair Market Value equal to or greater than the equipment being traded in; (B) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien), to the extent it is a Permitted Lien; (C) licensing or sublicensing of intellectual property of any Company in the ordinary course of business and otherwise in accordance with the applicable Security Documents; and (D) any other conveyance, sale, lease, sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of any property, by any Company for Fair Market Value resulting in not more than $100,000 in Net Cash Proceeds per asset sale (or series of related asset sales) and not more than $500,000 in Net Cash Proceeds in any fiscal year.

"**Assignment and Acceptance**" shall mean an assignment and acceptance entered into by a Lender, as assignor, and an assignee, and accepted by the Administrative Agent, substantially in the form of Exhibit A, or such other form as shall be approved by the Administrative Agent from time to time.

"**Bailee Letter**" shall have the meaning assigned to such term in the Security Agreement.

"**Base Rate**" shall mean, for any day, the prime rate published in *The Wall Street Journal* for such day; *provided* that if *The Wall Street Journal* ceases to publish for any reason such rate of interest, "**Base Rate**" shall mean the prime lending rate as set forth on the Bloomberg page PRIMBB Index (or successor page) for such day (or such other service as determined by the Administrative Agent from time

to time for purposes of providing quotations of prime lending interest rates); each change in the Base Rate shall be effective on the date such change is effective. The prime rate is not necessarily the lowest rate charged by any financial institution to its customers.

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers or board of directors, as applicable, of such person, or if such limited liability company does not have a board of managers or board of directors, the functional equivalent of the foregoing, (iii) in the case of any partnership, the board of directors or board of managers, as applicable, of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

"**Book Manager**" shall have the meaning assigned to such term in the preamble hereto.

"**Borrower**" shall have the meaning assigned to such term in the preamble hereto.

"**Borrower Account**" shall mean, initially account # 000009069730 at Bank of America, N.A., ABA # 011500010, or, thereafter, such other bank account designated by Borrower by written notice to the Collateral Agent and the Collateral Manager from time to time.

"**Borrower Existing Credit Agreement"** shall have the meaning given to such term in the recitals hereto.

"**Borrower Material Adverse Effect**" shall have the meaning set forth in Section 4.01(r).

"**Borrowing**" shall mean (a) Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

"**Borrowing Base**" shall mean, as of any date of determination, an amount equal to (i) 85% of the Expected Net Value of Eligible Receivables, *plus* (ii) 50% of the OLV of the Eligible Inventory, in each case and at all times as calculated by the Collateral Manager based upon the most recent Borrowing Base Certificate delivered to the Collateral Manager by Borrower as may be modified in accordance with this Agreement, *minus* (iii) Accrued Amounts, *minus* (iv) Borrowing Base Reserves, *minus* (v) the aggregate principal amount of the then outstanding Term Loans (*provided* that for the period up to and including the date occurring 60 days after the Closing Date the calculation produced by preceding clause (i) through to and including (iv) of the foregoing definition shall be deemed, in all events, to be no less than $120,000,000).

"**Borrowing Base Certificate**" shall mean a certificate signed by Borrower, substantially in the form of Exhibit B-2 hereto, which shall provide the most recently available information (including updated information) with respect to the Eligible Receivables and Eligible Inventory of the Loan Parties (segregated by the classes set forth in Annex III attached hereto) that is set forth in the general trial balance of each of the Loan Parties.

"**Borrowing Base Deficiency**" means, as of any date:

(a) the positive difference, if any, between (x) the Revolving Exposure of all of the Lenders, *minus* (y) the Borrowing Base, determined with reference to the most recent Borrowing Base Certificate; and, without duplication,

(b) if the Revolving Exposure of all Lenders shall then be zero (it being understood that, for the purposes of this clause (b), to the extent that all outstanding Letters of Credit have been (and remain) cash collateralized in accordance with the procedures set forth in Section 2.18(i) then the LC Exposure of all of the Lenders shall then be deemed to be zero), the positive difference, if any, between (x) the aggregate principal amount of the then outstanding Term Loans *minus* (y) the Borrowing Base determined with reference to the most recent Borrowing Base Certificate (*provided* that, for the purpose of calculating the Borrowing Base under this clause (b)(y) only, clause (iv) of the definition of "Borrowing Base" shall be excluded).

"**Borrowing Base Reserves**" shall mean (x) the reserves established as of the Closing Date and set forth on Annex V hereto and (y) subject to compliance with Section 11.02, the Collateral Manager shall have the right to establish, modify or eliminate reserves against Eligible Accounts and Eligible Inventory from time to time in its Permitted Discretion. Borrowing Base Reserves will not be established (1) for any non-cash items, (2) for the loss of any contract including any Program Agreement, (3) to address matters otherwise adjusted under the Expected Net Value or OLV, or (4) as a result of the filing of any lawsuit by any person or the initiation of any investigation or inquiry by any Governmental Authority, or in either case the threat thereof, unless and until the Collateral Manager determines in good faith after consultation with the Borrower that the basis of such lawsuit, investigation or inquiry is likely to result in a material setoff, recoupment or other reduction of collections under the Receivables.

"**Borrowing Request**" shall mean a request by Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit B, or such other form as shall be approved by the Administrative Agent and Collateral Manager from time to time.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks in New York City are authorized or required by law to close; *provided*, *however*, that when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

"**Capital Expenditures**" shall mean, without duplication, for any period (a) any expenditure or commitment to expend money made during such period for any purchase or other acquisition of any asset including capitalized leasehold improvements, which would be classified as a fixed or capital asset on a consolidated balance sheet of Borrower and its Restricted Subsidiaries prepared in accordance with GAAP, and (b) Capital Lease Obligations incurred by such persons during such period with respect to real or personal property acquired during such period, or Synthetic Lease Obligations incurred by such persons during such period, but excluding expenditures made directly in connection with (i) the replacement, substitution or restoration of property pursuant to Section 2.10(f), (ii) the Acquisition and (iii) any Permitted Acquisitions.

"**Capital Lease Obligations**" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"**Capital Requirements**" shall mean, as to any person, any matter, directly or indirectly, (i) regarding capital adequacy, capital ratios, capital requirements, the calculation of such person's capital or similar matters, or (ii) affecting the amount of capital required to be obtained or maintained by such person or any person controlling such person (including any direct or indirect holding company), or the manner in which such person or any person controlling such person (including any direct or indirect

holding company), allocates capital to any of its contingent liabilities (including letters of credit), advances, acceptances, commitments, assets or liabilities.

"**Cash Equivalents**" shall mean, as to any person, (a) marketable securities issued, or directly, unconditionally and fully guaranteed or insured, by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition by such person, (b) time deposits and certificates of deposit of any Lender or any commercial bank having, or which is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any state thereof or the District of Columbia having, capital and surplus aggregating in excess of $500,000,000 and a rating of "A" (or such other similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) with maturities of not more than one year from the date of acquisition by such person, (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with any person meeting the qualifications specified in clause (b) above, (d) commercial paper issued by any person incorporated in the United States having one of the two highest ratings obtainable from Standard & Poor's Rating Service or Moody's Investors Service Inc., in each case maturing not more than one year after the date of acquisition by such person, (e) investments in money market funds at least 95% of whose assets are comprised of securities of the types described in clauses (a) through (d) above, and (f) demand deposit accounts maintained in the ordinary course of business with any bank meeting the qualifications specified in clause (b) above.

"**Cash Interest Expense**" shall mean, for any period, Consolidated Interest Expense for such period, *less* the sum of (a) interest on any debt paid by the increase in the principal amount of such debt including by issuance of additional debt of such kind for such period, and (b) items described in clause (c) or, other than to the extent paid in cash, clause (g) of the definition of "Consolidated Interest Expense" for such period.

"**Casualty Event**" shall mean any loss of title or any loss of or damage to or destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of any Company. "Casualty Event" shall include any taking of all or any part of any Real Property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any Legal Requirement, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any person or any part thereof by any Governmental Authority, or any settlement in lieu thereof.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq*.

A "**Change of Control"** means an event or series of events by which: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have "beneficial ownership" of all Equity Interests that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 40% or more of the Equity Interests of Borrower entitled to vote for members of the Board of Directors of Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); (b) during any period of 24 consecutive months, a majority of the members of the Board of Directors of Borrower cease to be composed of individuals (i) who were members of that Board of Directors on the first day of such

period, (ii) whose election or nomination to that Board of Directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that Board of Directors or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that Board of Directors (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that Board of Directors occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors); (c) any person or two or more persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Borrower, or control over the Voting Stock of Borrower on a fully-diluted basis (and taking into account all such Voting Stock that such person or group has the right to acquire pursuant to any option right) representing 40% or more of the combined voting power of such Voting Stock; or (d) at any time a "Change of Control" (or other defined term having a similar purpose) as defined in the Senior Note Documents or in any document governing any refinancing of any of the Senior Notes occurs.

"**Change in Law**" shall mean (a) the adoption of any law, treaty, order, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Bank (or for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender's or Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"**Charges**" shall have the meaning assigned to such term in Section 11.13.

"**Cisco Capital Lease**" shall mean the Master Agreement to Lease Equipment, dated as of January 15, 2010, between Borrower and Cisco Systems Capital Corporation, as it may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**Claims**" shall have the meaning assigned to such term in Section 11.03(b).

"**Class**," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment, Term Loan Commitment or Swingline Commitment.

"**Closing Date**" shall mean, subject to the satisfaction of the conditions herein, the date of the initial Credit Extension hereunder.

"**Closing Date Material Adverse Effect**" shall have the meaning set forth in Section 4.01(s).

"**CMS**" shall mean Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Co-Documentation Agent**" shall have the meaning assigned to such term in the preamble hereto.

"**Collateral**" shall mean, collectively, all of the Security Agreement Collateral, the Mortgaged Property (if any) and all other property of whatever kind and nature, whether now existing or hereafter acquired, pledged as collateral under any Security Document.

"**Collateral Account**" shall mean a collateral account or sub-account established and maintained by the Collateral Agent for the benefit of the Secured Parties, in accordance with the provisions of Section 9.01.

"**Collateral Agent**" shall have the meaning assigned to such term in the preamble hereto.

"**Collateral Manager**" shall have the meaning assigned to such term in the preamble hereto.

"**Collateral Management Agreement**" shall mean a Collateral Management Agreement substantially in the form of Exhibit N among the Loan Parties, the Administrative Agent, the Collateral Manager and the Collateral Agent for the benefit of the Secured Parties, as the same may be supplemented from time to time by one or more Joinder Agreements (as defined therein), or otherwise.

"**Commercial Letter of Credit**" shall mean any letter of credit issued for the purpose of providing credit support in connection with the purchase of materials, goods or services by Borrower or any of its Restricted Subsidiaries in the ordinary course of their businesses.

"**Commitment**" shall mean, with respect to any Lender, such Lender's Revolving Commitment, Term Loan Commitment or Swingline Commitment.

"**Commitment Fee**" shall have the meaning assigned to such term in Section 2.05(a).

"**Commitment Letter**" shall mean the Commitment Letter, dated January 24, 2010, between Borrower and Jefferies Finance LLC.

"**Companies**" shall mean Borrower and its Restricted Subsidiaries; and "**Company**" shall mean any one of them.

"**Company Accreditation**" and "**Company Accreditations**" shall have the meanings assigned to such terms in Section 3.19(c).

"**Company Health Care Permit**" and "**Company Health Care Permits**" shall have the meanings assigned to such terms in Section 3.19(b).

"**Company Regulatory Filings**" shall have the meaning assigned to such term in Section 3.19(e).

"**Company Reimbursement Approval**" and "**Company Reimbursement Approvals**" shall have the meanings assigned to such terms in Section 3.19(d).

"**Compliance Certificate**" shall mean a certificate of a Financial Officer substantially in the form of Exhibit C.

"**Confidential Information Memorandum**" shall mean that certain confidential information memorandum dated February 2010.

"**Consolidated Amortization Expense**" shall mean, for any period, the amortization expense of Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Current Assets**" shall mean, as at any date of determination, the total assets of Borrower and its Restricted Subsidiaries (other than cash, cash equivalents and marketable securities) which may properly be classified as current assets on a consolidated balance sheet of Borrower and its Restricted Subsidiaries in accordance with GAAP.

"**Consolidated Current Liabilities**" shall mean, as at any date of determination, the total liabilities of Borrower and its Restricted Subsidiaries which may properly be classified as current liabilities (other than the current portion of any Loans or Senior Notes, if any) on a consolidated balance sheet of Borrower and its Restricted Subsidiaries in accordance with GAAP.

"**Consolidated Depreciation Expense**" shall mean, for any period, the depreciation expense of Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period, adjusted by (x) *adding thereto*, without duplication, in each case (other than clause (e) below) only to the extent (and in the same proportion) deducted in determining such Consolidated Net Income (and with respect to the portion of Consolidated Net Income attributable to any Restricted Subsidiary of Borrower only if a corresponding amount would be permitted to be (A) distributed by operation of the terms of its Organizational Documents or any agreement (other than this Agreement and the Senior Note Agreement), instrument, Order or other Legal Requirement applicable to such Restricted Subsidiary or its equity holders or (B) to the extent such amount is not permitted to be distributed solely as a direct result of the insolvency of such Restricted Subsidiary, repaid to Borrower under the Intercompany Note):

(a) Consolidated Interest Expense for such period,

(b) Consolidated Amortization Expense for such period,

(c) Consolidated Depreciation Expense for such period,

(d) Consolidated Tax Expense for such period,

(e) all cash proceeds of business interruption insurance received by the Loan Parties during such period to the extent not already included in determining Consolidated Net Income,

(f) Consolidated Permitted Restructuring Costs for such period,

(g) Consolidated Permitted Severance Costs for such period,

(h) costs and expenses directly incurred in connection with the Transactions (not to exceed $12,000,000 in the aggregate for all periods) during such period,

(i) reasonable and customary one-time, non-recurring fees, expenses and costs relating to any Permitted Acquisition, Equity Issuance, Investment, Debt Issuance or repayment of Indebtedness, or amendment or modification of any Material Agreement or any regulatory compliance matter, each to the extent permitted hereunder (whether or not consummated) and only to the extent permitted to be deducted in accordance with GAAP (and not added back) in

calculating Consolidated Net Income not to exceed $2,000,000 in any twelve month period, in each case, reasonably satisfactory to the Administrative Agent;

(j) non-cash costs and expenses relating to any equity-based compensation or equity-based incentive plan of Borrower or any Restricted Subsidiary for such period, and

(k) the aggregate amount of all other non cash items reducing Consolidated Net Income (excluding any non cash charge that results in an accrual of a reserve for cash charges in any future period) for such period.

(y) *subtracting therefrom* the aggregate amount of all non-cash items increasing Consolidated Net Income (other than the accrual of revenue or recording of receivables in the ordinary course of business); *provided* that Consolidated EBITDA for the fiscal quarters ended June 30, 2009, September 30, 2009 and December 31, 2009 shall be deemed to be $19,683,187, $20,463,100, and $19,553,251, respectively, and that Consolidated EBITDA of Borrower for the period after December 31, 2009 but prior to the Closing Date shall be calculated as though the Target and its Subsidiaries were Restricted Subsidiaries of Borrower during such period.

"**Consolidated Fixed Charge Coverage Ratio**" shall mean, for any Test Period, the ratio of (a) Consolidated EBITDA for such Test Period *minus* (i) the aggregate amount of Capital Expenditures (other than Capital Expenditures financed with the proceeds of one or more Equity Issuances) for such period, to the extent paid in cash, (ii) all cash payments in respect of income taxes made during such period (net of any cash refund in respect of income taxes actually received during such period) and (iii) all cash Dividends paid by Borrower during such period as permitted in Section 6.08; to (b) Consolidated Fixed Charges for such Test Period.

"**Consolidated Fixed Charges**" shall mean, for any period, the sum, without duplication, of

(a) Cash Interest Expense for such period; and

(b) the principal amount of all scheduled amortization payments on all Indebtedness (including the principal component of all Capital Lease Obligations of Borrower and its Restricted Subsidiaries for such period (as determined on the first day of the respective period)); *provided* that for purposes of calculating the Consolidated Fixed Charge Coverage Ratio, the amount of Consolidated Fixed Charges for the fiscal quarters ended June 30, 2009, September 30, 2009 and December 31, 2009 shall be deemed to be $8,765,327 for each such quarter.

"Consolidated Indebtedness" shall mean, as at any date of determination, without duplication, (a) the aggregate amount of all Indebtedness and all LC Exposure of Borrower and its Subsidiaries, *minus* (b) the aggregate amount of Unrestricted Domestic Cash and Cash Equivalents, up to $5,000,000 in the aggregate, of Borrower and its Restricted Subsidiaries, in each case, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Interest Expense**" shall mean, for any period, the total consolidated interest expense of Borrower and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP *plus*, without duplication:

(a) imputed interest on Capital Lease Obligations of Borrower and its Restricted Subsidiaries for such period;

(b) commissions, discounts and other fees and charges owed by Borrower or any of its Restricted Subsidiaries with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings for such period;

(c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by Borrower or any of its Restricted Subsidiaries for such period;

(d) cash contributions to any employee stock ownership plan or similar trust made by Borrower or any of its Restricted Subsidiaries to the extent such contributions are used by such plan or trust to pay interest or fees to any person (other than Borrower or a Wholly Owned Subsidiary which is a Restricted Subsidiary) in connection with Indebtedness incurred by such plan or trust for such period;

(e) all interest paid or payable with respect to discontinued operations of Borrower or any of its Restricted Subsidiaries for such period;

(f) the interest portion of any deferred payment obligations of Borrower or any of its Subsidiaries for such period;

(g) all interest on any Indebtedness of Borrower or any of its Restricted Subsidiaries of the type described in clause (e) or (i) of the definition of "Indebtedness" for such period;

provided that (a) to the extent directly related to the Transactions, Debt Issuance costs, debt discount or premium and other financing fees and expenses shall be excluded from the calculation of Consolidated Interest Expense and (b) Consolidated Interest Expense shall be calculated after giving effect to Hedging Agreements (including associated costs) intended to protect against fluctuations in interest rates, but excluding unrealized gains and losses with respect to any such Hedging Agreements.

"**Consolidated Net Income**" shall mean, for any period, the consolidated net income (or loss) of Borrower and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded from such net income (to the extent otherwise included therein), without duplication:

(a) the net income (or loss) of any person (other than a Restricted Subsidiary of Borrower) in which any person other than Borrower and its Restricted Subsidiaries has an ownership interest, except to the extent that cash in an amount equal to any such income has actually been received by Borrower or (subject to clause (b) below) any of its Restricted Subsidiaries during such period;

(b) the net income of any Restricted Subsidiary of Borrower during such period to the extent that (A) the declaration or payment of dividends or similar distributions by such Subsidiary of that income is not permitted by operation of the terms of its Organizational Documents or any agreement (other than this Agreement and the Senior Note Agreement), instrument, Order or other Legal Requirement applicable to that Restricted Subsidiary or its equity holders during such period, (B) such amount is not permitted to be distributed solely as a direct result of the insolvency of such Restricted Subsidiary, repaid to Borrower under the Intercompany Note, except that Borrower's equity in net loss of any such Restricted Subsidiary for such period shall be included in determining Consolidated Net Income or (C) such net income, if dividended or distributed to the equity holders of such Restricted Subsidiary in

accordance with the terms of its Organizational Documents, would be received by any Person other than a Loan Party;

(c) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Borrower or any of its Restricted Subsidiaries upon any disposition of assets by Borrower or any of its Restricted Subsidiaries;

(d) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period;

(e) non-cash gains and losses resulting from any reappraisal, revaluation, write-down or write-up of assets (including intangible assets, goodwill and deferred financing costs);

(f) unrealized gains and losses with respect to Hedging Obligations for such period; and

(g) any extraordinary (as determined in accordance with GAAP) or nonrecurring gain (or extraordinary or nonrecurring loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by Borrower or any of its Subsidiaries during such period.

For purposes of this definition of "Consolidated Net Income," "**nonrecurring**" means any non-cash gain or loss as of any date that (i) did not occur in the ordinary course of Borrower's or its Subsidiaries' business and (ii) is of a nature and type that has not occurred in the prior twelve month period and is not reasonably expected to occur in the future.

"**Consolidated Permitted Restructuring Costs**" shall mean, for any period (to the extent (and only to the extent) incurred during the 18-month period following the Closing Date), in connection with the consummation of the Acquisition, those demonstrable cost-savings and one-time restructuring costs, expenses or reserves reasonably anticipated by Borrower as of any date of determination to be achieved or incurred, as the case may be, in connection with the consummation of the Acquisition, including any such costs related to retention, systems establishment, pension charges, contract terminations, lease obligations and costs to consolidate facilities and relocate employees or equipment and similar costs, expenses or reserves for the 18-month period following the consummation thereof, which cost-savings and one-time restructuring costs, expenses or reserves shall (x) in each case, be estimated by Borrower on a good faith basis as of each date of determination prior to the inclusion of the applicable cost-savings and/or one-time restructuring costs, expenses or reserves in the calculation of Consolidated Permitted Restructuring Costs (which may include, without limitation, those permitted under Regulation S-X of the Exchange Act) and which shall be permitted to be included in the calculation of Consolidated Permitted Restructuring Costs for any period only to the extent reasonably approved by the Administrative Agent and (y) not to exceed $1,000,000 in the aggregate; *provided*, *however*, that all such Consolidated Permitted Restructuring Costs shall be reduced by (x) one half, 9 months following the Closing Date, (y) an additional one quarter, 12 months following the Closing Date and (z) an additional one quarter, 18 months following the Closing Date; *provided*, *further*, it is understood and agreed that, for the avoidance of duplication, no anticipated cost-savings and one-time restructuring costs, expenses or reserves shall be included in the calculation of Consolidated Permitted Restructuring Costs for any period to the extent such anticipated cost-savings are otherwise reflected in Consolidated EBITDA for such period.

"**Consolidated Permitted Severance Costs**" shall mean, for any period, one-time severance expense of Borrower and its Subsidiaries for such period (to the extent (and only to the extent) incurred

during the 18-month period following the Closing Date) in an amount not to exceed $5,500,000 in the aggregate (except to the extent reasonably approved by the Administrative Agent); *provided*, *however*, that all such Consolidated Permitted Severance Costs shall be reduced by (x) one half, 12 months following the Closing Date, (y) an additional one quarter, 15 months following the Closing Date and (z) an additional one quarter, 18 months following the Closing Date; *provided*, *further*, it is understood and agreed that, for the avoidance of duplication, no anticipated severance expense shall be included in the calculation of Consolidated Permitted Severance Costs for any period to the extent such anticipated severance expense are otherwise reflected in Consolidated EBITDA for such period.

"**Consolidated Tax Expense**" shall mean, for any period, the tax expense of Borrower and its Restricted Subsidiaries, for such period, determined on a consolidated basis in accordance with GAAP.

"**Contingent Obligation**" shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations ("**primary obligations**") of any other person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers' acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (e) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however*, that the term "Contingent Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties given in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

"**Contribution Share**" shall have the meaning assigned to such term in Section 7.10.

"**Control**" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "**Controlling**" and "**Controlled**" shall have meanings correlative thereto.

"**Control Agreement**" shall have the meaning assigned to such term in the Security Agreement.

"**Credit and Collection Policy**" shall have the meaning provided in the Collateral Management Agreement.

"**Credit Extension**" shall mean, as the context may require, (i) the making of a Loan by a Lender or (ii) the issuance of any Letter of Credit, or the amendment, extension or renewal of any existing Letter of Credit, by the Issuing Bank.

"**Debt Issuance**" shall mean the incurrence by any Company of any Indebtedness after the Closing Date (other than as permitted by Section 6.01).

"**Debt Service**" shall mean, for any period, Cash Interest Expense for such period plus scheduled principal amortization (and other scheduled mandatory prepayments and repayments) of all Indebtedness for such period.

"**Default**" shall mean any event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

"**Default Period**" shall have the meaning assigned to such term in Section 2.16(c).

"**Default Rate**" shall have the meaning assigned to such term in Section 2.06(c).

"**Defaulted Loan**" shall have the meaning assigned to such term in Section 2.16(c).

"**Defaulted Receivable**" shall mean a Receivable (i) as to which the Obligor thereof or any other person obligated thereon has taken any action, or suffered any event to occur, of the type described in paragraph (g) or (h) of Section 8.01 (assuming for the purposes of this clause (i) that such Obligor or other person, as applicable, was a Loan Party), or (ii) which, consistent with the Credit and Collection Policy, would be written off on the applicable Loan Party's books as uncollectible.

"**Defaulting Lender**" shall mean any Lender, as reasonably determined by the Administrative Agent, that has (a) failed to fund its portion of any Borrowing, or any portion of its participation in any Letter of Credit or Swingline Loan, within three Business Days of the date on which it shall have been required to fund the same, unless the subject of a good faith dispute between Borrower and such Lender related hereto, (b) notified Borrower, the Administrative Agent, any Issuing Bank, the Swingline Lender or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under agreements in which it commits to extend credit generally, (c) failed, within three Business Days after written request by the Administrative Agent or Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans (unless the subject of a good faith dispute between Borrower and such Lender) and participations in then outstanding Letters of Credit and Swingline Loans; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent or Borrower, (d) otherwise failed to pay over to Borrower, the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due (unless the subject of a good faith dispute), or (e) (i) been (or has a parent company that has been) adjudicated as, or determined by any Governmental Authority having regulatory authority over such person or its properties or assets to be, insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, unless in the case of any Lender referred to in this clause (e) Borrower, the Administrative Agent, the Swingline Lender and each Issuing Bank shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder. For the avoidance of doubt, a

Lender shall not be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or its parent by a Governmental Authority.

"**Defaulting Period**" shall have the meaning assigned to such term in Section 2.16(c).

"**Delinquent Receivable**" shall mean a Receivable (a) that has not been paid in full on or following the 180th day following the date of original invoicing thereof, or (b) that is a Denied Receivable.

"**Denied Receivable**" shall mean any Receivable as to which any related representations or warranties have been discovered at any time to have been breached.

"**Depositary Agreement**" shall have the meaning assigned to such term in the Collateral Management Agreement.

"**disposition**" shall mean, with respect to any property, any conveyance, sale, lease, sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of such property.

"**Disqualified Capital Stock**" shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Final Maturity Date, (b) is convertible into or exchangeable or exercisable (unless at the sole option of the issuer thereof) for (i) debt securities or other indebtedness or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to the first anniversary of the Final Maturity Date, or (c) contains any repurchase or payment obligation which may come into effect prior to the first anniversary of the Final Maturity Date.

"**Dividend**" shall mean, with respect to any person, that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such person outstanding (or any options or warrants issued by such person with respect to its Equity Interests). Without limiting the foregoing, "**Dividends**" with respect to any person shall also include all payments made or required to be made by such person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"**Dollar Equivalent**" shall mean, as to any amount denominated in a Judgment Currency as of any date of determination, the amount of Dollars that would be required to purchase the amount of such Judgment Currency based upon the spot selling rate at which Bank of America, N.A. (or another financial institution designated by the Administrative Agent from time to time) offers to sell such Judgment Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m. London time on such date for delivery two Business Days later.

"**Dollars**" or "**$**" shall mean lawful money of the United States.

"**Domestic Subsidiary**" shall mean any Subsidiary other than a Foreign Subsidiary.

"**Eligibility Criteria**" shall mean the criteria and basis for determining whether a Receivable qualifies as an Eligible Receivable or Inventory qualifies as Eligible Inventory, all as set forth in Annex IV hereto, as such Eligibility Criteria may be modified, subject to compliance with Section 11.02, from on the recommendation of the Collateral Manager based solely on historical performance and other Loan Party-related or Obligor-related factually-based credit criteria upon notice from the Collateral Manager to Borrower (with a copy to the Administrative Agent).

"**Eligible Inventory**" shall mean Inventory that satisfy the Eligibility Criteria for Inventory.

"**Eligible Receivables**" shall mean Receivables that satisfy the Eligibility Criteria for Receivables.

"**Embargoed Person**" shall have the meaning assigned to such term in Section 6.19.

"**Employee Benefit Plan**" shall mean any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was maintained or contributed to by any Company or any of their respective ERISA Affiliates.

"**Environment**" shall mean any surface or subsurface physical medium or natural resource, including air, land, soil, surface waters, ground waters, stream and river sediments, biota and any indoor area, surface or physical medium.

"**Environmental Claim**" shall mean any claim, notice, demand, Order, action, suit, proceeding, or other communication alleging or asserting liability or obligations under Environmental Law, including liability or obligation for investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Material in, on, into or from the Environment at any location or (ii) any violation of or non-compliance with Environmental Law, and shall include any claim, notice, demand, Order, action, suit or proceeding seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to health, safety or the Environment.

"**Environmental Law**" shall mean any and all applicable current and future Legal Requirements relating to health, safety or the Environment, the Release or threatened Release of Hazardous Material, natural resources or natural resource damages, or occupational safety or health.

"**Environmental Permit**" shall mean any permit, license, approval, consent, registration or other authorization required by or from a Governmental Authority under any Environmental Law.

"**Equity Interest**" shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

"**Equity Issuance**" shall mean, without duplication, (i) any issuance or sale by Borrower after the Closing Date of any of its Equity Interests (including any Equity Interests issued upon exercise of any warrant or option) or any warrants or options to purchase its Equity Interests or (ii) any contribution to the capital of Borrower; *provided*, *however*, that an Equity Issuance shall not include (x) any Preferred Stock Issuance or Debt Issuance, (y) any issuance of Equity Interests made pursuant to the Acquisition Agreement, and (z) any such sale or issuance by Borrower of not more than an aggregate amount of 10% of its Equity Interests (including its Equity Interests issued upon exercise of any warrant or option or warrants or options to purchase its Equity Interests but excluding Disqualified Capital Stock), in each case, to directors officers or employees of any Company.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"**ERISA Affiliate**" shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code. Any former ERISA Affiliate of a person or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of such person or such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of such person or such Subsidiary and with respect to liabilities arising after such period for which such person or such Subsidiary could reasonably be expected to be liable under the Code or ERISA, but in no event for more than six years after such period if no such liability has been asserted against such person or such Subsidiary; *provided*, *however*, that such person or such Subsidiary shall continue to be an ERISA Affiliate of such person or such Subsidiary after the expiration of the six-year period solely with respect to any liability asserted against such person or such Subsidiary prior to the expiration of such six-year period.

"**ERISA Event**" shall mean (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan; (ii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(d) of the Code) or the failure to make by its due date a required installment of a material amount under Section 412(m) of the Code with respect to any Pension Plan or the failure to make any required contribution of a material amount to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by any Company or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability of a material amount on any Company or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of any Company or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability of a material amount therefor, or the receipt by any Company or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan, or the assets thereof, or against any Company or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (ix) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan

(or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code; (x) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Code or pursuant to ERISA with respect to any Pension Plan; or (xi) the occurrence of a non-exempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could reasonably be expected to result in liability of a material amount to any Company or any of their respective ERISA Affiliates.

"**Eurodollar Borrowing**" shall mean a Borrowing comprised of Eurodollar Loans.

"**Eurodollar Loan**" shall mean any Eurodollar Revolving Loan or Eurodollar Term Loan.

"**Eurodollar Revolving Borrowing**" shall mean a Borrowing comprised of Eurodollar Revolving Loans.

"**Eurodollar Revolving Loan**" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of Article II.

"**Eurodollar Term Loan**" shall mean any Term Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of Article II.

"**Eurodollar Unavailability Period**" shall mean any period of time during which a notice delivered to Borrower in accordance with Section 2.11 or Section 2.12(e) shall remain in effect.

"**Event of Default**" shall have the meaning assigned to such term in Section 8.01.

"**Excess Cash Flow**" shall mean, for any Excess Cash Flow Period, the sum, without duplication, of:

(a) the sum, without duplication, of:

(i) Consolidated EBITDA for such Excess Cash Flow Period;

(ii) cash items of income during such Excess Cash Flow Period not included in calculating Consolidated EBITDA; and

(iii) the decrease, if any, in the Net Working Capital from the beginning to the end of such Excess Cash Flow Period; *minus*

(b) the sum, without duplication, of:

(i) the amount of any cash Consolidated Tax Expense paid or payable by Borrower and its Subsidiaries with respect to such Excess Cash Flow Period and for which, to the extent required under GAAP, reserves have been established;

(ii) the amount of Debt Service for such Excess Cash Flow Period;

(iii) permanent repayments and prepayments of Indebtedness made by Borrower and its Subsidiaries during such Excess Cash Flow Period but only to the extent that (x) such repayments and prepayments by their terms cannot be reborrowed or redrawn (including, in the case of the Revolving Loans, a contemporaneous permanent reduction of the Revolving Commitment), (y) such repayments and prepayments do not occur in connection with a

refinancing of all or a portion of such Indebtedness, and (z) such repayments and prepayments are funded with Internally Generated Funds;

(iv) Capital Expenditures made in cash in accordance with Section 6.10 during such Excess Cash Flow Period, to the extent funded from Internally Generated Funds;

(v) Permitted Acquisitions made in cash in accordance with Section 6.07(f) during such Excess Cash Flow Period, to the extent funded from Internally Generated Funds;

(vi) expenditures, other than Capital Expenditures, made in cash during such Excess Cash Flow Period and either (x) capitalized in accordance with GAAP during such Excess Cash Flow Period or (y) added back to Consolidated Net Income for such Excess Cash Flow Period in the determination of Consolidated EBITDA for such Excess Cash Flow Period pursuant to clauses (f), (g), (h) or (i) of the definition of Consolidated EBITDA, in each case to the extent such expenditures are funded from Internally Generated Funds;

(vii) the increase, if any, in the Net Working Capital from the beginning to the end of such Excess Cash Flow Period; and

(viii) cash items of expense (including losses) during such Excess Cash Flow Period not deducted in calculating Consolidated EBITDA.

"**Excess Cash Flow Period**" shall mean (i) Borrower's fiscal year ending on December 31, 2010 and (ii) each fiscal year of Borrower thereafter.

"**Excess Payment**" shall have the meaning assigned to such term in Section 7.10.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Exchange Senior Notes**" shall mean senior notes issued in exchange for Senior Notes pursuant to the Senior Note Agreement, which Exchange Senior Notes are substantially identical securities to the originally issued Senior Notes and shall be issued pursuant to a registered exchange offer or private exchange offer for the Senior Notes; *provided* that in no event will the issuance of any Exchange Senior Notes increase the aggregate principal amount of Senior Notes theretofore outstanding or otherwise result in an increase in the interest rate applicable to the Senior Notes theretofore outstanding.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located and (b) in the case of a Foreign Lender (other than an assignee pursuant to a request by Borrower under Section 2.16), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 2.15(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from Borrower with respect to such withholding tax pursuant to Section 2.15(a) (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Foreign Lender as a result of a Change in Law or regulation or interpretation thereof occurring after the time such Foreign Lender became a party to this Agreement shall not be an Excluded Tax).

"**Executive Order**" shall have the meaning assigned to such term in Section 3.23.

"**Executive Orders**" shall have the meaning assigned to such term in Section 6.19.

"**Existing Credit Agreements**" shall have the meaning assigned to such term in the recitals hereto.

"**Existing Letters of Credit**" shall mean each Letter of Credit previously issued exclusively for the account of any of the Companies that (a) is outstanding on the Closing Date and (b) is listed on Schedule 1.01(g).

"**Existing Lien**" shall have the meaning assigned to such term in Section 6.02(c).

"**Expected Net Value**" shall mean, with respect to any Eligible Receivable, the gross unpaid amount of such Receivable on the date of creation thereof, times the Net Value Factor.

"**Fair Market Value**" shall mean, with respect to any asset (including any Equity Interests of any person), the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined in good faith by the Board of Directors of Borrower or, pursuant to a specific delegation of authority by such Board of Directors or a designated senior executive officer, of Borrower, or the Restricted Subsidiary of Borrower selling such asset.

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary to the next 1/100th of 1%) of the quotations for the day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"**Fee Letter**" shall mean the confidential Fee Letter, dated January 24, 2010, between Borrower and Jefferies Finance LLC.

"**Fees**" shall mean the Commitment Fees, the Administrative Agent Fees, the LC Participation Fees, the Fronting Fees and the other fees referred to in Section 2.05(d).

"**Final Maturity Date**" shall mean the later of (i) the Revolving Maturity Date and (ii) the Term Loan Maturity Date.

"**Financial Officer**" of any person shall mean any of the chief financial officer, principal accounting officer, treasurer or controller of such person.

"**FIRREA**" shall mean the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

"**Foreign Lender**" shall mean any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"**Foreign Subsidiary**" shall mean a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof or the District of Columbia.

"**Fronting Fee**" shall have the meaning assigned to such term in Section 2.05(c).

"Funding Default" shall have the meaning assigned to such term in Section 2.16(c).

"**GAAP**" shall mean generally accepted accounting principles in the United States applied on a consistent basis.

"**Governmental Authority**" shall mean any federal, state, local or foreign (whether civil, administrative, criminal, military or otherwise) court, central bank or governmental agency, tribunal, authority, instrumentality, intermediary, carrier or regulatory body or any subdivision thereof or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Governmental Real Property Disclosure Requirements**" shall mean any Legal Requirement of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or any notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, as may be required under any applicable Environmental Law or of any actual or threatened presence or Release in or into the Environment, or the use, disposal or handling of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, acquired, leased, mortgaged, assigned or transferred.

"**Granting Lender**" shall have the meaning assigned to such term in Section 11.04(h).

"**Guaranteed Obligations**" shall have the meaning assigned to such term in Section 7.01.

"**Guarantees**" shall mean the guarantees issued pursuant to Article VII by each of the Subsidiary Guarantors.

"**Hazardous Materials**" shall mean hazardous substances, hazardous wastes, hazardous materials, polychlorinated biphenyls ("**PCBs**") or any substance or compound containing PCBs, asbestos or any asbestos-containing materials in any form or condition, lead-based paint, urea, formaldehyde, pesticides, radon or any other radioactive materials including any source, special nuclear or by-product material, petroleum, petroleum products, petroleum-derived substances, crude oil or any fraction thereof, or any other pollutants, contaminants, chemicals, wastes, materials, compounds, constituents or substances, defined under, subject to regulation under, or which can give rise to liability or obligations under, any Environmental Laws.

"**Health Care Audits**" shall have the meaning assigned to such term in Section 3.19(f).

"**Health Care Laws**" shall have the meaning assigned to such term in Section 3.19(g).

"**Health Care Permits**" shall mean, collectively, all licenses, leases, powers, permits, franchises, certificates, authorizations, approvals, consents, variances, exemptions, certificates of need, certifications, Orders and other rights necessary for and relating to the provision of health care services provided by the Companies.

"**Hedging Agreement**" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward

commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, currency swap transactions, cross-currency rate swap transactions, currency options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options or warrants to enter into any of the foregoing), whether or not any such transaction is governed by, or otherwise subject to, any master agreement or any netting agreement, and (b) any and all transactions or arrangements of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement (or similar documentation) published from time to time by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such agreement or documentation, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedging Obligations**" shall mean obligations under or with respect to Hedging Agreements.

"**Indebtedness**" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or advances; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (d) all obligations of such person issued or assumed as part of the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than 90 days); (e) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (i) the Fair Market Value of such property and (ii) the amount of the Indebtedness secured; (f) all Capital Lease Obligations, Purchase Money Obligations and Off-Balance Sheet Obligations of such person; (g) all Hedging Obligations to the extent required to be reflected on a balance sheet of such person; (h) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions; and (i) all Contingent Obligations of such person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (h) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor.

"**Indemnified Taxes**" shall mean Taxes other than Excluded Taxes.

"**Indemnitee**" shall have the meaning assigned to such term in Section 11.03(b).

"**Information**" shall have the meaning assigned to such term in Section 11.12.

"**Insurance Policies**" shall mean the insurance policies and coverages required to be maintained by each Loan Party that is an owner or lessee of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 5.04 and all renewals and extensions thereof.

"**Insurance Requirements**" shall mean, collectively, all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all Orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon any Loan Party that is an owner of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

"**Intellectual Property**" shall have the meaning assigned to such term in Section 3.06(a).

"**Intercompany Note**" shall mean a promissory note substantially in the form of Exhibit D.

"**Interest Election Request**" shall mean a request by Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit E.

"**Interest Payment Date**" shall mean (a) with respect to any ABR Loan (including Swingline Loans), the last Business Day of each March, June, September and December to occur during any period in which such Loan is outstanding, except that the first Interest Payment Date shall be the last Business Day of June, 2010 and shall cover the period from the Closing Date through such date, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, (c) with respect to any Revolving Loan or Swingline Loan, the Revolving Maturity Date or such earlier date on which the Revolving Commitments are terminated and (d) with respect to any Term Loan, the Term Loan Maturity Date.

"**Interest Period**" shall mean, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two or three months (or, if agreed to by each Lender, six months) thereafter, as Borrower may elect; *provided* that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing; *provided*, *however*, that an Interest Period shall be limited to the extent required under Section 2.03(e).

"**Internally Generated Funds**" shall mean funds not constituting the proceeds of any Indebtedness, Debt Issuance, Equity Issuance, Asset Sale or Casualty Event (in each case, without regard to the exclusions from the definitions thereof).

"**Inventory**" shall have the meaning assigned to such term in the Security Agreement.

"**Investments**" shall have the meaning assigned to such term in Section 6.04.

"**ISP**" shall mean, with respect to any Letter of Credit, the 'International Standby Practices 1998' (or 'ISP 98') published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

"**Issuing Bank**" shall mean, as the context may require, (a) Healthcare Finance Group, LLC (or any bank designated to act on its behalf with the consent of the Borrower and the Administrative Agent, such consent not unreasonably withheld), with respect to Letters of Credit issued by it (or such designated bank), (b) any other Lender that may become an Issuing Bank pursuant to Section 2.18(j) and Section 2.18(k) with respect to Letters of Credit issued by such Lender, or (c) collectively, all of the foregoing.

"**Joinder Agreement**" shall mean a joinder agreement substantially in the form of Exhibit 3 to the Security Agreement.

"**Judgment Currency**" shall have the meaning assigned to such term in Section 11.18.

"**Judgment Currency Conversion Date**" shall have the meaning assigned to such term in Section 11.18.

"**Key Locations**" shall mean: (i) those locations of the Companies constituting, or containing, assets having a Fair Market Value greater than $2,500,000 on the Closing Date, and designated as such on Schedule 3.05(b) and (ii) such locations of the Companies constituting, or containing, assets having a Fair Market Value greater than $2,500,000 at any time subsequent to the Closing Date, including any Mortgaged Property described in Section 5.11(d).

"**Landlord Access Agreement**" shall mean a Landlord Access Agreement, substantially in the form of Exhibit F, or such other form as may reasonably be acceptable to the Administrative Agent.

"**Last Service Date**" shall mean, with respect to any Receivable that is not a Rebate Receivable, the earlier of (i) the date on which the applicable Loan Party has received the data required to bill such Receivable and (ii) the last day for submission of the related claim under any related contracts.

"**LC Commitment**" shall mean the commitment of the Issuing Bank to issue Letters of Credit pursuant to Section 2.18. The amount of the LC Commitment shall be $5,000,000, but in no event shall the LC Commitment exceed the Revolving Commitment.

"**LC Disbursement**" shall mean a payment or disbursement made by the Issuing Bank pursuant to a Letter of Credit.

"**LC Exposure**" shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time *plus* (b) the aggregate principal amount of all Reimbursement Obligations outstanding at such time. The LC Exposure of any Revolving Lender at any time shall mean its Pro Rata Percentage of the aggregate LC Exposure at such time. For all purposes of this Agreement and the other Loan Documents, if, on any date of determination, a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP (or any other equivalent applicable rule with respect to force majeure events), such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn thereunder.

"**LC Participation Fee**" shall have the meaning assigned to such term in Section 2.05(c).

"**LC Request**" shall mean a request by Borrower in accordance with the terms of Section 2.18(b) and substantially in the form of Exhibit G, or such other form as shall be approved by the Issuing Bank.

"**LC Sub-Account**" shall have the meaning assigned to such term in Section 9.01(d).

"**Leases**" shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

"**Legal Requirements**" shall mean, as to any person, the Organizational Documents of such person, and any treaty, law (including the common law), statute, ordinance, code, rule, regulation, policies and procedures, Order or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject.

"**Lenders**" shall mean (a) the financial institutions and other persons party hereto as "Lenders" on the date hereof, and (b) each financial institutions or other person that becomes a party hereto pursuant to an Assignment and Acceptance, other than, in each case, any such financial institution or person that has ceased to be a party hereto pursuant to an Assignment and Acceptance. Unless the context clearly indicates otherwise, the term "Lenders" shall include the Swingline Lender.

"**Letter of Credit**" shall mean any Standby or Commercial Letter of Credit, in each case, issued or to be issued by an Issuing Bank for the account of Borrower or one of its Restricted Subsidiaries pursuant to Section 2.18.

"**Letter of Credit Expiration Date**" shall mean the date which is three Business Days prior to the Revolving Maturity Date.

"**LIBOR Rate**" shall mean, with respect to any Eurodollar Borrowing for any Interest Period therefor, the rate per annum equal to the arithmetic mean (rounded to the nearest 1/100th of 1%) of the offered rates for deposits in Dollars with a term comparable to such Interest Period that appears on Reuters Screen LIBOR01 (or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London, England time, on the second full Business Day preceding the first day of such Interest Period; *provided*, *however*, that (i) if no comparable term for an Interest Period is available, the LIBOR Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if Reuters Screen LIBOR01 shall at any time no longer exist, "LIBOR Rate" shall mean, with respect to each day during each Interest Period pertaining to Eurodollar Borrowings comprising part of the same Borrowing, the rate per annum equal to the rate at which the Administrative Agent is offered deposits in Dollars at approximately 11:00 a.m., London, England time, two Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to its portion of the amount of such Eurodollar Borrowing to be outstanding during such Interest Period. "**Reuters Screen LIBOR01**" shall mean the display designated on the Reuters 3000 Xtra Page (or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market).

"**Lien**" shall mean, with respect to any property, (a) any mortgage, deed of trust, lien, pledge, encumbrance, claim, charge, assignment, hypothecation, security interest or encumbrance of any kind or any filing of any financing statement under the UCC or any other similar notice of Lien under any similar notice or recording statute of any Governmental Authority, including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and any agreement to give any of the foregoing, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property, and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan Documents**" shall mean this Agreement, the Letters of Credit, the Notes (if any), the Security Documents, each Joinder Agreement, each Hedging Obligation relating to the Loans entered into with any counterparty that was a Lender or an Affiliate of a Lender at the time such Hedging Obligation was entered into and, solely for purposes of Section 8.01(e), the Fee Letter. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"**Loan Parties**" shall mean Borrower and the Subsidiary Guarantors.

"**Loan**" or "**Loans**" shall mean, as the context may require, a Revolving Loan, a Term Loan or a Swingline Loan.

"**Lockbox**" shall have the meaning provided in the Collateral Management Agreement.

"**Lockbox Account**" shall have the meaning provided in the Collateral Management Agreement.

"**Lockbox Banks**" shall have the meaning provided in the Collateral Management Agreement.

"**Margin Stock**" shall have the meaning assigned to such term in Regulation U.

"**Material Adverse Effect**" shall mean (a) a material adverse effect on (i) the Acquisition or any of the other Transactions or (ii) the condition (financial or otherwise), results of operations, assets, liabilities (contingent or otherwise), material agreements, properties, solvency, business, management or value of the Companies, taken as a whole, or the Loan Parties, taken as a whole, (b) a material impairment of the ability of the Loan Parties, taken as a whole, to fully and timely perform any of their obligations under any Loan Document, (c) a material impairment of the rights of or benefits or remedies available to the Lenders, the Issuing Bank or any Agent under any Loan Document, or (d) a material adverse effect on the Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on the Collateral or the validity, enforceability, perfection or priority of such Liens. Without limiting the foregoing, the (i) loss of a previously held Health Care Permit material to the operation of the Companies' business as a result of action taken by any Governmental Authority to revoke, withdraw or suspend such Health Care Permit**,** (ii) exclusion from continuing participation in any Program of which any Company is a participant which is material to the operation of the Companies' business as a result of action taken by any Governmental Authority to revoke, withdraw or suspend participation in such Program**,** or (iii) termination of a Medicare Provider Agreement or Medicaid Provider Agreement, of any Company to which any Company is a party which is material to the operation of the Companies' business as a result of action taken by any Governmental Authority, to revoke such agreement shall be considered a Material Adverse Effect.

"**Material Agreement**" shall mean any agreement, contract or instrument to which any Company is a party or by which any Company or any of its properties is bound (excluding this Agreement or any other Loan Document) (i) pursuant to which any Company is required to make payments or other consideration, or will receive payments or other consideration, in excess of $1,000,000 in any fiscal year, (ii) governing, creating, evidencing or relating to Indebtedness of any Company in excess of $1,000,000, or (iii) the termination or suspension of which, without its prompt replacement, or the failure of any party thereto to perform its material obligations thereunder, without prompt cure, in each case, could reasonably be expected to have a Material Adverse Effect.

"**Maximum Rate**" shall have the meaning assigned to such term in Section 11.13.

"**Medicaid**" shall mean collectively, the healthcare assistance program established by Title XIX of the Social Security Act (42 U.S.C. Sections 1396 et seq.) and any statutes succeeding thereto, and all Legal Requirements, rules, regulations, manuals, policies, procedures, orders, guidelines or requirements pertaining to such program including (a) all federal statutes (whether set forth in Title XIX of the Social Security Act or elsewhere) affecting such program, (b) all state statutes, regulations and plans for medical assistance enacted in connection with such program and federal rules and regulations promulgated in connection with such program, and (c) all applicable provisions of all rules, regulations, manuals, policies, procedures, orders and administrative or reimbursement guidelines and requirements of all Governmental Authorities promulgated in connection with such program (whether or not having the force of law).

"**Medicaid Provider Agreement**" shall mean an agreement, contract or instrument entered into between a health care facility, home health agency, hospice, rehabilitation facility or clinic (or equivalent), pharmacy, clinical laboratory, durable medical equipment supplier, orthotics and/or prosthetics supplier, respiratory therapy provider, wholesaler, physician, practitioner or other health care provider or supplier and CMS or any federal or state agency or other entity administering Medicaid in such state, or any other grant of authority by CMS or any federal or state agency or other entity administering Medicaid in such state, under which such health care facility, home health agency, hospice, rehabilitation facility or clinic (or equivalent), pharmacy, clinical laboratory, durable medical equipment supplier, orthotics and/or prosthetics supplier, respiratory therapy provider, wholesaler, physician, practitioner or other health care provider or supplier is authorized to provide medical goods (including prescriptions) and services to Medicaid recipients and to be reimbursed by Medicaid for such goods and services.

"**Medicare**" shall mean, collectively, the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. Sections 1395 et seq.) and any statutes succeeding thereto, and all Legal Requirements, rules, regulations, manuals, policies, procedures, orders or guidelines pertaining to such program including (a) all federal statutes (whether set forth in Title XVIII of the Social Security Act or elsewhere) affecting such program, and (b) all applicable provisions of all rules, regulations, manuals, policies, procedures, orders and administrative or reimbursement guidelines and requirements of all Governmental Authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Medicare Provider Agreement**" shall mean an agreement, contract or instrument entered into between a health care facility, home health agency, hospice, rehabilitation facility or clinic (or equivalent), pharmacy, clinical laboratory, durable medical equipment supplier, orthotics and/or prosthetics supplier, respiratory therapy provider, wholesaler, physician, practitioner or other health care provider or supplier and CMS or any federal agency or other entity administering Medicare, or any other grant of authority by CMS or any federal agency or other entity administering Medicare, under which such health care facility, home health agency, hospice, rehabilitation facility or clinic (or equivalent), pharmacy, clinical laboratory, durable medical equipment supplier, orthotics and/or prosthetics supplier, respiratory therapy provider, wholesaler, physician, practitioner or other health care provider or supplier is authorized to provide medical goods (including prescriptions) and services to Medicare patients and to be reimbursed by Medicare for such goods and services.

"**Merger Sub"** shall have the meaning given to such term in the recitals hereto.

"**Misdirected Payment**" shall mean any form of payment in respect of a Receivable made by an Obligor in a manner other than as provided in the Notice to Obligors sent to such Obligor.

"**Mortgage**" shall mean an agreement, including a mortgage, deed of trust or any other document, creating and evidencing a first priority Lien (subject to Permitted Liens) in favor of the Collateral Agent on Mortgaged Property in a form reasonably satisfactory to the Collateral Agent (including with respect to requirements for title, flood and other insurance and surveys), with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign Legal Requirements.

"**Mortgaged Property**" shall mean each Real Property, if any, which shall be subject to a Mortgage delivered after the Closing Date pursuant to Section 5.11(d).

"**Multiemployer Plan**" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which any Company or any ERISA Affiliate is then making or accruing an obligation to make contributions, (b) to which any Company or any ERISA Affiliate has within the preceding six plan years made contributions, or (c) with respect to which any Company could incur liability.

"**Net Cash Proceeds**" shall mean:

(a) with respect to any Asset Sale (other than any issuance or sale of Equity Interests), the proceeds thereof in the form of cash, cash equivalents and marketable securities (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable, or by the sale, transfer or other disposition of any non-cash consideration received in connection therewith or otherwise, but only as and when received) received by any Company (including cash proceeds subsequently received (as and when received by any Company) in respect of non-cash consideration initially received) net of (i) reasonable and customary selling expenses (including reasonable brokers' fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and Borrower's good faith estimate of income taxes paid or payable in connection with such sale (after taking into account any available tax credits or deductions and any tax sharing arrangements)), (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such properties) and (iv) any cash distributions or other payments required to be made under, and in accordance with, the Organizational Documents of an applicable Subsidiary or joint venture to minority interest equity holders in such Subsidiary or joint venture, as the case may be, as a result of such Asset Sale, *provided*, that such cash distributions or other payments were not required to be made pursuant to any such Organizational Document in anticipation of any such sale and such Organizational Documents were not amended, modified or supplemented, directly or indirectly, with respect to any such payment in anticipation of any such sale;

(b) with respect to any Debt Issuance, any Equity Issuance or any other issuance or sale of Equity Interests by Borrower or any of its Subsidiaries, the cash proceeds thereof, net of reasonable and customary fees, commissions, costs and other expenses incurred in connection therewith; and

(c) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event.

"**Net Value Factor**" shall mean, initially, the percentages set forth on Annex III attached hereto, as such percentages may be reasonably adjusted upwards or downwards by the Collateral Manager based on objective historical performance and actual collection history. Net Value Factors for Receivables of Target and its Subsidiaries shall be reasonably established by the Collateral Manager based on objective criteria following the Closing Date (and, in all events, within 30 days of the Closing Date) upon completion of its due diligence investigation.

"**Net Working Capital**" shall mean, at any time, Consolidated Current Assets at such time minus Consolidated Current Liabilities at such time.

"**Non-Recourse Debt**" shall mean Indebtedness: (i) as to which neither Borrower nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable (whether such liability is actual or contingent) as a guarantor, surety, debtor, obligor or otherwise, or (c) constitutes the lender or other creditor; (ii) no default or event of default with respect to which would permit (whether upon notice, lapse of time, satisfaction of any other condition or otherwise), any holder of any other Indebtedness of Borrower or any of its Restricted Subsidiaries to declare a default or event of default on such other Indebtedness or cause the payment of any such Indebtedness to be accelerated or payable prior to its stated final maturity.

"**Notes**" shall mean any notes evidencing the Term Loans, Revolving Loans or Swingline Loans issued pursuant to Section 2.04(e) of this Agreement, if any, substantially in the form of Exhibit H-1, H-2 or H-3, respectively.

"**Notice to Obligors**" shall have the meaning provided in the Collateral Management Agreement.

"**Obligations**" shall mean (a) all obligations of Borrower and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by Borrower and the other Loan Parties under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of Reimbursement Obligations, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of Borrower and the other Loan Parties under this Agreement and the other Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of Borrower and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents, (c) the due and punctual payment and performance of all obligations of Borrower and the other Loan Parties under each Hedging Agreement relating to the Loans entered into with any counterparty that was a Lender or an Affiliate of a Lender at the time such Hedging Agreement was entered into and (d) the due and punctual payment and performance of all obligations in respect of overdrafts and related liabilities owed to any Lender, any Affiliate of a Lender, the Administrative Agent

or the Collateral Agent arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfer of funds.

"**Obligor**" shall mean each person who is responsible for the payment of all or any portion of a Receivable.

"**OFAC**" shall have the meaning assigned to such term in Section 3.23.

"**Off-Balance Sheet Obligations**" of a person shall mean, without duplication, (a) any repurchase obligation or liability of such person with respect to accounts or notes receivable sold by such person, (b) any Synthetic Lease Obligations of such person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such person (other than operating leases).

"**Officers' Certificate**" shall mean a certificate executed by (i) the chairman of the Board of Directors (if an officer), the chief executive officer, the president or the chief operating officer, and (ii) one of the Financial Officers, each in his or her official (and not individual) capacity.

"**OLV**" shall mean the "net orderly liquidation value" determined by the Collateral Manager based upon the most recent Approved Valuation, as such valuation may be subsequently adjusted by the Collateral Manager based on reasonably objective historical performance and actual liquidation value with respect to the Loan Parties' Inventory, and based upon the most recent Borrowing Base Certificate delivered to the Collateral Manager by Borrower pursuant to Section 5.15(g)(ii). OLV for Inventory of the Target and its Subsidiaries shall be reasonably established by the Collateral Manager based on objective criteria (including the results of anny Approved Valuation) following the Closing Date (and, in all events, within 30 days of the Closing Date) upon completion of its due diligence investigation.

"**Order**" shall mean any judgment, decree, order, consent order, consent decree, writ or injunction.

"**Organizational Documents**" shall mean, with respect to any person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person, (v) in any other case, the functional equivalent of the foregoing, and (vi) any shareholder, voting trust or similar agreement between or among any holders of Equity Interests of such person.

"**Other List**" shall have the meaning assigned to such term in Section 6.19.

"**Other Taxes**" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges (including fees and expenses to the extent incurred with respect to any such taxes or charges) or similar levies (including interest, fines, penalties and additions with respect to any of the foregoing) arising from any payment made or required to be made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"**Participant**" shall have the meaning assigned to such term in Section 11.04(e).

"**Patriot Act**" shall have the meaning assigned to such term in Section 3.23.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"**Pension Plan**" shall mean any Employee Benefit Plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Company or any of their respective ERISA Affiliates or with respect to which any Company could incur liability (including under Section 4069 of ERISA) for which the Company has not received a binding, contractual right of indemnification unlimited in time or amount and in respect of which the indemnitor has acknowledged in writing to the Company its unconditional obligation to so indemnify.

"**Perfection Certificate**" shall mean a perfection certificate in the form of Exhibit I-1 or any other form approved by the Collateral Agent, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

"**Perfection Certificate Supplement**" shall mean a perfection certificate supplement in the form of Exhibit I-2 or any other form approved by the Collateral Agent.

"**Permits**" shall mean, collectively, all licenses, leases, powers, permits, franchises, certificates, authorizations, approvals, consents, variances, exemptions, certificates of need, certifications, Orders and other rights.

"**Permitted Acquisition**" shall mean any transaction or series of related transactions for the direct or indirect (a) acquisition of all or substantially all of the property of any person, or all or substantially all of any business or division of any person, (b) acquisition of in excess of 50% of the Equity Interests of any person, and otherwise causing such person to become a Subsidiary of such person, or (c) merger or consolidation or any other combination with any person, if each of the following conditions is met:

(i) no Default then exists or would result therefrom;

(ii) after giving effect to such transaction on a Pro Forma Basis, (A) Borrower shall be in compliance with all covenants set forth in Section 6.10 as of the most recent Test Period (assuming, for purposes of Section 6.10, that (x) such transaction had occurred on the first day of such relevant Test Period, and (y) the maximum Total Leverage Ratio permitted in any Test Period pursuant to Section 6.10(a) is at least 0.25: 1.00 lower than the maximum Total Leverage Ratio set forth in Section 6.10(a) for such Test Period) and (B) to the extent that the transaction involves Acquisition Consideration in excess of $5,000,000, unless expressly approved by the Administrative Agent, the person or business to be acquired shall have generated positive cash flow for the Test Period most recently ended prior to the date of consummation of such acquisition;

(iii) after giving effect to such transaction on a Pro Forma Basis, the aggregate amount of (A) all Unrestricted Domestic Cash and Cash Equivalents and (B) the undrawn and available portion of the Revolving Commitments shall be at least $25,000,000;

(iv) no Company shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness or other liability (including any material tax or ERISA liability) of the related seller or the business, person or properties acquired, except (A) Indebtedness to the extent permitted to be incurred under Section 6.01 and (B) obligations not constituting Indebtedness incurred in the ordinary course of business and necessary or desirable to the continued operation of the underlying properties, and any other such liabilities or

obligations not permitted to be assumed or otherwise supported by any Company hereunder shall be paid in full or released as to the business, persons or properties being so acquired on or before the consummation of such acquisition;

(v) the person or business to be acquired shall be, or shall be engaged in, a business of the type that Borrower and its Restricted Subsidiaries are then permitted to be engaged in under Section 6.15 and the property acquired in connection with any such transaction shall be made subject to the Lien of the Security Documents in accordance with Section 5.11 and shall be free and clear of any Liens, other than Permitted Liens;

(vi) if the person to be acquired is a public company, the Board of Directors of such person shall not have publicly indicated its opposition to the consummation of such acquisition or, if such Board of Directors has indicated its opposition publicly, such opposition has been publicly withdrawn;

(vii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all Legal Requirements applicable thereto;

(viii) with respect to any transaction involving Acquisition Consideration of more than $5,000,000, Borrower shall have provided the Administrative Agent and the Lenders with (A) historical financial statements for the last three fiscal years (or the applicable lesser number thereof if the person or business to be acquired has existed for a lesser period) of the person or business to be acquired (audited if available without undue cost or delay) and unaudited financial statements thereof for the most recent interim period that is available, (B) monthly projections for the following year and quarterly projections for the two years thereafter (or, if sooner, through the Final Maturity Date), in each case, in detail comparable to the financial statements delivered pursuant to Section 5.01(c) or 5.01(b), respectively, pertaining to the person or business to be acquired and updated projections for Borrower after giving effect to such transaction, (C) a reasonably detailed description of all material information relating thereto and copies of all material documentation pertaining to such transaction, and (D) all such other information and data relating to such transaction or the person or business to be acquired as may be reasonably requested by the Administrative Agent or any Lender, to the extent made available to or otherwise obtainable by Borrower or such Restricted Subsidiary;

(ix) such transaction could not reasonably be expected to result in a Material Adverse Effect;

(x) at least 5 Business Days prior to the proposed date of consummation of the transaction, Borrower shall have delivered to the Administrative Agent and the Lenders an Officers' Certificate certifying that (A) such transaction complies with this definition (which shall have attached thereto reasonably detailed backup data and calculations showing such compliance), and (B) no Default or Event of Default exists or would result therefrom;

(xi) the Acquisition Consideration for such acquisition (together with all related acquisitions) shall not exceed (x) for any such acquisition consummated on or prior to the date occurring twelve months after the Closing Date $15,000,000, (y) for any such acquisition consummated after the date occurring twelve months after the Closing Date $30,000,000, and (z) the aggregate amount of the Acquisition Consideration for all Permitted Acquisitions after the Closing Date shall not exceed $60,000,000; provided that no Equity Interests constituting all or a portion of such Acquisition Consideration shall require any payments or other distributions of cash or property in respect thereof, or any purchases, redemptions or other acquisitions thereof for

cash or property, in each case prior to the 91st day following payment in full and performance of the Obligations; and

(xii) (a) in the case of an acquisition of all or substantially all of the property of any person, the person making such acquisition is, or immediately upon consummation of the Permitted Acquisition becomes, Borrower or a Domestic Subsidiary and a Guarantor, (b) in the case of an acquisition of in excess of 50% of the Equity Interests of any person, both the person making such acquisition and the person so acquired is, or immediately upon consummation of the Permitted Acquisition becomes, Borrower or a Domestic Subsidiary and a Guarantor, and (c) in the case of a merger or consolidation or any other combination with any person, the person surviving such merger, consolidation or other combination is, or immediately upon consummation of the Permitted Acquisition becomes, Borrower or a Domestic Subsidiary and a Guarantor.

"**Permitted Discretion**" shall mean the reasonable exercise of the Collateral Manager's good faith judgment in consideration of any factor which is reasonably likely to (i) materially adversely affect the value of any Collateral, the enforceability or priority of the Liens thereon or the amount that the Administrative Agent and the Lenders would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation thereof, (ii) suggest that any collateral report or financial information delivered to the Administrative Agent, the Collateral Agent, the Collateral Manager or the Lenders by any person on behalf of Borrower or any Restricted Subsidiary is incomplete, inaccurate or misleading in any material respect, or (iii) materially increase the likelihood that the Secured Parties would not receive payment in full in cash for all of the Obligations. In exercising such judgment, the Collateral Manager may consider such factors already included in or tested by the definition of Eligible Accounts or Eligible Inventory, as well as any of the following: (i) the changes in collection history and dilution, collectibility or expected collection amounts with respect to the Accounts; (ii) changes in demand for, pricing of, or product mix of Inventory; (iii) changes in any concentration of risk with respect to the Loan Parties' Accounts or Inventory; and (iv) any other factors that change the credit risk of lending to Borrower or any Loan Party on the security of Borrower's or any Loan Party's Accounts or Inventory. The burden of establishing lack of good faith under this definition shall be on the Loan Parties.

"**Permitted Joint Venture**" shall mean any person that is organized under the laws of the United States or any subsidiary thereto or the District of Columbia and which is, directly or indirectly, through its subsidiaries or otherwise, engaged in any business that is engaged in by Borrower and its Restricted Subsidiaries on the Closing Date (or which is ancillary thereto, reasonably related thereto or are reasonable extensions thereof or complementary thereto), and the Equity Interests of which (i) are owned by Borrower or a Restricted Subsidiary and one or more persons other than Borrower or any Affiliate of Borrower or (ii) is acquired by Borrower or a Restricted Subsidiary, so long as Borrower and its Restricted Subsidiaries shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 6.10 immediately after giving effect to such acquisition.

"**Permitted Liens**" shall have the meaning assigned to such term in Section 6.02.

"**person**" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership or government, any agency or political subdivision thereof, or any other entity, in any case, whether acting in a personal, fiduciary or other capacity.

"**Pledgor**" shall mean each Subsidiary listed on Schedule 1.01(d), and each other Subsidiary of any Loan Party that is or becomes a party to this Agreement (in its capacity as a Subsidiary Guarantor) and the Security Documents pursuant to Section 5.11.

"**Preferred Stock**" shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person whether now outstanding or issued after the Closing Date.

"**Preferred Stock Issuance**" shall mean the issuance or sale by any Company of any Preferred Stock after the Closing Date.

"**Premises**" shall have the meaning assigned thereto in the applicable Mortgage.

"**Pro Forma Basis**" shall mean, with respect to compliance with any test or covenant hereunder, compliance with such covenant or test after giving effect, as applicable, to (a) (i) the Acquisition, (ii) any proposed Permitted Acquisition, (iii) any designation of a Subsidiary of Borrower as an Unrestricted Subsidiary pursuant to the terms hereof or (iv) any Asset Sale as if the Acquisition or such Permitted Acquisition or Asset Sale, and all other Permitted Acquisitions or Asset Sales consummated during the period, and any Indebtedness or other liabilities incurred in connection with such Acquisition or any such Permitted Acquisitions or Asset Sales had been consummated and incurred at the beginning of such period, and (b) any cost savings (such as through consolidations or workforce reductions) reasonably satisfactory to the Administrative Agent and reasonably expected by Borrower to be realized upon or arise during the period as a result of such acquisition as if such cost savings had been realized at the beginning of such period. For purposes of this definition, if any Indebtedness to be so incurred bears interest at a floating rate and is being given pro forma effect, the interest on such Indebtedness will be calculated as if the rate in effect on the date of incurrence had been the applicable rate for the entire period (taking into account any applicable interest rate Hedging Agreements).

"**Pro Rata Percentage**" of any (i) Revolving Lender at any time shall mean the percentage of the total Revolving Commitments of all Revolving Lenders represented by such Lender's Revolving Commitment or (ii) Term Loan Lender at any time shall mean the percentage of the total Term Loan Commitments of all Term Loan Lenders represented by such Lender's Term Loan Commitment.

"**Pro Rata Share**" shall have the meaning assigned to such term in Section 7.10.

"**Programs**" shall have the meaning assigned to such term in Section 3.19(a).

"**Program Agreements**" shall have the meaning assigned to such term in Section 3.19(a).

"**Projections**" shall have the meaning assigned to such term in Section 3.04(c).

"**property**" shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property, cash, securities, accounts, revenues and contract rights.

"**Purchase Money Obligation**" shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any property (including Equity Interests of any person) or the cost of installation, construction or improvement of any property and any refinancing thereof; *provided*, *however*, that (i) such Indebtedness is incurred within 60 days after such acquisition, installation, construction or improvement of such property by such person and (ii) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, installation, construction or improvement, as the case may be.

"**Qualified Capital Stock**" of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

"**Real Property**" shall mean, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Rebate Receivable**" shall mean a Receivable, the Obligor of which is a manufacturer or distributor of pharmaceutical products.

"**Receivable Information**" shall mean the information listed on Exhibit II to the Collateral Management Agreement (as such Exhibit may be modified by the Collateral Manager from time to time, subject to Section 11.02 hereof).

"**Receivables**" shall have the meaning assigned to such term in the Security Agreement.

"**Refinancing**" shall have the meaning assigned to such term in the recitals hereto.

"**Refinancing Documents**" shall mean the documents, instruments and agreements entered into in connection with the Refinancing.

"**Register**" shall have the meaning assigned to such term in Section 11.04(c).

"**Regulation D**" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Reimbursement Approvals**" shall mean any and all certifications, provider or supplier numbers, provider or supplier agreements (including Medicare Provider Agreements and Medicaid Provider Agreements), participation agreements, Accreditations and/or any other agreements with or approvals by Medicare, Medicaid, CHAMPUS, CHAMPVA, TRICARE, Veteran's Administration and any other Governmental Authority, or quasi-public agency, Blue Cross/Blue Shield, any and all managed care plans and organizations, including Medicare Advantage plans, Medicare Part D prescription drug plans, health maintenance organizations and preferred provider organizations, private commercial insurance companies, employee assistance programs and/or any other governmental or third party arrangements, plans or programs for payment or reimbursement in connection with health care services, products or supplies.

"**Reimbursement Obligations**" shall mean Borrower's obligations under Section 2.18(e) to reimburse LC Disbursements.

"**Related Person**" shall mean, with respect to any person, (a) each Affiliate of such person and each of the officers, directors, partners, trustees, employees, affiliates, shareholders, Advisors, agents, attorneys-in-fact and Controlling persons of each of the foregoing, and (b) if such person is an Agent, each other person designated, nominated or otherwise mandated by or assisting such Agent pursuant to Section 10.05 or any comparable provision of any Loan Document.

"**Release**" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Materials in, into, onto, from or through the Environment or any Real Property.

"**Release Date**" shall have the meaning assigned to such term in Section 2.05(d).

"**Required Lenders**" shall mean, at any time, Lenders having Loans, LC Exposure and unused Revolving and Term Loan Commitments representing more than 50% of the sum of all Loans outstanding, LC Exposure and unused Revolving and Term Loan Commitments at such time.

"**Response**" shall mean (a) "response" as such term is defined in CERCLA, 42 U.S.C. § 9601(25) or any other applicable Environmental Law, or (b) all other actions required by any Governmental Authority or voluntarily undertaken to (i) clean up, remove, treat, abate, monitor or in any other way address any Hazardous Materials at, in, on, under or from any Real Property, or otherwise in the Environment, (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material, or (iii) perform studies and investigations in connection with, or as a precondition to, clause (i) or (ii) above.

"**Responsible Officer**" of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with responsibility for the administration of the obligations of such person in respect of this Agreement and the other Loan Documents.

"**Restricted Subsidiary**" of a specified person shall mean any Subsidiary of such person that is not an Unrestricted Subsidiary. On the Closing Date, all Subsidiaries of Borrower are Restricted Subsidiaries, other than those expressly designated as Unrestricted Subsidiaries on Schedule 3.07(a).

"**Revolving Availability**" shall mean, as of any date of determination, (i) the lesser of (x) the Revolving Loan Commitment (as in effect on such date) and (y) the Borrowing Base *minus* (ii) the Revolving Exposure.

"**Revolving Availability Period**" shall mean the period from and including the Closing Date to but excluding the earlier of (i) the Business Day preceding the Revolving Maturity Date and (ii) the date of termination of the Revolving Commitments.

"**Revolving Borrowing**" shall mean a Borrowing comprised of Revolving Loans.

"**Revolving Commitment**" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Annex II or on Schedule 1 to the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate principal amount of the Lenders' Revolving Commitments on the Closing Date is $50,000,000.

"**Revolving Exposure**" shall mean, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, *plus* the aggregate amount at such time of such Lender's LC Exposure, *plus* the aggregate amount at such time of such Lender's Swingline Exposure.

"**Revolving Lender**" shall mean a Lender with a Revolving Commitment.

"**Revolving Loan**" shall mean a Loan made by the Lenders to Borrower pursuant to Section 2.01(b). Each Revolving Loan shall either be an ABR Revolving Loan or a Eurodollar Revolving Loan.

"**Revolving Maturity Date**" shall mean March 25, 2015, the date which is five years after the Closing Date or, if such date is not a Business Day, the first Business Day thereafter.

"**Sale and Leaseback Transaction**" shall have the meaning assigned to such term in Section 6.03.

"**Sarbanes-Oxley Act**" shall mean the United States Sarbanes-Oxley Act of 2002, as amended, and all rules and regulations promulgated thereunder.

"**SDN List**" shall have the meaning assigned to such term in Section 6.19.

"**Secured Parties**" shall mean, collectively, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders and each party to a Hedging Agreement relating to the Loans if at the date of entering into such Hedging Agreement such person was an Agent, a Lender or an Affiliate of an Agent or Lender and such person executes and delivers to the Administrative Agent a letter agreement in form and substance acceptable to the Administrative Agent pursuant to which such person (i) appoints the Administrative Agent and the Collateral Agent as its agents under the applicable Loan Documents and (ii) agrees to be bound by the provisions of Section 11.03 and Section 11.09.

"**Securities Act**" shall mean the Securities Act of 1933, as amended.

"**Security Agreement**" shall mean a Security Agreement substantially in the form of Exhibit J among the Loan Parties and the Collateral Agent for the benefit of the Secured Parties, as the same may be supplemented from time to time by one or more Joinder Agreements, or otherwise.

"**Securities Collateral**" shall have the meaning assigned to such term in the Security Agreement.

"**Security Agreement Collateral**" shall mean all property pledged or granted as collateral pursuant to the Security Agreement delivered on the Closing Date or thereafter pursuant to Section 5.11.

"**Security Documents**" shall mean the Security Agreement, the Collateral Management Agreement, the ABDC Intercreditor Agreement (together with each other intercreditor agreement substantially in the form of the Supplier Intercreditor Agreement), the Mortgages (if any), each Depositary Agreement, each Control Agreement and each other security document or pledge agreement delivered in accordance with applicable local or foreign Legal Requirements to grant a valid, enforceable, perfected security interest (with the priority required under the Loan Documents) in any property as collateral for the Obligations, and all UCC or other financing statements or instruments of perfection required by this Agreement, the Security Agreement, the Collateral Management Agreement, , the ABDC Intercreditor Agreement (together with each other intercreditor agreement substantially in the form of the Supplier Intercreditor Agreement), any Mortgage, any Control Agreement or any other such security document or pledge agreement to be filed with respect to the security interests in property created

pursuant to the Security Agreement, the Collateral Management Agreement, the ABDC Intercreditor Agreement (together with each other intercreditor agreement substantially in the form of the Supplier Intercreditor Agreement), any Mortgage, any Control Agreement and any other document or instrument utilized to pledge any property as collateral for the Obligations.

"**Senior Note Agreement**" shall mean any indenture, note purchase agreement or other agreement pursuant to which the Senior Notes are issued as in effect on the date hereof and thereafter amended, supplemented, waived or modified from time to time subject to the requirements of this Agreement.

"**Senior Note Documents**" shall mean the Senior Notes, the Senior Note Agreement, the Senior Note Guarantees and all other documents executed and delivered with respect to the Senior Notes or the Senior Note Agreement.

"**Senior Note Guarantees**" shall mean the guarantees of the Subsidiary Guarantors pursuant to the Senior Note Agreement, including any guarantee of the Exchange Notes issued pursuant to the Senior Note Agreement in exchange for the outstanding Senior Notes.

"**Senior Notes**" shall mean Borrower's 10.25% Senior Notes due 2015 issued pursuant to the Senior Note Agreement and any registered notes issued by Borrower in exchange for, and as contemplated by, such notes with substantially identical terms as such notes. As used in this Agreement, the term "Senior Notes" shall include any Exchange Senior Notes issued pursuant to the Senior Note Agreement in exchange for the outstanding Senior Notes, as contemplated by the definition of Exchange Senior Notes.

"**SPC**" shall have the meaning assigned to such term in Section 11.04(h).

"**Standby Letter of Credit**" shall mean any letter of credit (other than a Commercial Letter of Credit) or similar instrument issued pursuant to this Agreement in the ordinary course of Borrower's and its Subsidiaries' businesses.

"**Statutory Reserves**" shall mean for any Interest Period for any Eurodollar Borrowing, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Eurodollar Borrowings shall be deemed to constitute Eurodollar liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

"**Subordinated Indebtedness**" shall mean Indebtedness of any Company that is by its terms subordinated in right of payment to all of the Obligations.

"**Subsidiary**" shall mean, with respect to any person (the "**parent**") at any date, (i) any person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the

parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iv) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, "**Subsidiary**" refers to a Restricted Subsidiary of Borrower.

"**Subsidiary Guarantor**" shall mean each Restricted Subsidiary of any Loan Party that is or becomes a party to this Agreement and the Security Documents pursuant to Section 5.11, including the Restricted Subsidiaries listed on Schedule 1.01(c).

"**Supplier Intercreditor Agreement**" shall mean an intercreditor agreement, substantially in the form of Exhibit M among the Loan Parties, the Collateral Agent for the benefit of the Secured Parties and one or more second lien creditors to the Loan Parties (including an agent or representative of all or any such creditors), as amended, supplemented, waiver or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**Swingline Commitment**" shall mean the commitment of the Swingline Lender to make loans pursuant to Section 2.17, as the same may be reduced from time to time pursuant to Section 2.07 or Section 2.17. The aggregate principal amount of the Swingline Commitment shall be $10,000,000, but the Swingline Commitment shall in no event exceed the Revolving Commitment.

"**Swingline Exposure**" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage of the aggregate Swingline Exposure at such time.

"**Swingline Lender**" shall have the meaning assigned to such term in the preamble hereto.

"**Swingline Loan**" shall mean any loan made by the Swingline Lender pursuant to Section 2.17.

"**Syndication Agent**" shall have the meaning assigned to such term in the preamble hereto.

"**Synthetic Lease**" shall mean, as to any person, any lease (including leases that may be terminated by the lessee at any time) of any property (i) that is accounted for as an operating lease under GAAP and (ii) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such person is the lessor.

"**Synthetic Lease Obligations**" shall mean, as to any person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

"**Target**" shall have the meaning assigned to such term in the recitals hereto.

"**Target Existing First Lien Credit Agreement**" shall have the meaning assigned to such term in the recitals hereto.

"**Target Existing Second Lien Agreement**" shall have the meaning assigned to such term in the recitals hereto.

"**Target Material Adverse Effect**" shall have the meaning set forth in Section 4.01(s).

"**Tax Returns**" shall mean all returns, statements, filings, attachments and other documents or certifications filed or required to be filed in respect of Taxes.

"**Taxes**" shall mean (i) any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges, whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions with respect to any of the foregoing) with respect to the foregoing, and (ii) any transferee, successor, joint and several, contractual or other liability (including liability pursuant to Treasury Regulation § 1.1502-6 (or any similar provision of state, local or non-U.S. law)) in respect of any item described in clause (i).

"**Term Borrowing**" shall mean a Borrowing comprised of Term Loans.

"**Term Loan Commitment**" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make a Term Loan hereunder in the amount set forth on Annex II to this Agreement or on Schedule 1 to the Assignment and Acceptance pursuant to which such Lender assumed its Term Loan Commitment, as applicable, as the same may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate principal amount of the Lenders' Term Loan Commitments on the Closing Date is $100,000,000.

"**Term Loan Lender**" shall mean a Lender with a Term Loan Commitment or an outstanding Term Loan.

"**Term Loan Maturity Date**" shall mean March 25, 2015, the date which is five years after the Closing Date or, if such date is not a Business Day, the first Business Day thereafter.

"**Term Loan Repayment Date**" shall have the meaning assigned to such term in Section 2.09(a).

"**Term Loans**" shall mean the term loans made by the Lenders to Borrower pursuant to Section 2.01(a) and Section 2.01(b). Each Term Loan shall be either an ABR Term Loan or a Eurodollar Term Loan.

"**Test Period**" shall mean, at any time, the four consecutive fiscal quarters of Borrower then last ended (in each case taken as one accounting period) for which financial statements have been or are required to be delivered pursuant to Section 5.01(a) or (b).

"**Third-Party Payor Contracts**" shall have the meaning assigned to such term in Section 3.19(a).

"**Third-Party Payors**" shall have the meaning assigned to such term in Section 3.19(a).

"**Title Company**" shall mean any title insurance company as shall be retained by Borrower and reasonably acceptable to the Administrative Agent.

"**Title Policy**" shall mean, with respect to each Mortgage, a policy of title insurance (or marked-up title insurance commitment having the effect of a policy of title insurance) insuring the Lien of such Mortgage as a valid first mortgage Lien on the Mortgaged Property and fixtures described therein in the amount equal to not less than the Fair Market Value of such Mortgaged Property and fixtures, which policy (or such marked-up commitment) shall be issued by the Title Company, and contain such endorsements as shall be reasonably requested by the Collateral Agent and no exceptions to title other than exceptions reasonably acceptable to the Collateral Agent.

"**Total Leverage Ratio**" shall mean, at any date of determination, the ratio of (i) Consolidated Indebtedness on such date to (ii) Consolidated EBITDA for the Test Period then most recently ended.

"**Transaction Documents**" shall mean the Acquisition Documents, the Refinancing Documents, the Senior Note Documents and the Loan Documents.

"**Transactions**" shall mean, collectively, the transactions to occur pursuant to, or contemplated by, the Transaction Documents, including (a) the consummation of the Acquisition, (b) the execution, delivery and performance of the Loan Documents and the initial Credit Extensions hereunder, (c) the consummation of the Refinancing, (d) the execution, delivery and performance of the Senior Note Documents and the initial borrowings thereunder, and (e) the payment of all fees, costs and expenses to be paid on or prior to the Closing Date owing in connection with the foregoing.

"**Transferred Guarantor**" shall have the meaning assigned to such term in Section 7.09.

"**TRICARE/CHAMPUS**" shall mean the Civilian Health and Medical Program of the Uniformed Service, a program of medical benefits covering former and active members of the uniformed services and certain of their dependents, financed and administered by the United States Departments of Defense, Health and Human Services and Transportation and established pursuant to 10 USC §§ 1071-1106, and all regulations promulgated thereunder including without limitation (a) all federal statutes (whether set forth in 10 USC §§ 1071-1106 or elsewhere) affecting TRICARE/CHAMPUS, and (b) all rules, regulations (including 32 CFR 199), manuals, orders and administrative, reimbursement and other guidelines of all Governmental Authorities (including, without limitation, the Department of Health and Human Services, the Department of Defense, the Department of Transportation, the Assistant Secretary of Defense (Health Affairs), and the Office of TRICARE/CHAMPUS, or any person or entity succeeding to the functions of any of the foregoing) promulgated pursuant to or in connection with any of the foregoing (whether or not having the force of law) in each case as may be amended, supplemented or otherwise modified from time to time.

"**Type**," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBOR Rate or the Alternate Base Rate.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

"**Unbilled Receivable**" shall mean a Receivable in respect of which the goods have been shipped, or the services rendered, and rights to payment thereon have accrued, but the invoice has not been rendered to the applicable Obligor.

"**Unfunded Pension Liability**" shall mean the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the actuarial assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"**United States**" and "**U.S.**" shall mean the United States of America.

"**Unrestricted Domestic Cash and Cash Equivalents**" shall mean domestic cash and Cash Equivalents of Borrower and the Subsidiaries that are free and clear of all Liens and not subject to any restrictions on the use thereof to pay Indebtedness and other obligations of any of the Loan Parties or any of their respective Subsidiaries.

"**Unrestricted Subsidiary**" shall mean any Subsidiary of Borrower (i) that is so designated on Schedule 3.07(a) as of the Closing Date, or (ii) subsequent to the Closing Date, that is designated by the Board of Directors of Borrower as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that, at the time such designation is made, Borrower is in compliance with Section 6.14 in regard thereto.

"**Voting Stock**" shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

"**Wholly Owned Subsidiary**" shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors' qualifying shares) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership, association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% equity interest at such time.

"**Wholly Owned Restricted Subsidiary**" shall mean a Restricted Subsidiary of Borrower which is a Wholly Owned Subsidiary of Borrower or any other Restricted Subsidiary.

Section 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g.*, a "Revolving Loan") or by Type (*e.g.*, a "Eurodollar Loan") or by Class and Type (*e.g.*, a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (*e.g.*, a "Revolving Borrowing," "Borrowing of Term Loans") or by Type (*e.g.*, a "Eurodollar Borrowing") or by Class and Type (*e.g.*, a "Eurodollar Revolving Borrowing").

Section 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The phrase "Material Adverse Effect" shall be deemed to be followed by the phrase ", individually or in the aggregate." The word "asset" shall be construed to have the same meaning and effect as the word "property." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in any Loan Document), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless otherwise indicated. This Section 1.03 shall apply, *mutatis mutandis*, to all Loan Documents.

Section 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with GAAP as in effect from time to time and all terms of an accounting or financial nature shall be construed and interpreted in accordance with GAAP, as in effect on the date hereof. If at any time any change in GAAP would affect the computation of any financial ratio set forth in any Loan Document, and Borrower or the Administrative Agent shall so request, the Administrative Agent and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to approval by the Required Lenders and Borrower); *provided* that, until so

amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and Borrower shall provide to the Administrative Agent and the Lenders within five days after delivery of each certificate or financial report required hereunder that is affected thereby a written statement of a Financial Officer of Borrower setting forth in reasonable detail the differences (including any differences that would affect any calculations relating to the financial covenants as set forth in Section 6.10) that would have resulted if such financial statements had been prepared without giving effect to such change.

Section 1.05 Pro Forma Calculations. With respect to any period during which the Acquisition, any Permitted Acquisition or Asset Sale occurs as permitted pursuant to the terms hereof, the financial covenants set forth in Section 6.10 shall be calculated with respect to such period and the Acquisition, such Permitted Acquisition or Asset Sale on a Pro Forma Basis.

Section 1.06 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

Section 1.07 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

ARTICLE II
THE CREDITS

Section 2.01 Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly:

(a) to make a Term Loan to Borrower on the Closing Date in the principal amount equal to its Term Loan Commitment;

(b) to make Revolving Loans to Borrower, at any time and from time to time after the Closing Date until the earlier of the Revolving Maturity Date and the termination of the Revolving Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in (x) such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment and (y) the Revolving Exposure for all Lenders exceeding the then applicable Borrowing Base (based on the Borrowing Base Certificate last delivered).

Amounts paid or prepaid in respect of Term Loans may not be reborrowed. Subject to the terms, conditions and limitations set forth herein, Borrower may borrow, pay or prepay and reborrow Revolving Loans.

Section 2.02 Loans. (a) Each Loan (other than Swingline Loans) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; *provided* that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 2.18(e)(ii), (x) any Borrowing shall be in an

aggregate principal amount that is (i) an integral multiple of $100,000 and not less than $250,000 or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Subject to Sections 2.11 and 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as Borrower may request pursuant to Section 2.03. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Lender to make such Loan and Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided* that Borrower shall not be entitled to request any Borrowing that, if made, would result in more than ten Eurodollar Borrowings outstanding hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.18(e)(ii), each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 11:00 a.m., New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account as directed by Borrower in the applicable Borrowing Request maintained with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to Borrower until the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and Borrower's obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease.

(e) Notwithstanding any other provision of this Agreement, Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date or the Term Loan Maturity Date, as applicable.

Section 2.03 Borrowing Procedure. To request a Revolving Borrowing or Term Borrowing, Borrower shall deliver, by hand delivery or facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Borrowing Request to the Administrative Agent (i) in the case of a Eurodollar Borrowing, not later than 9:00 a.m., New York City time, on the third Business Day before the date of the proposed Borrowing (or such later time as may be reasonably acceptable to the Administrative

Agent, in the case of any Borrowing, or the Issuing Bank, in the case of any issuance, amendment, extension or renewal of a Letter of Credit) or (ii) in the case of an ABR Borrowing, not later than 4:00 p.m., New York City time, on the Business Day prior to the proposed Borrowing (or such time as may be reasonably acceptable to the Administrative Agent). Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(a) whether the requested Borrowing is to be a Borrowing of Revolving Loans or Term Loans;

(b) the aggregate amount of such Borrowing;

(c) the date of such Borrowing, which shall be a Business Day;

(d) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(e) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(f) the location and number of Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c); and

(g) that the conditions set forth in Sections 4.02(b)— (d) are satisfied as of the date of the notice.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04 Evidence of Debt; Repayment of Loans. (a) Borrower hereby unconditionally promises to pay to (i) the Administrative Agent for the account of each Term Loan Lender, the principal amount of each Term Loan of such Term Loan Lender as provided in Section 2.09, (ii) the Administrative Agent for the account of each Revolving Lender, the then unpaid principal amount of each Revolving Loan of such Revolving Lender on the Revolving Maturity Date and (iii) the Swingline Lender, the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; *provided* that on each date that a Revolving Borrowing is made, Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type and Class thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from

Borrower to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) Absent manifest error, the entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of Borrower to repay the Loans in accordance with their terms.

(e) Any Lender by written notice to Borrower (with a copy to the Administrative Agent) may request that Loans of any Class made by it be evidenced by a promissory note. In such event, Borrower shall prepare promptly (and, in all events, within five Business Days of receipt of such request), execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in the form of Exhibit H-1, H-2 or H-3, as the case may be. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.05 Fees. Commitment Fee. (a) Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (a "**Commitment Fee**") equal to 0.75% *per annum* of the average daily unused amount of each Revolving Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such Revolving Commitment terminates. Accrued Commitment Fees shall be payable in arrears (A) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (B) on the date on which such Commitment terminates. Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing Commitment Fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender, and the Swingline Exposure of such Lender shall be disregarded for such purpose.

(b) Administrative Agent Fees. Borrower agrees to pay to the Administrative Agent, for its own account, the administrative fees set forth in the Fee Letter or such other fees payable in the amounts and at the times separately agreed upon between Borrower and the Administrative Agent (the "**Administrative Agent Fees**").

(c) LC and Fronting Fees. Borrower agrees to pay to (i) the Administrative Agent for the account of each Revolving Lender a participation fee ("**LC Participation Fee**") with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Margin from time to time used to determine the interest rate on Eurodollar Revolving Loans pursuant to Section 2.06 on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) the Issuing Bank a fronting fee ("**Fronting Fee**"), which shall accrue at the rate per annum usually and customarily charged by the Issuing Bank to corporate account parties (or such lesser rate per annum as the Issuing Bank may from time to time agree) on the average daily amount of the LC Exposure (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's customary charges with respect to the administration,

issuance, amendment, negotiation, renewal or extension of any Letter of Credit or processing of drawings thereunder. Accrued LC Participation Fees and Fronting Fees shall be payable in arrears (i) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (ii) on the date on which the Revolving Commitments terminate. Any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand therefor. All LC Participation Fees and Fronting Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) Other Fees. Borrower agrees to pay the Agents, for their own account, fees payable in the amounts and at the times separately agreed upon between Borrower and the applicable Agents.

(e) Payment of Fees. All Fees shall be paid on the dates due, in immediately available funds in Dollars, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that Borrower shall pay the Fronting Fees directly to the Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

Section 2.06 Interest on Loans. (a) Subject to the provisions of Section 2.06(c), the Loans comprising each ABR Borrowing, including each Swingline Loan, shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin in effect from time to time.

(b) Subject to the provisions of Section 2.06(c), the Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(c) Notwithstanding the foregoing, during an Event of Default, all Obligations shall, to the extent permitted by applicable Legal Requirements, bear interest, after as well as before judgment, at a *per annum* rate equal to (i) in the case of principal of or interest on any Loan, 2.0% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.06 or (ii) in the case of any other amount, 2.0% plus the rate applicable to ABR Revolving Loans as provided in Section 2.06(a) (in either case, the "**Default Rate**").

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; *provided* that (i) interest accrued pursuant to Section 2.06(c) shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or a Swingline Loan), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

Section 2.07 Termination and Reduction of Commitments. (a) The Term Loan Commitments shall automatically terminate at 11:59:59 p.m., New York City time, on the Closing Date.

The Revolving Commitments, the Swingline Commitment and the LC Commitment shall automatically terminate on the Revolving Maturity Date.

(b) At its option, Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; *provided* that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $250,000 and not less than $500,000 and (ii) the Revolving Commitments shall not be terminated or reduced if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the aggregate amount of Revolving Exposures would exceed the aggregate amount of Revolving Commitments.

(c) Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce the Commitments under Section 2.07(b) at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by Borrower pursuant to this Section 2.07 shall be irrevocable. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

Section 2.08 Interest Elections. (a) Each Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.08. Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary Borrower shall not be entitled to request any conversion or continuation that, if made, would result in more than ten Eurodollar Borrowings outstanding hereunder at any one time. This Section 2.08 shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section 2.08, Borrower shall deliver, by hand delivery or facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Interest Election Request to the Administrative Agent not later than the time that a Borrowing Request would be required under Section 2.03 if Borrower were requesting a Revolving Borrowing or Term Borrowing of the Type resulting from such election to be made on the effective date of such election. Each Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If an Interest Election Request with respect to a Eurodollar Borrowing is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Administrative Agent or the Required Lenders may require, by notice to Borrower, that (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.09 Amortization of Term Borrowings. Borrower shall pay to the Administrative Agent, for the account of the Lenders, on the dates set forth on Annex I, or if any such date is not a Business Day, on the immediately following Business Day (each such date, a "**Term Loan Repayment Date**"), a principal amount of the Term Loans equal to the amount set forth on Annex I for such date (as adjusted from time to time pursuant to Section 2.10(h)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) To the extent not previously paid, all Term Loans shall be due and payable on the Term Loan Maturity Date.

Section 2.10 Optional and Mandatory Prepayments of Loans. (a) Optional Prepayments. Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, or to permanently reduce any portion of the Commitment, subject to the requirements of this Section 2.10; *provided* that each partial prepayment or permanent reduction in any Commitment shall be in an amount that is an integral multiple of $250,000 and not less than $500,000.

(b) Revolving Loan Prepayments. (i) In the event of the termination of all the Revolving Commitments, Borrower shall, on the date of such termination, repay or prepay all its outstanding Revolving Borrowings and all outstanding Swingline Loans and either (A) replace all outstanding Letters of Credit or (B) cash collateralize all outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i).

(ii) In the event of any partial reduction of the Revolving Commitments, then (x) at or prior to the effective date of such reduction, the Administrative Agent shall notify Borrower and the Revolving Lenders of the sum of the Revolving Exposures after giving effect thereto and (y) if the sum of the Revolving Exposures would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, then Borrower shall, on the date of such reduction, *first*, repay or prepay

Swingline Loans, *second*, repay or prepay Revolving Borrowings and *third*, replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(iii) In the event that the sum of all Lenders' Revolving Exposures exceeds the Revolving Commitments then in effect, Borrower shall, without notice or demand, immediately *first*, repay or prepay Swingline Loans, *second*, repay or prepay Revolving Borrowings, and *third*, replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(iv) In the event that the aggregate LC Exposure exceeds the LC Commitment then in effect, Borrower shall, without notice or demand, immediately replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(v) In the event that the sum of all Lenders' Revolving Exposures exceeds the Borrowing Base then in effect (based on the Borrowing Base Certificate last delivered), Borrower shall, without notice or demand, immediately *first*, repay or prepay Swingline Loans, *second*, repay or prepay Revolving Borrowings, and *third*, replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(vi) If the Revolving Exposure of all Lenders shall then be zero (it being understood that, for the purposes of this clause (vi), to the extent that all outstanding Letters of Credit have been (and remain) cash collateralized in accordance with the procedures set forth in Section 2.18(i) then the LC Exposure of all of the Lenders shall then be deemed to be zero), in the event that the aggregate principal amount of all outstanding Term Loans exceeds the Borrowing Base then in effect (based on the Borrowing Base Certificate last delivered) (*provided* that, for the purpose of calculating the Borrowing Base under this clause (vi) only, clause (v) of the definition of "Borrowing Base" shall be excluded), Borrower shall, without notice or demand, immediately, repay or prepay Term Loans in an aggregate amount sufficient to eliminate such excess.

(c) Asset Sales. Not later than five Business Days following the receipt of any Net Cash Proceeds of any Asset Sale by any Company, Borrower shall apply 100% of such Net Cash Proceeds to make prepayments in accordance with Sections 2.10(h) and (i); *provided* that:

(i) so long as no Default shall then exist or would arise therefrom and the aggregate of such Net Cash Proceeds of Asset Sales shall not exceed $750,000 in any fiscal year of Borrower, such proceeds shall not be required to be so applied on such date to the extent that Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such Net Cash Proceeds are expected to be reinvested in fixed or capital assets (including pursuant to a Permitted Acquisition) within 270 days following the date of such Asset Sale (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); *provided*, that if the property subject to such Asset Sale constituted Collateral, then all property purchased or otherwise acquired with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the first priority perfected Lien (subject to Permitted Liens) of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Sections 5.11 and 5.12; and

(ii) if all or any portion of such Net Cash Proceeds is not so reinvested within such 270-day period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(c).

(d) Debt Issuance or Preferred Stock Issuance. Not later than five Business Days following the receipt of any Net Cash Proceeds of any Debt Issuance or Preferred Stock Issuance by any Company, Borrower shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate principal amount equal to 100% of such Net Cash Proceeds.

(e) Equity Issuance. Not later than five Business Days following the receipt of any Net Cash Proceeds of any Equity Issuance, Borrower shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate principal amount equal to 50% of such Net Cash Proceeds.

(f) Casualty Events. Not later than five Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by any Company, Borrower shall apply an amount equal to 100% of such Net Cash Proceeds to make prepayments in accordance with Sections 2.10(h) and (i); *provided* that:

(i) so long as no Default shall then exist or would arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that (A) in the event such Net Cash Proceeds shall be less than $750,000, Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such proceeds are expected to be used, or (B) in the event that such Net Cash Proceeds equal or exceed $750,000, the Administrative Agent has elected by notice to Borrower on or prior to such date to require such proceeds to be used, in each case, to repair, replace or restore any property in respect of which such Net Cash Proceeds were paid or to reinvest in other fixed or capital assets, no later than 180 days following the date of receipt of such proceeds (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); *provided* that if the property subject to such Casualty Event constituted Collateral, then all property purchased or otherwise acquired with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the first priority perfected Lien (subject to Permitted Liens) of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Sections 5.11 and 5.12; and

(ii) if all or any portion of such Net Cash Proceeds shall not be so applied or committed to be so applied within such 180-day period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(f).

(g) Excess Cash Flow. No later than the earlier of (i) 90 days after the end of each Excess Cash Flow Period and (ii) five Business Days after the date on which the audited financial statements with respect to such fiscal year in which such Excess Cash Flow Period occurs are delivered pursuant to Section 5.01(a), Borrower shall make prepayments in accordance with Sections 2.10(h) and (i), in an aggregate principal amount equal to the following percentage of Excess Cash Flow for the Excess Cash Flow Period then ended based on the Total Leverage Ratio at the end of such Excess Cash Flow Period:

Total Leverage Ratio	Percentage of Excess Cash Flow
Greater than or equal to 3.00:1.00	50.0%
Less than 3.00:1.00	25.0%

(h) Application of Prepayments.

(i) Prior to any optional or mandatory prepayment hereunder, Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(i), subject to the provisions of this Section 2.10(h). Any prepayments of Term Loans pursuant to Sections 2.10(c)-(g) shall be applied *first* to reduce scheduled payments required under Section 2.09(a) on a *pro rata* basis among the scheduled principal payments to be made on the next four Term Loan Repayment Dates in order of maturity and thereafter on a pro rata basis among the payments remaining to be made on each Term Loan Repayment Date, *second* to the extent there are prepayment amounts remaining after the application of such prepayments under clause *first*, such excess amounts shall be applied to the prepayment of outstanding Revolving Loans (including to cash collateralize outstanding Letters of Credit) (but without any corresponding reduction in Revolving Commitments unless an Event of Default has occurred and is continuing) and Borrower shall comply with Section 2.10(b) and *third*, to redeem the Senior Notes to the extent required under the Senior Note Agreement. Optional prepayments of Term Loans shall reduce scheduled payments required under Section 2.09(a) on a *pro rata* basis. Any prepayments of Term Loans pursuant to Section 2.10(a) shall be applied to reduce scheduled payments required under Section 2.09(a) on a pro rata basis among the scheduled principal payments to be made on each Term Loan Repayment Date.

(ii) Amounts to be applied pursuant to this Section 2.10 to the prepayment of Term Loans and Revolving Loans shall be applied, as applicable, first to reduce outstanding ABR Term Loans and ABR Revolving Loans, respectively. Any amounts remaining after each such application shall be applied to prepay Eurodollar Term Loans or Eurodollar Revolving Loans, as applicable.

(i) Notice of Prepayment. Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by written notice of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, on the third Business Day before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (iii) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the Lenders of the contents thereof. Such notice to the Lenders may be by electronic communication. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

(j) Waiver of Mandatory Prepayments. Notwithstanding the foregoing provisions of this Section 2.10, (i) in the case of any mandatory prepayment of the Term Loans, Term Loan Lenders may waive by written notice to Borrower and the Administrative Agent on or before the date on which such mandatory prepayment would otherwise be required to be made hereunder the right to receive the amount of such mandatory prepayment of the Term Loans, (ii) if any Term Loan Lender or Term Loan Lenders elect to waive the right to receive the amount of such mandatory prepayment, all of the amount that otherwise would have been applied to mandatorily prepay the Term Loans of such Lender or Lenders shall be offered by Borrower to the remaining non-waiving Term Loan Lender or Term Loan Lenders on a pro rata basis, based on the respective principal amounts of their outstanding Term Loans, (iii) if and to the extent any such non-waiving Term Loan Lender does not elect by written notice to Borrower and the Administrative Agent within three Business Days following the date on which the offer is made pursuant to clause (ii) above to accept such offer, such Term Loan Lender shall be deemed to have rejected such offer, (iv) any amounts not applied to the prepayment of Term Loans pursuant to clause (ii) or clause (iii) above shall be applied instead on the fourth Business Day following the date on which the offer is made to Term Loan Lenders pursuant to clause (ii) above to the prepayment of outstanding Revolving Loans (but without any corresponding reduction in Revolving Commitments) and (v) to the extent there are any prepayment amounts remaining after the foregoing application, such amounts shall be paid promptly by the Administrative Agent to Borrower.

Section 2.11 Alternate Rate of Interest. If the Administrative Agent, in good faith and in its reasonable discretion, shall determine that for any reason in connection with any request for a Eurodollar Loan or a ABR Loan as to which the interest rate is determined with reference to the Adjusted LIBOR Rate or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Loan, (b) adequate and reasonable means do not exist for determining the Adjusted LIBOR Rate for any requested Interest Period with respect to a proposed Eurodollar Loan or in connection with a ABR Loan, or (c) the Adjusted LIBOR Rate for any requested Interest Period with respect to a proposed Eurodollar Loan or in connection with a Eurodollar Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan as a result of events occurring after the Closing Date, the Administrative Agent will promptly so notify Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Loans and ABR Loans as to which the interest rate is determined with reference to the Adjusted LIBOR Rate shall be suspended until the Administrative Agent revokes such notice and during such period ABR Loans shall be made and continued based on the interest rate determined by the greater of clauses (a) and (b) in the definition of Alternate Base Rate. Upon receipt of such notice, Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Loans (without penalty) or, failing that, will be deemed to have converted such request into a request for a Borrowing of ABR Loans in the amount specified therein.

Section 2.12 Increased Costs; Change in Legality. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against property of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBOR Rate) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase

the cost to such Lender, the Issuing Bank or such Lender's or the Issuing Bank's holding company, if any, of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise), as determined by such Lender or the Issuing Bank, in good faith, in its reasonable discretion, then Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered provided that the foregoing shall not apply to any such costs incurred more than 365 days prior to the date on which Borrower receives a certificate in regard thereto, as provided in subsection (c) below; it being understood that, to the extent duplicative of the provisions of Section 2.15, this Section 2.12 shall not apply to Taxes. The protection of this Section 2.12 shall be available to each Lender and the Issuing Bank regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

(b) If any Lender or the Issuing Bank determines (in good faith in its reasonable absolute discretion) that any Change in Law regarding Capital Requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company, for any such reduction suffered; *provided* that the foregoing shall not apply to any such costs incurred more than 365 days prior to the date on which Borrower receives a certificate in regard thereto, as provided in subsection (c) below.

(c) A certificate of a Lender or the Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.12 shall be delivered to Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation, except as otherwise expressly provided in subsection (a) and (b) above.

(e) If any Lender determines in good faith in its reasonable discretion that any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Adjusted LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Loans or to convert ABR Loans to Eurodollar Loans or, if such notice relates to the unlawfulness or asserted unlawfulness of charging interest based on the Adjusted LIBOR Rate, to make ABR Loans as to which the interest rate is determined with reference to the Eurodollar Rate shall be suspended until such Lender notifies the Administrative Agent and Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such

notice, Borrower shall, within one Business Day after demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Loans of such Lender and ABR Loans as to which the interest rate is determined with reference to the Adjusted LIBOR Rate to ABR Loans as to which the rate of interest is not determined with reference to the Adjusted LIBOR Rate, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Loans or a ABR Loan as to which the interest rate is determined with reference to the Adjusted LIBOR Rate. Notwithstanding the foregoing and despite the illegality for such a Lender to make, maintain or fund Eurodollar Loans or ABR Loans as to which the interest rate is determined with reference to the Adjusted LIBOR Rate, that Lender shall remain committed to make ABR Loans as to which the rate of interest is not determined with reference to the Adjusted LIBOR Rate and shall be entitled to recover interest at such Adjusted Base Rate. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted.

(f) For purposes of paragraph (e) of this Section 2.12, a notice to Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by Borrower.

Section 2.13 Breakage Payments. In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Eurodollar Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan earlier than the last day of the Interest Period applicable thereto, to the extent thereof, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or Term Loan on the date specified in any notice delivered pursuant hereto, to the extent thereof, or (d) the assignment of any Eurodollar Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by Borrower pursuant to Section 2.16, to the extent thereof, then, in any such event, Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender in good faith to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBOR Rate plus the Applicable Margin (together with any interest then payable at the Default Rate) that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), in excess of (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the Eurodollar market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten days after receipt thereof.

Section 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or Reimbursement Obligations, or of amounts payable under Section 2.12, 2.13 or 2.15, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due, in immediately available funds, without setoff, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for

purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 520 Madison Avenue, New York, New York 10022 Attn: BioScrip Account Manager, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.12, 2.13, 2.15 and 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, Reimbursement Obligations, interest and fees then due hereunder, such funds shall be applied (i) *first*, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second*, towards payment of principal and Reimbursement Obligations then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and Reimbursement Obligations then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise (including by exercise of its rights under the Security Agreement), obtain payment in respect of any principal of or interest on any of its Revolving Loans, Term Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans, Term Loans or participations in LC Disbursements or Swingline Loans to any assignee or participant, other than to any Company or any Affiliates (as to which the provisions of this paragraph shall apply). Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(c) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(c) to share in the benefits of the recovery of such secured claim.

(d) Unless the Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that Borrower will not make such payment, the Administrative Agent may

assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), 2.14(d), 2.17(d), 2.18(d), 2.18(e) or 11.03(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.15 Taxes. (a) Any and all payments by or on account of any obligation of Borrower hereunder or under any other Loan Document shall be made without setoff, counterclaim or other defense and free and clear of and without deduction or withholding for any and all Indemnified Taxes or Other Taxes; *provided* that if Borrower shall be required by applicable Legal Requirements to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions or withholdings applicable to additional sums payable under this Section 2.15) the Administrative Agent, any Lender or the Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) Borrower shall make such deductions or withholdings and (iii) Borrower shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(b) In addition, Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(c) Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender or the Issuing Bank (in each case, with a copy delivered concurrently to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes and in any event within 30 days following any such payment being due, by Borrower to a Governmental Authority, Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. If Borrower fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence, Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank for any

incremental Taxes or expenses that may become payable by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, as a result of any such failure.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the generality of the foregoing, each Foreign Lender shall (i) furnish on or prior to the date it becomes a party hereto, either (a) two accurate and completed originally executed U.S. Internal Revenue Service Form W-8BEN (or successor form), (b) two accurate and complete originally executed U.S. Internal Revenue Service Form W-8ECI (or successor form), or (c) two accurate and complete originally executed U.S. Internal Revenue Service Form W-8IMY (or successor form), together with any required schedules or attachments, certifying, in each case, to such Foreign Lender's legal entitlement to an exemption or reduction from U.S. federal withholding tax with respect to all interest payments hereunder, and (ii) to the extent it may lawfully do so at such times, provide a new Form W-8BEN (or successor form), Form W-8ECI (or successor form) or Form W-8IMY (or successor form) upon the expiration or obsolescence of any previously delivered form, or at any other time upon the reasonable request of Borrower or the Administrative Agent, to reconfirm any complete exemption from, or any entitlement to a reduction in, U.S. federal withholding tax with respect to any interest payment hereunder; *provided* that any Foreign Lender that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code shall also furnish a "Non-Bank Certificate" in the form of Exhibit K if it is furnishing a Form W-8BEN. If requested by Borrower or the Administrative Agent, each Foreign Lender shall (and shall cause other Persons acting on its behalf to) take any action (including entering into an agreement with the Internal Revenue Service) and comply with any information gathering and reporting requirements, in each case, that are required to obtain the maximum available exemption from U.S. federal withholding taxes under Title I of the Foreign Account Tax Compliance Act of 2009 (the "**Proposed Act**"), if enacted, or under any other enacted legislation that is substantially similar to Title I of the Proposed Act, with respect to payments received by or on behalf of such Foreign Lender, *provided* that, for the avoidance of doubt, a Foreign Lender's breach of this sentence shall affect the rights only of the breaching Foreign Lender, and not the rights of any other Foreign Lender, under Section 2.15(a).

(f) If the Administrative Agent or a Lender (or an assignee) determines in its reasonable discretion that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 2.15 with respect to the Indemnified Taxes or the Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (or assignee) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided*, *however*, that if the Administrative Agent or such Lender (or assignee) is required to repay all or a portion of such refund to the relevant Governmental Authority, Borrower, upon the request of the Administrative Agent or such Lender (or assignee), shall repay the amount paid over to Borrower that is required to be repaid (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender (or assignee) within a reasonable time (not to exceed 20 days) after receipt of written notice that the Administrative Agent or such Lender (or assignee) is required to repay such refund (or a portion thereof) to such Governmental Authority. Nothing contained in this Section 2.15(f) shall require the Administrative Agent or any Lender (or assignee) to make available its Tax Returns or any other information which it deems confidential to Borrower or any other person.

Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender (or assignee) be required to pay any amount to Borrower the payment of which would place the Administrative Agent or such Lender (or assignee) in a less favorable net after-tax position than the Administrative Agent or such Lender (or assignee) would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

Section 2.16 Mitigation Obligations; Replacement of Lenders. (a) Mitigation of Obligations. If any Lender requests compensation under Section 2.12(a) or (b), or if Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce materially amounts payable pursuant to Section 2.12(a), 2.12(b), or 2.15, as the case may be, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense, (iii) would not require such Lender to take any action materially inconsistent with its internal policies or legal or regulatory restrictions, and (iv) would not otherwise be materially disadvantageous to such Lender. Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses in reasonable detail submitted by such Lender to the Administrative Agent shall be conclusive absent manifest error.

(b) Replacement of Lenders. In the event (i) any Lender or the Issuing Bank delivers a certificate requesting compensation pursuant to Section 2.12(a) or (b), (ii) any Lender or the Issuing Bank delivers a notice described in Section 2.12(e), (iii) Borrower is required to pay any additional amount to any Lender or the Issuing Bank or any Governmental Authority on account of any Lender or the Issuing Bank pursuant to Section 2.15, (iv) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by Borrower that requires the consent of 100% of the Lenders and the Required Lenders have granted consent, or (v) any Lender or the Issuing Bank defaults in its obligations to make Loans or issue Letters of Credit, as the case may be, or other extensions of credit hereunder, Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 11.04(b)), upon notice to such Lender or the Issuing Bank and the Administrative Agent, require such Lender or the Issuing Bank to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 11.04), all of its interests, rights and obligations under this Agreement to an assignee which shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (w) no Default shall have occurred and be continuing, (x) such assignment shall not conflict with any applicable Legal Requirement, (y) Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, the prior written consent of the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld or delayed, and (z) Borrower or such assignee shall have paid to the affected Lender or the Issuing Bank in immediately available funds an amount equal to the sum of the principal of and interest and any prepayment premium or penalty (if any) accrued to the date of such payment on the outstanding Loans or LC Disbursements of such Lender or the Issuing Bank, respectively, affected by such assignment plus all Fees and other amounts owing to or accrued for the account of such Lender or such Issuing Bank hereunder (including any amounts under Sections 2.12 and 2.13); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's or the Issuing Bank's claim for compensation under Section 2.12(a) or (b) or notice under Section 2.12(e) or the amounts paid pursuant to Section 2.15, as the case may be, cease to cause such Lender or the Issuing Bank to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.12(e), or cease to result in amounts being payable under Section 2.15, as the case may be (including as a result of any action taken by such Lender or the Issuing Bank pursuant

to paragraph (a) of this Section 2.16), or if such Lender or the Issuing Bank shall waive its right to claim further compensation under Section 2.12(a) or (b) in respect of such circumstances or event or shall withdraw its notice under Section 2.12(e) or shall waive its right to further payments under Section 2.15 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender or the Issuing Bank shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender and the Issuing Bank hereby irrevocably authorizes the Administrative Agent to execute and deliver, on behalf of such Lender and the Issuing Bank as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's or the Issuing Bank's interests hereunder in the circumstances contemplated by this Section 2.16(b).

(c) Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender becomes a Defaulting Lender, then (i) during any Default Period (as defined below) with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender", and the amount of such Defaulting Lender's Revolving Commitment and Revolving Loans and/or Term Loan Commitments and Term Loans shall be excluded for purposes of voting, and the calculation of voting, on any matters (including the granting of any consents or waivers) with respect to any of the Loan Documents; (ii) to the extent permitted by applicable Legal Requirements, until such time as the Default Excess (as defined below) with respect to such Defaulting Lender shall have been reduced to zero, (A) any voluntary prepayment of the Loans pursuant to Section 2.10(a) shall, if Borrower so directs at the time of making such voluntary prepayment, be applied to the Loans of other Lenders in accordance with Section 2.10(a) as if such Defaulting Lender had no Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (B) any mandatory prepayment of the Loans pursuant to Section 2.10 shall, if Borrower so directs at the time of making such mandatory prepayment, be applied to the Loans of other Lenders (but not to the Loans of such Defaulting Lender) in accordance with Section 2.10 as if such Defaulting Lender had funded all Defaulted Revolving Loans of such Defaulting Lender, it being understood and agreed that borrower shall be entitled to retain any portion of any mandatory prepayment of the Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (B); (iii) the amount of such Defaulting Lender's Revolving Commitment, Revolving Loans and LC Exposure shall be excluded for purposes of calculating the commitment fee payable to Revolving Lenders pursuant to Section 2.05(a) in respect of any day during any Default Period with respect to such Defaulting Lender, and such Defaulting Lender shall not be entitled to receive any commitment fee pursuant to Section 2.05(a) with respect to such Defaulting Lender's Revolving Commitment in respect of any Default Period with respect to such Defaulting Lender; (iv) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then: (A) all or any part of such Swingline Exposure and LC Exposure shall be reallocated among the Revolving Lenders that are not Defaulting Lenders in accordance with their respective Revolving Commitments but, in any case, only to the extent (x) the sum of the Revolving Exposures of all Revolving Lenders that are not Defaulting Lenders does not exceed the total of the Revolving Commitments of all Revolving Lenders that are not Defaulting Lenders and (y) the conditions set forth in Section 4.02 are satisfied at such time; (B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrower shall within one Business Day following notice by the Administrative Agent (x) prepay such Swingline Exposure of such Defaulting Lender and (y) cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with the procedures set forth in Section 2.18(i) for so long as such LC Exposure is outstanding; (C) if Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to this paragraph (iv), Borrower shall not be required to pay any LC Participation Fee to such Defaulting Lender pursuant to Section 2.05(c) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized; (D) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to this paragraph (iv), then the fees payable to the Lenders pursuant to Section 2.05 shall be adjusted in accordance with such non-

Defaulting Lenders' reallocated LC Exposure; and (E) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to this paragraph (iv), then, without prejudice to any rights or remedies of the Issuing Banks or any Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and LC Participation Fee payable under Section 2.05 with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Banks until such LC Exposure is cash collateralized and/or reallocated; (v) the Revolving Exposure of all Lenders as at any date of determination shall be calculated as if such Defaulting Lender had funded all Defaulted Revolving Loans of such Defaulting Lender; and (vi) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by Borrower in accordance with paragraph (iv) of this Section 2.16(c), and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with paragraph (iv)(A) of this Section 2.16(c) (and Defaulting Lenders shall not participate therein). In the event that each of the Administrative Agent, Borrower, the Issuing Banks and the Swingline Lender agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure, LC Exposure and Revolving Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Revolving Commitment.

For purposes of this Agreement, (i) "**Funding Default**" means, with respect to any Defaulting Lender, the occurrence of any of the events set forth in the definition of "Defaulting Lender," (ii) "**Default Period**" means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default and ending on the earliest of the following dates: (a) the date on which all Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (b) with respect any Funding Default (other than any such Funding Default arising pursuant to clause (e) of the definition of "Defaulting Lender"), the date on which (1) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Defaulted Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Loans in accordance with the terms hereof or any combination thereof) and (2) such Defaulting Lender shall have delivered to Borrower and the Administrative Agent a written reaffirmation of its intention to honor its obligations under this Agreement with respect to its Commitment(s), and (c) the date on which Borrower, the Administrative Agent and the Required Lenders waive all Funding Defaults of such Defaulting Lender in writing, and (iii) "**Default Excess**" shall mean, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender's pro rata percentage of the aggregate outstanding principal amount of Loans of all Lenders (calculated as if all Defaulting Lenders (including such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of Loans of such Defaulting Lender.

No amount of the Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in Section 2.16(c), performance by Borrower of its obligations under this Agreement and the other Loan Documents shall not be excused or otherwise modified, as a result of any Funding Default or the operation of Section 2.16(c). The rights and remedies against a Defaulting Lender under Section 2.16(c) are in addition to other rights and remedies that Borrower may have against such Defaulting Lender with respect to any Funding Default and that the

Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

Section 2.17 Swingline Loans. (a) Swingline Commitment. Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to Borrower from time to time on any Business Day during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (and upon each such Borrowing of Swingline Loans, Borrower shall be deemed to represent and warrant that such Borrowing will not result in) (i) the aggregate principal amount of outstanding Swingline Loans exceeding the Swingline Commitment, (ii) the sum of the total Revolving Exposures exceeding the total Revolving Commitments or (iii) the Revolving Exposure for all Lenders exceeding the Borrowing Base; *provided* that the Swingline Lender shall not be required to make a Swingline Loan to refinance, in whole or in part, an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, Borrower may borrow, repay and reborrow Swingline Loans.

(b) Swingline Loans. To request a Swingline Loan, Borrower shall deliver, by hand delivery or facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Borrowing Request to the Administrative Agent and the Swingline Lender, not later than 10:00 a.m., New York City time, on the Business Day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and the amount of the requested Swingline Loan. Each Swingline Loan shall be an ABR Loan. The Swingline Lender shall make each Swingline Loan available to Borrower by means of a credit to the Borrower Account by the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.18(e), by remittance to the Issuing Bank). The Swingline Lender shall endeavor to fund each Swingline Loan by 3:00 p.m., New York City time and shall in all events fund each Swingline Loan by no later than 5:00 p.m., New York City time, on the requested date of such Swingline Loan. Borrower shall not request a Swingline Loan if at the time of or immediately after giving effect to the Credit Extension contemplated by such request a Default has occurred and is continuing or would result therefrom. Swingline Loans shall be made in minimum amounts of $100,000 and integral multiples of $50,000 above such amount.

(c) Prepayment. Borrower shall have the right at any time and from time to time to repay any Swingline Loan, in whole or in part, upon giving written notice to the Swingline Lender and the Administrative Agent before 12:00 p.m., New York City time, on the proposed date of repayment.

(d) Participations. The Swingline Lender (i) may at any time in its discretion, and (ii) no less frequently than every five Business Days or as directed by the Administrative Agent from time to time on not less than one Business Day's written notice to the Swingline Lender, shall by written notice given to the Administrative Agent (*provided* such notice requirements shall not apply if the Swingline Lender and the Administrative Agent are the same entity) not later than 11:00 a.m., New York City time, on the next succeeding Business Day following such notice require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans then outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever,

including the occurrence and continuance of a Default, a reduction or termination of the Commitments or a Borrowing Base Deficiency, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (so long as such payment shall not cause such Lender's Revolving Exposure to exceed such Lender's Revolving Commitment). Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.02(c) with respect to Loans made by such Lender (and Section 2.02 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders; *provided*, that the Revolving Lender who is the Swingline Lender shall be deemed to have funded its Pro Rata Percentage automatically without further funding. The Administrative Agent shall notify Borrower of any participations in any Swingline Loan acquired by the Revolving Lenders pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from Borrower (or other party on behalf of Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent. Any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve Borrower of any default in the payment thereof.

(e) Resignation or Removal of the Swingline Lender. The Swingline Lender may resign as Swingline Lender hereunder at any time upon at least 30 days' prior written notice to the Lenders, the Administrative Agent and Borrower, provided that such Swingline Lender is replaced by a successor Swingline Lender simultaneously with its resignation. Following such notice of resignation from the Swingline Lender, the Swingline Lender may be replaced at any time by written agreement among Borrower (with Borrower's agreement not to be unreasonably withheld, delayed or conditioned), the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Swingline Lender. At the time any such resignation or replacement shall become effective, Borrower shall pay all unpaid fees accrued for the account of the replaced Swingline Lender. From and after the effective date of any such resignation or replacement, (i) the successor Swingline Lender shall have all the rights and obligations of the Swingline Lender under this Agreement with respect to Swingline Loans to be made by it thereafter and (ii) references herein and in the other Loan Documents to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lenders, or to such successor and all previous Swingline Lenders, as the context shall require. After the resignation or replacement of the Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to such resignation or replacement, but shall not be required to make additional Swingline Loans. Notwithstanding anything to the contrary in this Section 2.17(e) or otherwise, the Swingline Lender may not resign until such time as a successor Swingline Lender has been appointed.

Section 2.18 Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, Borrower may request the Issuing Bank, and the Issuing Bank agrees, to issue Letters of Credit for its own account or the account of a Subsidiary in a form reasonably acceptable to Borrower (with Borrower's agreement not to be unreasonably withheld, delayed or conditioned), the Administrative Agent and the Issuing Bank, at any time and from time to time during the Revolving Availability Period (*provided* that Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Letter of Credit issued for the account of a Subsidiary). The Issuing Bank shall have no obligation to issue, and Borrower shall not request the issuance of, any Letter of Credit at any time if after giving effect to such issuance, (w) the LC Exposure would exceed the LC Commitment, (x) the total Revolving

Exposure would exceed the total Revolving Commitments, (y) the Revolving Exposure for all Lenders would then exceed the Borrowing Base, or (z) the expiry date of the proposed Letter of Credit is on or after than the close of business on the Letter of Credit Expiration Date. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, Borrower shall hand deliver or facsimile transmission (or transmit by electronic communication if arrangements for doing so have been approved by the Issuing Bank) an LC Request to the Issuing Bank and the Administrative Agent not later than 11:00 a.m., New York City time, on the third Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is acceptable to the Issuing Bank).

A request for an initial issuance of a Letter of Credit shall specify in form and detail reasonably satisfactory to the Issuing Bank:

(i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day);

(ii) the face amount thereof;

(iii) the expiry date thereof (which shall not be later than the close of business on the Letter of Credit Expiration Date);

(iv) the name and address of the beneficiary thereof;

(v) whether the Letter of Credit is to be issued for its own account or for the account of one of its Restricted Subsidiaries (*provided* that Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Letter of Credit issued for the account of a Restricted Subsidiary);

(vi) whether the Letter of Credit is to be issued as a Standby Letter of Credit or a Commercial Letter of Credit;

(vii) the documents to be presented by such beneficiary in connection with any drawing thereunder;

(viii) the full text of any certificate to be presented by such beneficiary in connection with any drawing thereunder; and

(ix) such other matters as the Issuing Bank may require.

A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail reasonably satisfactory to the Issuing Bank:

(i) the Letter of Credit to be amended, renewed or extended;

(ii) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day);

(iii) the expiry date thereof (which shall not be later than the close of business on the Letter of Credit Expiration Date);

(iv) the nature of the proposed amendment, renewal or extension; and

(v) such other matters as the Issuing Bank may require.

If requested by the Issuing Bank, Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the LC Exposure shall not exceed the LC Commitment, (ii) the total Revolving Exposures shall not exceed the total Revolving Commitments and (iii) the conditions set forth in Article IV in respect of such issuance, amendment, renewal or extension shall have been satisfied. Unless the Issuing Bank shall agree otherwise, no Letter of Credit shall be in an initial amount less than $100,000.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (x) the date which is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (y) the Letter of Credit Expiration Date; *provided* that this paragraph (c) shall not prevent any Issuing Bank from agreeing that a Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each (and, in any case, not to extend beyond the Letter of Credit Expiration Date) unless each such Issuing Bank elects not to extend for any such additional period.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby irrevocably grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Revolving Lender's Pro Rata Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by Borrower on the date due as provided in Section 2.18(e), or of any reimbursement payment required to be refunded to Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments or a Borrowing Base Deficiency and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (so long as such payment shall not cause such Lender's Revolving Exposure to exceed such Lender's Revolving Commitment).

(e) Reimbursement. (i) If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, Borrower shall reimburse such LC Disbursement by paying to the Issuing Bank an amount equal to such LC Disbursement not later than 2:00 p.m., New York City time, on the Business Day immediately following the date that such LC Disbursement is made if Borrower shall have received notice of such LC Disbursement prior to 11:00 a.m., New York City time, on such date, or, if such notice has not been received by Borrower prior to such time on such date, then not later than 2:00 p.m., New York City time, on the second Business Day immediately following the day that Borrower receives such notice; *provided* that Borrower may, subject to the conditions to borrowing set forth herein,

request in accordance with Section 2.03 that such payment be financed with ABR Revolving Loans in an equivalent amount and, to the extent so financed, Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Loans.

(ii) If Borrower fails to make such payment when due, and if the amount is not financed pursuant to the proviso to Section 2.18(e)(i), the Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from Borrower in respect thereof and such Revolving Lender's Pro Rata Percentage thereof. Each Revolving Lender shall pay by wire transfer of immediately available funds to the Administrative Agent not later than 12:00 p.m., New York City time, on such date (or, if such Revolving Lender shall have received such notice later than 11:00 a.m., New York City time, on any day, not later than 11:00 a.m., New York City time, on the immediately following Business Day), an amount equal to such Revolving Lender's Pro Rata Percentage of the unreimbursed LC Disbursement in the same manner as provided in Section 2.02(c) with respect to Revolving Loans made by such Revolving Lender, and the Administrative Agent will promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders; *provided*, that if the Issuing Bank is also a Revolving Lender, such Revolving Lender shall be deemed to have funded its Pro Rata Percentage automatically without further funding. The Administrative Agent will promptly pay to the Issuing Bank any amounts received by it from Borrower pursuant to the above paragraph prior to the time that any Revolving Lender makes any payment pursuant to the preceding sentence and any such amounts received by the Administrative Agent from Borrower thereafter will be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made such payments and to the Issuing Bank, as appropriate.

(iii) If any Revolving Lender shall not have made its Pro Rata Percentage of such LC Disbursement available to the Administrative Agent as provided above, each of Borrower and such Revolving Lender severally agrees to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with the foregoing to but excluding the date such amount is paid, to the Administrative Agent for the account of the Issuing Bank at (i) in the case of Borrower, the Default Rate and (ii) in the case of such Lender, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation.

(f) Obligations Absolute. The Reimbursement Obligation of Borrower as provided in Section 2.18(e) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Letter of Credit being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that fails to strictly comply with the terms of such Letter of Credit; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.18, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of Borrower hereunder; (v) the fact that a Default shall have occurred and be continuing; (vi) any material adverse change in the condition (financial or otherwise), results of operations, assets, liabilities (contingent or otherwise), material agreements, properties, solvency, business, management, prospects or value of any Company; or (vii) any other fact, circumstance or event whatsoever. None of the Agents, the Lenders, the Issuing Bank or any of their Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of

Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability to Borrower to the extent of any direct damages (as opposed to consequential, special, punitive or other indirect damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Legal Requirements) suffered by Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly give written notice to the Administrative Agent and Borrower of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve Borrower of its Reimbursement Obligation to the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement (other than with respect to the timing of such Reimbursement Obligation set forth in Section 2.18(e)).

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest payable on demand, for each day from and including the date such LC Disbursement is made to but excluding the date that Borrower reimburses such LC Disbursement, at the Alternate Base Rate plus the Applicable Margin for a period of three calendar days from the date of such LC Disbursement, and at the Default Rate thereafter. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to Section 2.18(e) to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, Borrower shall deposit in the LC Sub-Account, in the name of the Collateral Agent and for the benefit of the Revolving Lenders, an amount in cash equal to 105% of the LC Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in paragraph (g) or (h) of Section 8.01. Funds in the LC Sub-Account shall be applied by the Collateral Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of outstanding Reimbursement Obligations or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations of Borrower in accordance with Article IX**.** If

Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount *plus* any accrued interest or realized profits with respect to such amounts (to the extent not applied as aforesaid) shall be returned to Borrower within five Business Days after all Events of Default have been cured or waived.

(j) Additional Issuing Banks. Borrower may, at any time and from time to time, designate one or more additional Revolving Lenders to act as an issuing bank under the terms of this Agreement, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), the Issuing Bank (which consent shall not be unreasonably withheld) and such Revolving Lender(s). Any Revolving Lender designated as an issuing bank pursuant to this paragraph (j) shall be deemed (in addition to being a Revolving Lender) to be the Issuing Bank with respect to Letters of Credit issued or to be issued by such Revolving Lender, and all references herein and in the other Loan Documents to the term "Issuing Bank" shall, with respect to such Letters of Credit, be deemed to refer to such Revolving Lender in its capacity as Issuing Bank, as the context shall require.

(k) Resignation or Removal of the Issuing Bank. The Issuing Bank may resign as Issuing Bank hereunder at any time upon at least 30 days' prior written notice to the Lenders, the Administrative Agent and Borrower. The Issuing Bank may be replaced at any time by written agreement among Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank or any such additional Issuing Bank. At the time any such resignation or replacement shall become effective, Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation or replacement or addition, as applicable, (i) the successor or additional Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein and in the other Loan Documents to the term "Issuing Bank" shall be deemed to refer to such successor or such addition or to any previous Issuing Bank, or to such successor or such addition and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. If at any time there is more than one Issuing Bank hereunder, Borrower may, in its discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(l) Other. The Issuing Bank shall be under no obligation to issue any Letter of Credit if:

(i) any Order of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Legal Requirement applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more policies of general application of the Issuing Bank.

The Issuing Bank shall be under no obligation to amend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent, the Issuing Bank and each of the Lenders (with references to the Companies being references thereto after giving effect to the Transactions unless otherwise expressly stated) that:

Section 3.01 Organization; Powers. Each Company (a) is duly incorporated or organized and validly existing under the laws of the jurisdiction of its incorporation or organization, as the case may be, (b) has all requisite power and authority to carry on its business as now conducted and to own, lease and operate its property and (c) is registered, qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) to do business in every jurisdiction where such qualification is required, except in such jurisdictions where the failure to so register, qualify or be in good standing could not reasonably be expected to result in a Material Adverse Effect. There is no existing default under any Organizational Document of any Company or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder.

Section 3.02 Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's powers and have been duly authorized by all necessary corporate or other organizational action on the part of such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03 No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect or maintain the perfection or priority of the Liens created by the Security Documents and (iii) consents, approvals, registrations, filings, permits or actions the failure of which to obtain or perform could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of any Company, (c) will not violate or result in a default or require any consent or approval under (x) any indenture, agreement, or other instrument binding upon any Company or its property or to which any Company or its property is subject, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect or (y) any Organizational Document, (d) will not violate any material Legal Requirement in any material respect and (e) will not result in the creation or imposition of any Lien on any property of any Company, other than the Liens created by the Security Documents.

Section 3.04 Financial Statements; Projections. (a) All financial statements and all financial statements delivered pursuant to Sections 5.01(a), (b) and (c) have been prepared in accordance with GAAP consistently applied throughout the applicable period covered, respectively, thereby and present fairly the financial condition and results of operations and cash flows of Borrower as of the dates

and for the periods to which they relate (subject to normal year-end audit adjustments and the absence of footnotes). Except as set forth in such financial statements, there are no liabilities of any Company of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, which could reasonably be expected to result in a Material Adverse Effect, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability.

(b) Borrower heretofore has delivered to the Lenders (i) the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Borrower as of and for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007 audited by and accompanied by the unqualified opinion of Ernst & Young LLP, independent public accountants, (ii) the consolidated balance sheets of Target and its Subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended audited by and accompanied by the unqualified opinion of Deloitte & Touche LLP, (iii) consolidated balance sheet of Specialty Pharma, Inc. and its subsidiary as of August 31, 2006, and the related consolidated statements of operations, shareholders' deficit, and cash flows for the period from January 1, 2006 to August 31, 2006 audited by and accompanied by the unqualified opinion of Deloitte & Touche LLP, (iv) the balance sheet of New England Home Therapies, Inc. as of August 31, 2006, and the related statement of operations, shareholders' equity, and cash flows for the period from January 1, 2006 to August 31, 2006 audited by and accompanied by the unqualified opinion of Deloitte & Touche LLP, and (v) the consolidated statement of income and comprehensive income, of shareholders' equity and of cash flows of Deaconess Enterprises, Inc. and its subsidiaries for the year ended December 31, 2006 audited by and accompanied by the unqualified opinion of PricewaterhouseCoopers LLP. Borrower has heretofore delivered to the Lenders Borrower's unaudited consolidated balance sheet and statements of income and cash flows and EBITDA for the fiscal year ended December 31, 2009 on a Pro Forma Basis giving effect to the Transactions as if they had occurred on such date in the case of the balance sheet and as of the beginning of all periods presented in the case of the statements of income and cash flows. Such financial statements on a Pro Forma Basis (A) have been prepared in good faith by the Loan Parties, based upon (i) the assumptions stated therein (which assumptions are believed by the Loan Parties on the date hereof and on the Closing Date to be reasonable), (ii) accounting principles consistent with the historical audited financial statements delivered pursuant to this Section 3.04(b) and (iii) the best information reasonably available to, or in the possession or control of, the Loan Parties as of the date of delivery thereof, (B) reflect fairly all adjustments required to be made to give effect to the Transactions, (C) have been prepared in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes) consistently applied throughout the applicable period covered, respectively, thereby, and (D) present fairly the consolidated financial position and results of operations of Borrower as of such date and for such periods, on a Pro Forma Basis assuming that the Transactions had occurred at such dates.

(c) Borrower has heretofore delivered to the Lenders the forecasts of financial performance of Borrower and its Subsidiaries for the fiscal years 2010 — 2014 (the "**Projections**"). The Projections have been prepared in good faith by the Loan Parties and based upon (i) the assumptions stated therein (which assumptions are believed by the Loan Parties on the date hereof and the Closing Date to be reasonable), (ii) accounting principles consistent with the historical audited financial statements delivered pursuant to Section 3.04(a) consistently applied throughout the fiscal years covered thereby, and (iii) the best information reasonably available to, or in the possession or control of, the Loan Parties as of the date hereof and the Closing Date.

(d) Since December 31, 2009, there has been no event, change, circumstance or occurrence that has had or could reasonably be expected to result in a Material Adverse Effect.

Section 3.05 Properties. (a) Each Company has good title to, or valid leasehold interests in, all its property material to its business, free and clear of all Liens and irregularities, deficiencies and defects in title except for Permitted Liens and minor irregularities, deficiencies and defects in title that do not, and could not reasonably be expected to, interfere in any material respect with its ability to conduct its business as currently conducted or to utilize such property for its intended purpose. The property of the Companies, taken as a whole, (i) is in good operating order, condition and repair (ordinary wear and tear excepted), and (ii) constitutes all the property which is required for the business and operations of the Companies as presently conducted.

(b) Schedule 3.05(b) contains a true and complete list of each ownership and leasehold interest in Real Property (including all modifications, amendments and supplements thereto with respect to leased Real Property) (i) owned by any Company as of the Closing Date and describes the use and type of interest therein held by such Company and (ii) leased, subleased or otherwise occupied or utilized by any Company, as lessee, sublessee, franchisee or licensee, as of the Closing Date and describes the use and type of interest therein held by such Company; and accurately and comprehensively designates which, among such properties, constitute Key Locations as of the Closing Date. No Company is in default under any provision of any lease agreement to which it is a party with respect to a leasehold interest in Real Property, where such default could reasonably be expected to result in a Material Adverse Effect.

(c) No Company has received any notice of, nor has any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any portion of any Key Location where such Casualty Event could reasonably be expected to result in a Material Adverse Effect. No Mortgage encumbers improved Real Property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act has been obtained in accordance with Section 5.04.

(d) Each Company owns or has rights to use all of its property and all rights with respect to any of the foregoing used in, necessary for or material to each Company's business as currently conducted. The use by each Company of its property and all such rights with respect to the foregoing do not infringe on the rights of any person, other than any infringement that could not reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any of its property does or may violate the rights of any third party that could reasonably be expected to result in a Material Adverse Effect. Each Key Location is zoned to permit the uses for which such Key Location is currently being used. The present uses of each Key Location and the current operations of each Company's business do not violate in any material respect any provision of any applicable building codes, subdivision regulations, fire regulations, health regulations or building and zoning bylaws.

Section 3.06 Intellectual Property. (a) Ownership; No Claims; Use of Intellectual Property; Protection of Trade Secrets. Each Company owns or is licensed to use, free and clear of all Liens (other than Permitted Liens), all patents and patent applications; trademarks, trade names, service marks, copyrights, domain names and applications for registration thereof; and technology, trade secrets, proprietary information, inventions, know-how and processes necessary for the conduct of its business as currently conducted (the "**Intellectual Property**"), except for those the failure to own or license which could not reasonably be expected to result in a Material Adverse Effect. No material claim has been asserted and is pending by any person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does any Company know of any valid basis for any such claim. The use of such Intellectual Property by each Company does not infringe the rights of any person, except for such claims and infringements which could not reasonably be

expected to result in a Material Adverse Effect. Except pursuant to licenses and other user agreements entered into by each Company in the ordinary course of business which, in the case of licenses and user agreements in existence on the date hereof, are listed in Schedule 3.06(a), no Company has done anything to authorize or enable any other person to use any such Intellectual Property, which use, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Each Company has taken commercially reasonable measures to protect the secrecy, confidentiality and value of all trade secrets used in such Company's business, to the extent that the loss thereof, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Patents; Registrations. (i) On and as of the Closing Date, each Company owns and possesses the right to use all issued patents and pending patent applications, trademark, service mark and domain name registrations and pending applications, and copyright registrations and pending applications listed in Schedules 14(a), 14(b) and 14(c) to the Perfection Certificate, and (ii) all patents and registered trademarks, service marks, copyrights and domain names owned by each Company are valid, subsisting and in full force and effect; excepting therefrom, in each case, the failure of which to comply herewith, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(c) No Violations or Proceedings. (i) There is no violation by others of any right of any Company with respect to any Intellectual Property, other than such violations, individually or in the aggregate, that could not reasonably be expected to have a Material Adverse Effect, (ii) no Company is materially infringing upon or misappropriating any copyright, patent, trademark, trade secret or other intellectual property right of any other person, (iii) no Company is in breach of, or in default under, any license of Intellectual Property by any other person to such Company, except in any case where such breach or default, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and (iv) no proceedings have been instituted or are pending against any Company or threatened, and no claim against any Company has been received by any Company, alleging any such infringement or misappropriation, except to the extent that such proceedings or claims, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(d) No Impairment. Neither the execution, delivery or performance of this Agreement and the other Loan Documents, nor the consummation of the transactions contemplated hereby and thereby, will alter, impair or otherwise affect or require the consent of any other person in respect of any right of any Company in any Intellectual Property, except to the extent that such alteration, impairment, effect or consent could not reasonably be expected to result in a Material Adverse Effect.

(e) No Agreement or Order Materially Affecting Intellectual Property. Except as set forth on Schedule 3.06(e), no Company is subject to any settlement, covenant not to sue or other agreement, or any outstanding Order, which may materially affect the validity or enforceability or restrict in any manner such Company's use, licensing or transfer of any of the Intellectual Property.

Section 3.07 Equity Interests and Subsidiaries. (a) Schedule 3.07(a) sets forth a list of (i) each Subsidiary of Borrower and its jurisdiction of incorporation or organization as of the Closing Date, (ii) each Subsidiary that is a Restricted Subsidiary and each Subsidiary that is an Unrestricted Subsidiary as of the Closing Date, and (iii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights on the Closing Date. All Equity Interests of each Company are duly and validly issued and are fully paid and non-assessable, and all Equity Interests of the Subsidiaries are owned by Borrower directly or indirectly through Wholly Owned Subsidiaries. Each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the Security Documents, free of any and all Liens, rights or claims of other

persons, except the security interest created by the Security Documents and any Permitted Liens that arise by operation of applicable Legal Requirements and are not voluntarily granted, and, as of the Closing Date, there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests, except as may be set forth on Schedule 3.07(a).

(b) No consent of any person including any general or limited partner, any other member or manager of a limited liability company, any shareholder or any other trust beneficiary is necessary or reasonably desirable (from the perspective of a secured party) in connection with the creation, perfection or first priority status (or the maintenance thereof) of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent under the Security Documents or the exercise by the Collateral Agent or any Lender of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect of such Equity Interests.

(c) A complete and accurate organization chart, showing the ownership structure of the Companies on the Closing Date, both before and after giving effect to the Transactions, is set forth on Schedule 3.07(c).

Section 3.08 Litigation; Compliance with Laws. (a) There are no actions, suits, proceedings or, to the knowledge of any Loan Party, investigations at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against or affecting any Company or any business, property or rights of any Company (i) that involve any Loan Document or any of the Transactions or (ii) that have resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

(b) Except for matters covered by Section 3.18, no Company or any of its property is (i) in violation of, nor will the continued operation of its property as currently conducted violate, any Legal Requirements (including any zoning or building ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Company's Real Property or (ii) in default with respect to any Order, where such violation or default, could reasonably be expected to result in a Material Adverse Effect.

Section 3.09 Agreements. (a) No Company is a party to any agreement or instrument or subject to any corporate or other constitutional restriction, or any restriction under its Organizational Documents, that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(b) No Company is in default in any manner under any provision of any Material Agreement evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound or subject, where such default could reasonably be expected to result in a Material Adverse Effect, and no condition exists which, with the giving of notice or the lapse of time or both could reasonably be expected to constitute such a default.

(c) Schedule 3.09(c) accurately and completely lists all Material Agreements (other than leases of Real Property set forth on Schedule 3.05(b)) to which any Company is a party which are in effect on the Closing Date in connection with the operation of the business conducted thereby and Borrower has delivered to the Administrative Agent (or made available to the Administrative Agent and the Lenders for review on or before the date hereof) complete and correct copies of all such Material Agreements, including any amendments, supplements or modifications with respect thereto, and all such Material Agreements are in full force and effect.

Section 3.10 Federal Reserve Regulations. (a) No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Credit Extension will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, U or X. The pledge of the Securities Collateral pursuant to the Security Agreement does not violate such regulations.

Section 3.11 Investment Company Act; Public Utility Holding Company Act, etc. No Company is (a) an "investment company" or a company "controlled" by an "investment company," as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, (b) a "holding company," an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company," as defined in, or subject to regulation under, the Public Utility Holding Company Act of 2005, as amended, or (c) subject to regulation under any Legal Requirement (other than Regulation X) that limits its ability to incur, create, assume or permit to exist Indebtedness.

Section 3.12 Use of Proceeds. Borrower will use the proceeds of the Term Loans to finance a portion of the Acquisition and Refinancing on the Closing Date, and pay any related fees and expenses. Borrower will use the proceeds of the Revolving Loans and Swingline Loans after the Closing Date for general corporate and working capital purposes (including to effect any Permitted Acquisitions), for Capital Expenditures and for other corporate purposes consistent with the terms of this Agreement, it being understood that no Revolving Loans or Swingline Loans shall be made on the Closing Date.[1]

Section 3.13 Taxes. Each Company has (a) timely filed or caused to be timely filed all federal, state, local and foreign Tax Returns required to have been filed by it and all such Tax Returns are true and correct in all material respects and (b) duly and timely paid or caused to be duly and timely paid all Taxes (whether or not shown on any Tax Return) due and payable by it and all assessments received by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in accordance with GAAP. Each Company has made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Company is aware of any proposed or pending tax assessments, deficiencies, audits or other proceedings that could reasonably be expected to result in a Material Adverse Effect. No Company has ever been a party to any understanding or arrangement constituting a "tax shelter" within the meaning of Section 6662(d)(2)(C)(ii) of the Code or Sections 6111(c) or 6111(d) of the Code (as in effect prior to the amendment by the American Jobs Creation Act of 2004, P.L. 108-357), or has ever "participated" in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. No Company is a party to any tax sharing or similar agreement.

Section 3.14 No Material Misstatements. No information, report, financial statement, certificate (including the Perfection Certificate), Borrowing Request, LC Request, exhibit or schedule furnished by or on behalf of any Company to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto (including the Confidential Information Memorandum), taken as a whole, contained or contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading as of the date such information is dated or certified; *provided* that to the extent any such information, report, financial

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1 Discuss rollover of existing LCs and payment of OID and upfront fees with revolver.

statement, exhibit or schedule was based upon or constitutes a forecast or projection, each Loan Party represents and warrants only that on the date of delivery thereof such forecast or projection was prepared in good faith based upon (i) the assumptions stated therein (which assumptions are believed by the Loan Parties on the date delivered to the Administrative Agent or a Lender to be reasonable), (ii) accounting principles consistent with the historical audited financial statements of Borrower, and (iii) the best information reasonably available to, or in the possession or control of, the Loan Parties as of the date of delivery thereof to the Administrative Agent or a Lender.

Section 3.15 Labor Matters. There are no strikes, lockouts or slowdowns against any Company pending or, to the knowledge of the Loan Parties, threatened that have resulted in, or could reasonably be expected to result in, a Material Adverse Effect. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable Legal Requirement dealing with such matters in any manner that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect. All payments due from any Company, or for which any claim may be made against any Company, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Company except to the extent that the failure to do so has not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Company is bound.

Section 3.16 Solvency. Both immediately before and immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of each Credit Extension (including the initial Credit Extension on the Closing Date) and after giving effect to the application of the proceeds of each Credit Extension, (a) the fair value of the properties of each Loan Party will exceed its debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) each Loan Party generally will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, and (d) each Loan Party will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Closing Date.

Section 3.17 Employee Benefit Plans. (a) The Company and each of its ERISA Affiliates are in material compliance with all applicable Legal Requirements, including all applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, with respect to all Employee Benefit Plans. Each Employee Benefit Plan complies in all material respects, and is operated and maintained in compliance in all material respects, with all applicable Legal Requirements, including all material applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination from the Internal Revenue Service and nothing has occurred which would prevent, or cause the loss of, such qualification.

(b) No ERISA Event has occurred or is reasonably expected to occur. No Pension Plan has any Unfunded Pension Liability. Within the last six years, no Pension Plan has been terminated, whether or not in a “standard termination” as that term is used in Section 4041 of ERISA, nor has any Pension Plan (determined at any time within the last six years) with an Unfunded Pension Liability been transferred outside of the “controlled group” (within the meaning of Section 4001(a)(14) of ERISA) of any Company or any of their respective ERISA Affiliates. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of any

Company or any of its ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, have not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect.

(c) Except to the extent required under Section 4980B of the Code, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of any Company or any of its ERISA Affiliates.

Section 3.18 Environmental Matters. Except as could not reasonably be expected to result in a Material Adverse Effect:

(i) the Companies and their businesses, operations and Real Property are and have at all times during the Companies' ownership or lease thereof been in compliance with, and the Companies have no liability under, any applicable Environmental Law;

(ii) the Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of the Real Property, under all applicable Environmental Laws. The Companies are in compliance with the terms and conditions of such Environmental Permits, and all such Environmental Permits are valid and in good standing. No expenditures or operational adjustments are reasonably anticipated to be required to remain in compliance with the terms and conditions of, or to renew or modify such Environmental Permits during the next five years;

(iii) there has been no Release or threatened Release or any handling, management, generation, treatment, storage or disposal of Hazardous Materials on, at, under or from any Real Property or facility presently or formerly owned, leased or operated by any of the Companies or their predecessors in interest that has resulted in, or is reasonably likely to result in, liability or obligations by any of the Companies under Environmental Law or in an Environmental Claim;

(iv) there is no Environmental Claim pending or, to the knowledge of the Loan Parties, threatened against any of the Companies, or relating to the Real Property currently or formerly owned, leased or operated by any of the Companies or relating to the operations of the Companies, and, to the knowledge of the Loan Parties, there are no actions, activities, circumstances, conditions, events or incidents that are reasonably likely to form the basis of such an Environmental Claim;

(v) no person with an indemnity, contribution or other obligation to any of the Companies relating to compliance with or liability under Environmental Law is in default with respect to any such indemnity, contribution or other obligation;

(vi) no Company is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any Order or agreement by which it is bound or has assumed by contract or agreement, and no Company is conducting or financing any Response pursuant to any Environmental Law with respect to any Real Property or any other location;

(vii) no Real Property or facility owned, operated or leased by the Companies and, to the knowledge of the Loan Parties, no Real Property or facility formerly owned, operated or leased by any of the Companies or any of their predecessors in interest is (i) listed or proposed for listing on the National Priorities List as defined in and promulgated pursuant to CERCLA or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability

Information System promulgated pursuant to CERCLA or (iii) included on any similar list maintained by any Governmental Authority that indicates that any Company has or may have an obligation to undertake investigatory or remediation obligations under applicable Environmental Laws;

(viii) no Lien has been recorded or, to the knowledge of any Loan Party, threatened under any Environmental Law with respect to any Real Property or property of the Companies;

(ix) the execution, delivery and performance of this Agreement and the other Loan Documents and the consummation of the Transactions and the other transactions contemplated hereby and thereby will not require any notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup obligations pursuant to any Governmental Real Property Disclosure Requirements or any other Environmental Law; and

(x) the Companies have made available to the Lenders all material records and files in the possession, custody or control of, or otherwise reasonably available to, the Companies concerning compliance with or liability or obligation under Environmental Law, including those concerning the condition of the Real Property or the existence of Hazardous Materials at Real Property or facilities currently or formerly owned, operated, leased or used by any of the Companies.

Section 3.19 Health Care Matters. Without limiting or being limited by any other provision of any Loan Document:

(a) Health Care Programs and Third-Party Payor Participation. The Company participates in and has not been excluded from the federal and state health care programs (individually, a "**Program**" and collectively, the "**Programs**") listed on Schedule 3.19(a). A list of all of the Companies' existing (x) Medicare Provider Agreements and numbers and Medicaid Provider Agreements and numbers, and (y) all other federal and state Program provider agreements and numbers, excluding TRICARE and CHAMPUS, pertaining to the business of each Company or, if such contracts do not exist, other documentation evidencing such participation are set forth on Schedule 3.19(a). The Companies' existing (x) Medicare Provider Agreements and numbers and Medicaid Provider Agreements and numbers, and (y) all other federal and state Program provider agreements and numbers, including TRICARE and CHAMPUS shall be referred to herein as "**Program Agreements**." The Companies Reimbursement Approvals include contractual arrangements with third-party payors including, but not limited to, private insurance, managed care plans and HMOs, health care providers and employee assistance programs (the "**Third-Party Payors**"). A list of each Companies' existing Reimbursement Approvals with Third-Party Payor(s) that provide for payment of $500,000 or more in calendar year 2009 pertaining to such Company Subsidiary's business is set forth on Schedule 3.19(a) (the "**Third-Party Payor Contracts**"). The Program Agreements and Third-Party Payor Contracts constitute legal, valid, binding and enforceable obligations of the Company that is a party thereto and the other parties thereto (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless whether considered in a proceeding at equity or in law) and, to the knowledge of the Company, are in full force and effect. To the knowledge of the Companies, no Company is in default under any Program Agreement or under any Third-Party Payor Contract to which it is a party and, to the knowledge of the Company, the other parties thereto are not in material default thereunder. The Company is in material compliance with the rules and policies respecting each Program Agreement and Third-Party Payor Contract, including, but not limited to, all certification, billing, reimbursement and documentation requirements. Except as set forth on Schedule 3.19(a), no action has been taken by any Governmental Authority or, to the knowledge of the

Company, recommended by any Governmental Authority, either to revoke, withdraw or suspend any Program Agreement or to terminate or decertify any participation of any Company in any "Federal Health Care Program" (as that term is defined in 42 U.S.C. § 1320a-7b(f)) in which it participates (including, but not limited to Medicare, Medicaid, TRICARE and CHAMPUS), nor is there any decision by the Company not to renew any Program Agreement. To the knowledge of the Companies, except as could not reasonably be expected to have a Material Adverse Effect, no party to a Program Agreement or Third-Party Payor Contract or other government regulatory authority has threatened in writing revocation, suspension, termination, probation, restriction, limitation or nonrenewal affecting any Program Agreement or Third-Party Payor Contract.

(b) Health Care Permits. Except as could not reasonably be expected to have a Material Adverse Effect, each Company holds all Health Care Permits necessary or required by applicable Legal Requirement or Governmental Authority for the operation of the business of such Company. Schedule 3.19(b) sets forth all such Health Care Permits held by each Company as of the Closing Date or to be obtained by each Company within 90 days following the Closing Date (individually, a "**Company Health Care Permit**," and collectively, the "**Company Health Care Permits**"). Except as could not reasonably be expected to have a Material Adverse Effect, there are no pending or, to the knowledge of any Loan Party, threatened suits or proceedings that could reasonably be expected to result in the suspension, revocation, restriction, amendment or nonrenewal of any Company Health Care Permit, and no event which (whether with notice or lapse of time or both) could reasonably be expected to result in a suspension, revocation, restriction, amendment or nonrenewal of any Company Health Care Permit has occurred. Except as could not reasonably be expected to have a Material Adverse Effect, each Company is in compliance with the terms of the Company Health Care Permits.

(c) Accreditations. Except as could not reasonably be expected to have a Material Adverse Effect, each Company holds all Accreditations necessary or required by applicable Legal Requirements or Governmental Authority for the operation of the business of such Company (including accreditation by the appropriate Governmental Authorities and industry accreditation agencies and accreditation and certifications necessary to receive payment and compensation and to participate under Medicare, Medicaid, TRICARE/CHAMPUS, Blue Cross/Blue Shield and other payor programs relevant to any Company) (individually, a "**Company Accreditation**," and collectively, the "**Company Accreditations**"). There are no pending or, to the knowledge of any Loan Party, threatened suits or proceedings that could reasonably be expected to result in the suspension, revocation, restriction, amendment or nonrenewal of any Company Accreditations, and no event which (whether with notice or lapse of time or both) could reasonably be expected to result in a suspension, revocation, restriction, amendment or nonrenewal of any Company Accreditation has occurred. Except as could not reasonably be expected to have a Material Adverse Effect, each Company is in compliance with the terms of the Company Accreditations.

(d) Reimbursement Approvals. Except as could not be expected to have a Material Adverse Effect, each Company holds all Reimbursement Approvals necessary or required by applicable law or Governmental Authority for the operation of the business of such Company (individually, a "**Company Reimbursement Approval**," and collectively, the "**Company Reimbursement Approvals**"). Reimbursement Approvals include, but are not limited to, those items listed on Schedule 3.19(a). Except as could not reasonably be expected to have a Material Adverse Effect, there are no pending or, to the knowledge of any Loan Party, threatened suits or proceedings that could reasonably be expected to result in the suspension, revocation, restriction, amendment or nonrenewal of any Company Reimbursement Approvals, and no event which (whether with notice or lapse of time or both) could reasonably be expected to result in a suspension, revocation, restriction, amendment or nonrenewal of any Company Reimbursement Approval has occurred. Except as could not reasonably be expected to have a

Material Adverse Effect, each Company is in compliance with the terms of the Company Reimbursement Approvals.

(e) Regulatory Filings. Since December 31, 2009, each Company has timely filed, or caused to be filed, all material regulatory reports, schedules, statements, documents, filings, submissions, forms, registrations and other documents, together with any amendments required to be made with respect thereto, that each was required to file with any Governmental Authority or pursuant to any Company Health Care Permit, Company Accreditation or Company Reimbursement Approval or other applicable Legal Requirement, including health, pharmacy, laboratory, drug enforcement, Medicaid and Medicare regulatory authorities ("**Company Regulatory Filings**"), and has timely paid all amounts, Taxes, fees and assessments due and payable in connection therewith, except where the failure to make such filings or payments on a timely basis could not reasonably be expected to have a Material Adverse Effect. All such Company Regulatory Filings complied in all material respects with applicable Legal Requirements.

(f) Surveys, Audits and Investigations. Schedule 3.19(f) sets forth a list of all notices received during the fiscal year ended December 31, 2009, of material noncompliance, requests for material remedial action, investigations, return of overpayment or imposition of fines (whether ultimately paid or otherwise resolved) by any Governmental Authority or pursuant to any Company Health Care Permit, Company Accreditation or Company Reimbursement Approval (the "**Health Care Audits**"), other than ordinary course overpayments and/or notices advising of routine payor audits. For purposes this Section 3.19(f), a routine payor audit is considered to be an audit that requests records for identified patients during a limited period of time, but does not include an audit that identifies any specific area of review. Each Company has prepared and submitted timely all corrective action plans or responses required to be prepared and submitted in response to any Health Care Audits and has implemented all of the corrective actions described in such corrective action plans, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. No Company has any (A) uncured deficiency that could lead to the imposition of a remedy or (B) existing accrued and/or unpaid indebtedness to any Governmental Authority or pursuant to any Company Reimbursement Approval, including Medicare or Medicaid, excepting any that could not reasonably be expected to have a Material Adverse Effect.

(g) Compliance with Laws. Each Company is in compliance with all Medicare and Medicaid provisions of the Social Security Act, the anti-kickback provisions of the Social Security Act, the Stark anti-referral provisions of the Social Security Act, the False Claims Act, the Civil Monetary Penalty Law of the Social Security Act, the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996, and similar federal or state laws or regulations applicable to services, payments, record keeping, inventory and operations of each Company (the "**Health Care Laws**"), except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(h) Corporate Integrity Agreement; Exclusion. No Company nor, to the knowledge of the Loan Parties, any director, officer, manager, member or partner of any Company (in such capacity, but not otherwise) is party to a corporate integrity agreement, consent order, consent decree, permanent injunction or other settlement agreement with any Governmental Authority or pursuant to any Company Health Care Permit, Company Accreditation or Company Reimbursement Approval. No Company nor, to the knowledge of the Loan Parties, any director, officer, manager, member, partner, managing employee, or direct or indirect owner of 5% or more of the Equity Interests of any Company has been excluded from participating in state or federal health care programs, including Medicare and Medicaid, or debarred from contracting with Governmental Authorities.

(i) Transaction Documents. The execution and delivery of the Transaction Documents, and each Company's performance thereunder (including the performance of the pre- and post- closing notices and applications as provided in the Transaction Documents) will not (i) result in the loss of or limitation of any Company Health Care Permits, Company Accreditations or Company Reimbursement Approvals or (ii) reduce receipt of the ongoing payments or reimbursements pursuant to the Company Reimbursement Approvals that the Company is receiving as of the date hereof.

(j) Cash Management. Schedule 3.19(j) sets forth, as of the Closing Date, an accurate and complete description of the cash management system maintained by each Company and into which are deposited receivables generated pursuant to Company Reimbursement Approvals.

Section 3.20 Insurance. Schedule 3.20 sets forth a description in reasonable detail of all insurance maintained by each Company as of the Closing Date. All insurance maintained by the Companies is in full force and effect, all premiums due have been duly paid, no Company has received notice of violation or cancellation thereof, the Premises, and the use, occupancy and operation thereof, comply with all Insurance Requirements, and there exists no default under any Insurance Requirement, in each case, to the extent that the absence of the foregoing could reasonably be expected to have a Material Adverse Effect. Each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

Section 3.21 Security Documents. (a) The Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the Perfection Certificate and (ii) upon the taking of possession or control by the Collateral Agent of the Security Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Document), the Liens created by the Security Agreement shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than (A) the Intellectual Property Collateral (as defined in the Security Agreement) and (B) such Security Agreement Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(b) When (i) the Security Agreement or a short form thereof is filed in the United States Patent and Trademark Office and the United States Copyright Office, and (ii) financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the Perfection Certificate, the Liens created by such Security Agreement shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Intellectual Property Collateral (as defined in such Security Agreement), in each case subject to no Liens other than Permitted Liens.

(c) Each Mortgage, if any, upon the execution and delivery thereof, shall be effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, legal, valid and enforceable first priority Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are filed or recorded in accordance with the provisions of Sections 5.11 and 5.12 when such Mortgage is filed or recorded in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Sections 5.11 and 5.12, the Mortgages shall constitute fully perfected first priority Liens on, and security interests in, all right, title and interest

of the Loan Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

(d) Each Security Document delivered pursuant to Sections 5.11 and 5.12 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Collateral thereunder, and (i) when all appropriate filings or recordings are made in the appropriate offices as may be required under applicable Legal Requirements and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which such possession or control shall be given to the Collateral Agent to the extent required by any Security Document), the Liens in favor of the Collateral Agent created under such Security Document will constitute valid, enforceable and fully perfected first priority Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral, in each case subject to no Liens other than Permitted Liens.

Section 3.22 Acquisition Documents; Representations and Warranties in Acquisition Agreement. Schedule 3.22 lists (i) each exhibit, schedule, annex or other attachment to the Acquisition Agreement and (ii) each agreement, certificate, instrument, letter or other document contemplated by the Acquisition Agreement or any item referred to in clause (i) to be entered into, executed or delivered or to become effective in connection with the Acquisition or otherwise entered into, executed or delivered in connection with the Acquisition. The Lenders have been furnished true and complete copies of each Acquisition Document to the extent executed and delivered on or prior to the Closing Date.

Section 3.23 Anti-Terrorism Law. (a) No Company and, to the knowledge of the Loan Parties, none of its Affiliates is in violation of any Legal Requirements relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the USA PATRIOT Improvement and Reauthorization Act, Public Law 109-177 (March 9, 2006), as amended (the "**Patriot Act**").

(b) No Company and to the knowledge of the Loan Parties, no Affiliate or broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Credit Extensions is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list.

(c) No Company and, to the knowledge of the Loan Parties, no broker or other agent of any Company acting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in paragraph (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 3.24 Borrowing Base Matters. (a) All Receivable Information, information provided in the application for the program effectuated by the Collateral Management Agreement, and each other document, report and Transmission (as defined in the Collateral Management Agreement) provided by Loan Party to the Collateral Manager is or shall be accurate in all material respects as of its date and as of the date so furnished, and no such document contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made and when taken as a whole, not misleading.

(b) Each Receivable identified in each Borrowing Base Certificate is, as of the date of such Borrowing Base Certificate, an Eligible Receivable and all Inventory identified in each Borrowing Base Certificate is, as the date of such Borrowing Base Certificate, Eligible Inventory.

(c) All required Notices to Obligors (as defined in the Collateral Management Agreement) have been prepared and delivered to each Obligor, and all invoices now bear only the appropriate remittance instructions for payment direction to the applicable Lockbox or Lockbox Account, as the case may be.

(d) The Lockboxes are the only post office boxes and the Lockbox Accounts are the only lockbox accounts maintained for Receivables; and no direction of any Loan Party is in effect directing Obligors to remit payments on Receivables other than to the Lockboxes or Lockbox Accounts.

(e) None of the Eligible Receivables constitutes or has constituted an obligation of any Person which is an Affiliate of Borrower.

(f) The Obligor of each Eligible Receivable has not been the Obligor of any Defaulted Receivables in the past 12 months (other than, for the purpose of this clause, as a result of good faith disputes).

(g) Each Receivable that is an Unbilled Receivable will be, or has been, billed to the Obligor of such Receivable within 30 days of the Last Service Date, or in the case of a Rebate Receivable, will be, or has been, billed to the Obligor of the Rebate Receivable within 60 days after the end of the fiscal quarter in which such Rebate Receivable became due and payable.

ARTICLE IV
CONDITIONS TO CREDIT EXTENSIONS

Section 4.01 Conditions to Initial Credit Extension. The obligation of each Lender and, if applicable, each Issuing Bank to fund the initial Credit Extension requested to be made by it shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.01.

(a) Loan Documents. All legal matters incident to this Agreement, the Credit Extensions hereunder and the other Loan Documents shall be satisfactory to the Lenders, to the Issuing Bank and to the Administrative Agent and there shall have been delivered to the Administrative Agent an executed counterpart of each of the Loan Documents and the Perfection Certificate, except to the extent such Loan Documents are to be delivered after the date hereof in accordance with Section 5.16.

(b) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary or assistant secretary of each Loan Party dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document of such Loan Party certified (to the extent applicable) as of a recent date by the Secretary of State of the state of its incorporation or organization, as the case may be, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of Borrower, the Credit Extensions hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate in this clause (i));

(ii) a certificate as to the good standing of each Loan Party (in so-called "long-form" if available) as of a recent date, from such Secretary of State; and

(iii) such other corporate and related documents as the Lenders, the Issuing Bank or the Administrative Agent may reasonably request.

(c) Officers' Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of Borrower, confirming compliance with the conditions precedent set forth in this Section 4.01 and Sections 4.02(b), (c) and (d).

(d) Financings and Other Transactions, Etc. (i) Each of the Transaction Documents shall be in form and substance satisfactory to the Administrative Agent, and shall be in full force and effect on the Closing Date. The Transactions shall have been consummated or shall be consummated simultaneously on the Closing Date, in each case, in accordance with the terms hereof and the terms of the Transaction Documents, without the waiver or amendment of any such terms not approved by the Administrative Agent.

(ii) Borrower shall have received not less than $225,000,000 in gross proceeds from the issuance and sale of the Senior Notes, and the terms and conditions of the Senior Note Documents (including terms and conditions relating to the interest rate, fees, amortization, maturity, subordination, redemption, covenants, events of default and remedies) shall be reasonably satisfactory in all respects to the Arranger.

(iii) The proceeds of the Term Loans and the Senior Notes shall be sufficient to effect the Refinancing, to pay the Purchase Price (as defined in the Commitment Letter) and to pay all related fees, commissions and expenses.

(iv) The Refinancing shall have been consummated in full to the satisfaction of the Administrative Agent with all Liens in favor of the existing lenders and other creditors being unconditionally released (other than any Permitted Liens reasonably acceptable to the Administrative

Agent) or other provisions for their release having been made, as described in clause (v) below, and, without limiting the foregoing in this subparagraph (iv), the Administrative Agent shall have received an executed copy of a "pay-off" letter or other evidence of repayment with respect to all debt being refinanced in the Refinancing, in form and substance reasonably satisfactory to the Administrative Agent.

(v) The Collateral Agent shall have received from any person holding any Lien securing debt that is being refinanced in the Refinancing such UCC termination statements and executed mortgage releases, releases of assignments of leases and rents, releases of security interests in Intellectual Property and other instruments, in each case in proper form for recording, as the Collateral Agent shall have reasonably requested to release and terminate of record the Liens securing such debt, in each case or, in lieu of the foregoing, written agreements acceptable to the Administrative Agent for the delivery thereof promptly after the Closing Date as set forth on Schedule 5.16.

(e) Financial Statements; Financial Performance; Borrowing Base.

(i) The financial statements described in Section 3.04(b) shall show (x) maximum Total Leverage Ratio (as calculated net of Unrestricted Domestic Cash and Cash Equivalents) of Borrower and its Subsidiaries on a Pro Forma Basis after giving effect to the Transactions for the twelve-month period ended December 31, 2009 of not greater than 4.25 to 1.00, and (y) minimum "Consolidated EBITDA" on a Pro Forma Basis of not less than $76,334,122 (for purposes of this Section 4.01(e), the definition of "Consolidated EBITDA" shall be calculated in compliance with the requirements of Regulation S-X promulgated under the Securities Act, including with respect to any add-backs, exclusions or deductions).

(ii) Borrower shall have delivered the Projections to the Lenders in accordance with Section 3.04(c).

(iii) The Borrower shall have delivered to the Administrative Agent and the Collateral Manager a Borrowing Base Certificate which shall have been prepared (and calculated) as of the Closing Date.

(f) Compliance with Securities Laws. Borrower shall have complied with all applicable laws and regulations (including the proxy rules under federal securities laws) in connection with obtaining all consents and approvals from the stockholders of Borrower required under applicable securities laws and the Organizational Documents of Borrower, including all requirements with respect to the provision of a proxy statement to stockholders of Borrower.

(g) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the other Agents, the Arranger, the Lenders and the Issuing Bank, a favorable written opinion of (i) King & Spalding LLP, special counsel for the Loan Parties, and (ii) except to the extent contemplated by Section 5.16, each local counsel listed on Schedule 4.01(g), in each case (A) dated the Closing Date, (B) addressed to the Agents, the Issuing Bank and the Lenders and (C) covering such matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request, and (iv) a copy of each legal opinion delivered under the other Transaction Documents, accompanied by reliance letters from the party delivering such opinion authorizing the Agents, Lenders and the Issuing Bank to rely thereon as if such opinion were addressed to them.

(h) Solvency Certificate. The Administrative Agent shall have received a certificate in the form of Exhibit L, conforming with Section 3.16, dated the Closing Date and signed by a Financial Officer of Borrower.

(i) Legal Requirements. The Administrative Agent shall be satisfied that each Company, and the Transactions shall be in full compliance with all material Legal Requirements, including Regulations T, U and X of the Board, and shall have received satisfactory evidence of such compliance reasonably requested by it.

(j) Consents and Approvals. The Administrative Agent shall be satisfied that all necessary governmental, regulatory, shareholder and material third party approvals and consents necessary in connection with the Transactions shall have been obtained and shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken by any applicable authority that could reasonably be expected to restrain or prevent any of the Transactions.

(k) Litigation. There shall not exist any claim, action, suit, investigation, litigation or proceeding pending or threatened in writing before any court or any Governmental Authority, domestic or foreign, that (i) seeks to restrain or prevent any of the Transactions or any of the transactions contemplated by the Fee Letter or the Commitment Letter, or (ii) could reasonably be expected to have a Closing Date Material Adverse Effect.

(l) Sources and Uses. The sources and uses of the Credit Extensions shall be as set forth in Schedule 4.01(l).

(m) Fees. The Arranger, the Collateral Manager and Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including the legal fees and expenses of Proskauer Rose LLP, special counsel to the Administrative Agent and the Arranger, the legal fees and expenses of Kaye Scholer LLP, special counsel to the Collateral Manager, and the fees and expenses of any local counsel, foreign counsel, appraisers, consultants and other advisors) required to be reimbursed or paid by the Loan Parties hereunder or under any other Loan Document. The fees and expenses (including capitalized fees and expenses) payable by the Companies in connection with the Transactions shall not exceed $27,000,000.

(n) Personal Property Requirements. The Collateral Agent shall have received:

(i) all certificates, agreements or instruments representing or evidencing the Securities Collateral of Borrower's Subsidiaries and Target's Foreign Subsidiaries to the extent required to be delivered to Borrower under the Acquisition Agreement on the Closing Date accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(ii) the Intercompany Note executed by and among the Companies, accompanied by an endorsement to the Intercompany Note (undated and endorsed in blank) in the form attached hereto, and endorsed by each of the Loan Parties;

(iii) all other certificates, agreements, including Depositary Agreements and control agreements, or instruments necessary to perfect the Collateral Agent's security interest in all Chattel Paper, all Instruments, all Lockbox Accounts and Deposit Accounts identified in Schedule 16 to the Perfection Certificate and all Investment Property of each Loan Party (as each such term is defined in, and to the extent required by, the Security Agreement);

(iv) UCC financing statements in appropriate form for filing under the UCC, filings with the United States Patent and Trademark Office and United States Copyright Office and such other documents under applicable Legal Requirements in each jurisdiction as may be

necessary or appropriate or, in the reasonable opinion of the Collateral Agent, desirable to perfect the Liens created, or purported to be created, by the Security Documents;

(v) certified copies, each as of a recent date, of (w) the UCC searches required to be attached as Schedule 5 to the Perfection Certificate, (x) United States Patent and Trademark Office and United States Copyright Office searches (y) tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches listing all effective lien notices or comparable documents that name any Company as debtor and that are filed in the state and county jurisdictions in which any Company is organized or maintains its principal place of business and (z) such other searches that the Collateral Agent reasonably deems necessary or appropriate;

(vi) with respect to each Key Location existing on the Closing Date, a Landlord Access Agreement or Bailee Letter, as applicable (unless the applicable Loan Party shall have used all commercially reasonably efforts to obtain, but failed to obtain, such Landlord Access Agreement or Bailee Letter, as applicable); and

(vii) evidence reasonably acceptable to the Collateral Agent of payment or arrangements for payment by the Loan Parties of all applicable filing or recording taxes, fees, charges, costs and expenses required for the filing or recording of the Security Documents.

(o) Insurance. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.04 and the applicable provisions of the Security Documents, each of which shall be addressed or otherwise amended to include a "standard" or "New York" lender's loss payable or mortgagee endorsement (as applicable) and shall name the Collateral Agent, on behalf of the Secured Parties, as additional insured, in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent.

(p) Bank Regulatory Documentation. The Administrative Agent and the Lenders shall have received at least five Business Days before the Closing Date, in form and substance satisfactory to them, all documentation and other information required by bank regulatory authorities or reasonably requested by the Administrative Agent or any Lender under or in respect of applicable Anti-Terrorism Laws or "know-your-customer" Legal Requirements, including the Executive Order.

(q) Performance of Obligations. All costs, fees, expenses (including reasonable legal fees and expenses, title premiums, survey charges and recording taxes and fees) and other compensation and amounts contemplated by the Commitment Letter, the Fee Letter or otherwise payable to the Administrative Agent, its affiliates, or the Lenders or any of their respective affiliates, shall have been paid to the extent due and invoiced. The Loan Parties shall have complied with all of their covenants, agreements and obligations under the Commitment Letter and the Fee Letter, and the Commitment Letter and the Fee Letter shall be in full force and effect. Subject to Section 3 of the Commitment Letter, all of the Loan Parties' representations and warranties in the Commitment Letter and Fee Letter shall be true and correct on the Closing Date.

(r) Absence of Material Adverse Changes. There shall not have been any event, development, change or circumstance since September 30, 2009, that, either individually or in the aggregate, has caused or could reasonably be expected to (x) cause a material adverse effect on the business, results of operations, properties or assets of Borrower and its Subsidiaries (prior to giving effect to the Transactions), taken as a whole ("**Borrower Material Adverse Effect**") and/or (y) cause a material adverse effect on the business, results of operations, properties or assets of the Target and its Subsidiaries (prior to giving effect to the Transactions), taken as a whole ("**Target Material Adverse Effect**" and,

together with an Borrower Material Adverse Effect, a "**Closing Date Material Adverse Effect**") or result in a material adverse effect on Borrower's, Merger Sub's, Target's and/or any of the Target's Subsidiaries, respective, ability to consummate the transactions contemplated by the Acquisition Agreement; *provided*, *however*, that (x) a "Borrower Material Adverse Effect" shall not include the impact on such business, results of operations, properties or assets arising out of or attributable to (i) general economic conditions affecting the United States that do not disproportionately affect Borrower and its subsidiaries (prior to giving effect to the Transactions), taken as a whole, relative to other businesses in the industries in which Borrower and its Subsidiaries (prior to giving effect to the Transactions) operates (including any effects or conditions resulting from an outbreak or escalation of hostilities, acts of terrorism, political instability or other national or international calamity, crisis or emergency, or any governmental or other response to any of the foregoing, in each case whether or not involving the United States), (ii) effects arising from changes in laws or GAAP, (iii) effects relating to the announcement of the execution of the Acquisition Agreement or the transactions contemplated thereby, (iv) failure of Borrower and its Subsidiaries (prior to giving effect to the Transactions) to meet any financial projections or forecasts, and (v) effects resulting from compliance with the terms and conditions of the Acquisition Agreement by Borrower (and, for the avoidance of doubt, a Borrower Material Adverse Effect (with respect to Borrower and its Subsidiaries) shall not be measured against financial projections or forecasts of Borrower or its Subsidiaries (prior to giving effect to the Transactions)) and (y) a "Target Material Adverse Effect" shall not include the impact on such business, results of operations, properties or assets arising out of or attributable to (i) general economic conditions affecting the United States that do not disproportionately affect the Target and its Subsidiaries (prior to giving effect to the Transactions), taken as a whole, relative to other businesses in the industries in which the Target and its Subsidiaries (prior to giving effect to the Transactions) operates (including any effects or conditions resulting from an outbreak or escalation of hostilities, acts of terrorism, political instability or other national or international calamity, crisis or emergency, or any governmental or other response to any of the foregoing, in each case whether or not involving the United States), (ii) effects arising from changes in laws or GAAP, (iii) effects relating to the announcement of the execution of the Acquisition Agreement or the transactions contemplated thereby, (iv) failure of the Target and its Subsidiaries (prior to giving effect to the Transactions), as the case may be, to meet any financial projections or forecasts, and (v) effects resulting from compliance with the terms and conditions of the Acquisition Agreement by the Target (and, for the avoidance of doubt, a Target Material Adverse Effect (with respect to Borrower and its subsidiaries) shall not be measured against financial projections or forecasts of the Target or its Subsidiaries (prior to giving effect to the Transactions)).

(s) Absence of Additional Information. The Administrative Agent and the Lenders shall not have become aware after the date of the Commitment Letter of any information, circumstance or other matter (including any matter relating to financial models and underlying assumptions relating to the Projections) affecting Borrower, Target or their respective subsidiaries, any Transaction or any other matter contemplated by the Commitment Letter or the Fee Letter (the "**New Information**") that is inconsistent with any information disclosed to the Administrative Agent and the Lenders prior to the date of the Commitment Letter (the "**Disclosed Information**"), which, if such New Information were to be regarded as a change from the Disclosed Information, could reasonably be expected to be adverse in any material respect to Borrower and its Subsidiaries, the Target and its Subsidiaries, or the rights, remedies or interests of the Lenders, taken as a whole, or have a Closing Date Material Adverse Effect.

(t) Absence of Market Disruption. There shall not have occurred any disruption, adverse change or condition, as determined by the Administrative Agent in its sole discretion, in the financial, banking or capital markets generally, or in the markets for bank loan syndications in particular or affecting the syndication or funding of bank loans that could reasonably be expected to have a material adverse impact on the ability to successfully syndicate the Loans. No banking moratorium shall have been declared by either federal or state authorities.

(u) Representations of the Target in the Acquisition Agreement. All material representations and warranties made by the Target in the Acquisition Agreement were true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or "Material Adverse Effect") as of the time such representations and warranties were made and shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or "Material Adverse Effect") as of the Closing Date as if such representations and warranties were made on the Closing Date (but only to the extent that as a result of the breach of any such representations and warranties Borrower or any of its Affiliates had (or has) the right to terminate its obligations (other than indemnity and other obligations expressly provided to survive the termination of the Acquisition Agreement) under the Acquisition Agreement), and unless such representations and warranties relate to a specific date, in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or "Material Adverse Effect") as of such earlier date).

In determining the satisfaction of the conditions specified in this Section 4.01, (x) to the extent any item is required to be satisfactory to any Lender, such item shall be deemed satisfactory to each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date that the respective item or matter does not meet its satisfaction and (y) in determining whether any Lender is aware of any fact, condition or event that has occurred and which could reasonably be expected to have a Material Adverse Effect or Closing Date Material Adverse Effect, each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date of such fact, condition or event shall be deemed not to be aware of any such fact, condition or event on the Closing Date. Upon the Administrative Agent's good faith determination that the conditions specified in this Section 4.01 and Section 4.02 have been met (after giving effect to the preceding sentence), then the Closing Date shall have been deemed to have occurred, regardless of any subsequent determination that one or more of the conditions thereto had not been met (although the occurrence of the Closing Date shall not release Borrower or any Loan Party (or any of their respective Affiliates) from any liability for failure to satisfy one or more of the applicable conditions contained in this Article IV).

Section 4.02 Conditions to All Credit Extensions. The obligation of each Lender and each Issuing Bank to make any Credit Extension (including the initial Credit Extension) shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below.

(a) Notice. The Administrative Agent (with a copy to the Collateral Manager) shall have received (x) a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested or, in the case of the issuance, amendment, extension or renewal of a Letter of Credit, the Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance, amendment, extension or renewal of such Letter of Credit as required by Section 2.18(b) or, in the case of the Borrowing of a Swingline Loan, the Swingline Lender and the Administrative Agent shall have received a Borrowing Request as required by Section 2.17(b) and (y) not later than one Business Day prior to the proposed date of the applicable Credit Extension, a Borrowing Base Certificate which shall have been prepared (and calculated) as of such date of receipt by the Administrative Agent (it being understood that each Borrowing Base Certificate shall include such supporting information as the Administrative Agent or the Collateral Manager may reasonably, respectively, request from time to time).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date.

(c) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in Article III or in any other Loan Document shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of such earlier date).

(d) No Legal Bar. No Order of any Governmental Authority shall purport to restrain (i) any Lender from making any Loans to be made by it or (ii) the Issuing Bank from issuing any Letters of Credit to be issued by it. No injunction or other restraining Order shall have been issued, shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Loans or the issuance of Letters of Credit hereunder.

Each of the delivery of a Borrowing Request or notice requesting the issuance, amendment, extension or renewal of a Letter of Credit and the acceptance by Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Sections 4.02(a)-(c) have been satisfied. Borrower shall provide such information (including calculations in reasonable detail of the covenants in Section 6.10) as the Administrative Agent may reasonably request to confirm that the conditions in this Section 4.02 have been satisfied.

ARTICLE V
AFFIRMATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with the Administrative Agent, the Collateral Agent, the Issuing Bank and each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest and premium (if any) on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, each Loan Party will, and will cause each of its Restricted Subsidiaries to:

Section 5.01 Financial Statements, Reports, etc. Furnish to the Administrative Agent:

(a) Annual Reports. As soon as available and in any event within 90 days after the end of each fiscal year, the consolidated balance sheet of Borrower as of the end of such fiscal year and related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto (including a note with an unaudited consolidating statement of income separating out Borrower and its Subsidiaries), all prepared in accordance with GAAP and accompanied by an opinion of Ernst & Young LLP or other independent public accountants of recognized national standing reasonably satisfactory to the Administrative Agent (which opinion shall not be qualified as to scope or contain any going concern or other material qualification), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Borrower as of the dates and for the periods specified in accordance with GAAP;

(b) Quarterly Reports. As soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year, the consolidated balance sheet of Borrower

as of the end of such fiscal quarter and related consolidated statements of income and cash flows for such fiscal quarter and for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year including a note with a consolidating statement of income separating out Borrower and its Subsidiaries), all prepared in accordance with GAAP and accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Borrower as of the date and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a) of this Section 5.01, subject to normal year-end adjustments, including audit adjustments, and the absence of footnotes;

(c) Monthly Reports. Within 30 days after the end of each month, the consolidated balance sheet of Borrower as of the end of such month and the related consolidated statements of income and cash flows of Borrower for such month and for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated results of operations and cash flows of Borrower as of the date and for the periods specified in accordance with GAAP consistently applied, subject to normal year-end adjustments, including audit adjustments, and the absence of footnotes;

(d) Financial Officer's Certificate. (i) Concurrently with any delivery of financial statements under Section 5.01(a), (b) or (c) above, a Compliance Certificate certifying that no Default has occurred or, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) concurrently with any delivery of financial statements under Section 5.01(a) or (b) above, a Compliance Certificate setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the covenants contained in Section 6.10 and, in the case of Section 5.01(a) above, setting forth Borrower's calculation of Excess Cash Flow;

(e) Financial Officer's Certificate Regarding Collateral. Concurrently with any delivery of financial statements under Section 5.01(a) above and delivery of a Perfection Certificate Supplement under Section 5.13(b), a certificate of a Financial Officer certifying that all UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a sufficient description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction necessary to protect, perfect or maintain the perfection or priority of the Liens under the Security Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(f) Public Reports. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements, notices and other materials or information filed by any Company with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of the Securities and Exchange Commission, or with any national securities exchange, or distributed to holders of its Indebtedness pursuant to the terms of the documentation governing such Indebtedness (or any trustee, agent or other representative therefor), as the case may be; *provided*, that copies need not be provided of any such reports posted publicly to the Electronic Data Gathering, Analysis and Retrieval System or any successor reporting system;

(g) Budgets. No later than 45 days after the first day of each fiscal year of Borrower, a budget in form reasonably satisfactory to the Administrative Agent (including budgeted statements of income for each of Borrower's business units) prepared by Borrower for (i) each fiscal month of such

fiscal year and (ii) each quarter of the two years immediately following such fiscal year, in each case, in detail comparable to the financial statements delivered pursuant to Section 5.01(c) or 5.01(b), respectively, of Borrower and its Subsidiaries, with appropriate presentation and discussion of the principal assumptions upon which such budget is based, accompanied by the statement of a Financial Officer of Borrower to the effect that the budget of Borrower is a reasonable estimate for the period covered thereby;

(h) Organization. Within 45 days after the close of each fiscal year of Borrower, Borrower shall deliver an accurate and complete organization chart showing the ownership structure of the Companies as of the last day of such fiscal year, or confirm that there are no changes to Schedule 3.07(c);

(i) Organizational Documents. (i) Promptly copies of any Organizational Documents that have been amended or modified in a manner that is, or could reasonably be expected to be, adverse in any material respects to any Agent or Lender, and (ii) a copy of any notice of default given or received by any Company under any Organizational Document within 15 days after such Company gives or receives such notice; and

(j) Compliance with Section 5.16. On or prior to the 30th day after the Closing Date, an appropriate officer in the legal department of the Borrower shall provide a written certification of compliance with all post-closing requirements set forth in Section 5.16 (including the therein referenced Schedule 5.16), specifically listing any items where such compliance has not yet occurred (and, with respect to any such items where compliance has not yet occurred, stating the time frame in which it is expected that such actions shall be taken and the reasons such actions have not been completed). Without excusing any failure to comply with Section 5.16, if the certification provided above does not establish complete compliance with all requirements of Section 5.16 (and Schedule 5.16), the Borrower shall cause an appropriate officer in its legal department to furnish monthly updates thereafter, in each case showing in reasonable detail all compliances (and any non- compliances) with the requirements of Section 5.16. Such certifications shall no longer be required after the date upon which the Borrower certifies that all actions required be taken pursuant to Section 5.16 (and Schedule 5.16) have been completed.

(k) Other Information. Promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Company, or compliance with the terms of any Loan Document, or the environmental condition of any Real Property, as the Administrative Agent or any Lender may reasonably request.

Section 5.02 Litigation and Other Notices. Furnish to the Administrative Agent written notice of the following promptly (and, in any event, within three Business Days following any Responsible Officer's knowledge thereof):

(a) any Default or any default or event of default under the Senior Note Documents, in each case, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity or otherwise by or before any Governmental Authority, (i) against any Company or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect, (ii) with respect to any Loan Document or (iii) with respect to any of the other Transactions;

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(d) the occurrence of a Casualty Event in excess of $500,000 (whether or not covered by insurance);

(e) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Borrower and its Subsidiaries in an aggregate amount exceeding $500,000;

(f) the receipt by any Company of any notice of any Environmental Claim or violation of or potential liability under, or knowledge by any Company that there exists a condition that could reasonably be expected to result in an Environmental Claim or a violation of or liability under, any Environmental Law, except for Environmental Claims, violations and liabilities the consequence of which, in the aggregate, would not be reasonably likely to subject the Companies collectively to liabilities exceeding $500,000;

(g) (i) the incurrence of any Lien (other than Permitted Liens) on, or claim asserted against all or any substantial portion of the Collateral or (ii) the occurrence of any other event which could reasonably be expected to materially and adversely affect the value of the Collateral;

(h) the receipt by any Company of any notice of any termination, suspension, revocation, transfer, surrender, or other material impairment of any material Company Health Care Permit, material Company Accreditation or material Company Reimbursement Approval; and

(i) the receipt by any Company of any notice of any Health Care Survey or Health Care Audit that, alone or together with any other Health Care Survey or Health Care Audit, could reasonably be expected to result in liability of the Companies in an aggregate amount exceeding $500,000 in any twelve-month period.

Section 5.03 Existence; Businesses and Properties. (a) Do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05 or Section 6.06.

(b) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, privileges, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is conducted and operated on the Closing Date; comply with all applicable Legal Requirements (including any and all zoning, building, Environmental Law, ordinance, code or approval or any building permits or any restrictions of record or agreements affecting the Real Property) and decrees and Orders of any Governmental Authority, whether now in effect or hereafter enacted, in each case, except where the failure to comply with such Legal Requirements could not reasonably be expected to result in a Material Adverse Effect; pay and perform its obligations under all Leases and Transaction Documents (other than the Loan Documents) except where the failure to perform such obligations could not reasonably be expected to result in a Material Adverse Effect; pay and perform its obligations under all Loan Documents; and at all times maintain, preserve and protect all property material to the conduct of such business and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business) and from time to time make, or cause to be made, all necessary and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times; *provided* that nothing in this Section 5.03(b)

shall prevent (i) dispositions of property, consolidations or mergers by or involving any Company in accordance with Section 6.05 or Section 6.06, (ii) the withdrawal by any Company of its qualification as a foreign corporation in any jurisdiction where such withdrawal could not reasonably be expected to result in a Material Adverse Effect, or (iii) the abandonment by any Company of any Intellectual Property that such Company reasonably determines is not useful to its businesses or no longer commercially desirable.

Section 5.04 Insurance. (a) Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Mortgaged Properties and other properties material to the business of the Companies against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an "all risk" basis, (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance, (v) worker's compensation insurance and such other insurance as may be required by any Legal Requirement and (vi) such other insurance against risks as the Administrative Agent may from time to time require (such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Administrative Agent and the Collateral Agent); *provided* that with respect to physical hazard insurance, (x) neither the Collateral Agent nor the applicable Company shall agree to the adjustment of any claim thereunder without the consent of the other (such consent not to be unreasonably conditioned, withheld or delayed), and (y) no consent of any Company shall be required during an Event of Default.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 15 days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as mortgagee (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance) or loss payee (in the case of property insurance), as applicable, (iii) if reasonably requested by the Collateral Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other material respects to the Collateral Agent. Borrower shall not permit, consent to or seek any amendment or change to any insurance policy that effects a material reduction in amount or a material change in coverage under such policy without first providing the Collateral Agent with at least 15 days prior written notice thereof.

(c) Notify the Administrative Agent and the Collateral Agent immediately whenever any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 5.04 is taken out by any Company; and promptly (and, in any event, within three Business Days) deliver to the Administrative Agent and the Collateral Agent a duplicate original copy of such policy or policies.

(d) Deliver to the Administrative Agent and the Collateral Agent a report of a reputable insurance broker with respect to such insurance and such supplemental reports with respect thereto as the Administrative Agent or the Collateral Agent may from time to time reasonably request, but unless a Default or Event of Default has occurred and is then continuing, not more frequently than annually.

Section 5.05 Obligations and Taxes. (a) Pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all material

lawful claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien other than a Permitted Lien upon such properties or any part thereof; *provided* that such payment and discharge shall not be required with respect to any such Indebtedness, other obligation, Tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP, and (ii) such contest operates to suspend collection of the contested Indebtedness, other obligation, Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien.

(b) Timely and correctly file all Tax Returns (other than immaterial Tax Returns, as reasonably determined by the Administrative Agent) required to be filed by it.

(c) Borrower does not intend to treat the Loans as being a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. In the event Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof.

Section 5.06 Employee Benefits. (a) Comply in all material respects with all applicable Legal Requirements, including the applicable provisions of ERISA and the Code with respect to all Employee Benefit Plans and (b) furnish to the Administrative Agent (x) as soon as possible after, and in any event within 5 Business Days after any Responsible Officer of any Company or any ERISA Affiliate of any Company knows or has reason to know that, any ERISA Event or other event with respect to an Employee Benefit Plan has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of the Companies or any of their ERISA Affiliates in an aggregate amount exceeding $1,000,000 or the imposition of a Lien, a statement of a Financial Officer of Borrower setting forth details as to such ERISA Event and the action, if any, that the Companies propose to take with respect thereto, and (y) upon request by the Administrative Agent, copies of (i) annual report (Form 5500 Series) filed by any Company or any ERISA Affiliate with the Employee Benefits Security Administration with respect to each Employee Benefit Plan; (ii) the most recent actuarial valuation report for each Pension Plan; (iii) all notices received by any Company or any ERISA Affiliate from a Multiemployer Plan sponsor or any governmental agency concerning an ERISA Event; and (iv) such other information, documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request.

Section 5.07 Maintaining Records; Access to Properties and Inspections; Annual Meetings. (a) Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Legal Requirements are made of all dealings and transactions in relation to its business and activities. Each Company will permit any representatives designated by the Administrative Agent or a Lender as often as reasonably requested (except that, in the case of representatives designated by a Lender, not more frequently than once in any 12-month period unless a Default or Event of Default has occurred and is then continuing), in each case, to visit and inspect the financial records and the property of such Company at reasonable times during normal business hours and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss the affairs, finances, accounts and condition of any Company with the officers and employees thereof and Advisors thereof in the presence of representatives of such Company (unless such representatives are not then available).

(b) Within 120 days after the close of each fiscal year of the Companies, at the request of the Administrative Agent or Required Lenders, hold a meeting (at a mutually agreeable location and time or, at the option of the Administrative Agent, a conference call) with all Lenders who choose to attend such meeting or conference call at which meeting or conference call shall be reviewed

the financial results of the previous fiscal year and the financial condition of the Companies and the budgets presented for the current fiscal year of the Companies.

Section 5.08 Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in Section 3.12 and request the issuance of Letters of Credit only in accordance with the definition of "Standby Letter of Credit" and "Commercial Letter of Credit."

Section 5.09 Compliance with Environmental Laws; Environmental Reports. (a) Except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, comply, and cause all lessees and other persons occupying Real Property owned, operated or leased by any Company to comply, in all material respects, with all Environmental Laws and Environmental Permits applicable to its operations and the Real Property; obtain and maintain in full force and effect all material Environmental Permits applicable to its operations and the Real Property; and conduct all Responses required by any Governmental Authority or under any applicable Environmental Laws, and in accordance with, the requirements of any Governmental Authority and applicable Environmental Laws.

(b) Do or cause to be done all things necessary to prevent any Release of Hazardous Materials in, on, under, to or from any Real Property owned, leased or operated by any of the Companies or their predecessors in interest except in full compliance with applicable Environmental Laws or an Environmental Permit, and ensure that there shall be no Hazardous Materials in, on, under or from any Real Property owned, leased or operated by any of the Companies except those that are used, stored, handled and managed in full compliance with applicable Environmental Laws.

(c) Undertake all actions, including response actions, necessary, at the sole cost and expense of Borrower, (i) to address any Release of Hazardous Materials at, from or onto any Real Property owned, leased or operated by any of the Companies or their predecessors in interest as required pursuant to Environmental Law or the requirements of any Governmental Authority; (ii) to address any environmental conditions relating to any Company, any Company's business or to any Real Property, owned, leased or operated by any of the Companies or their predecessors in interest pursuant to any reasonable written request of the Administrative Agent and share with the Administrative Agent all data, information and reports generated or prepared in connection therewith; (iii) to keep any Real Property owned, leased or operated by any of the Companies free and clear of all Liens and other encumbrances pursuant to any Environmental Law, whether due to any act or omission of any Company or any other person; and (iv) to promptly notify the Administrative Agent in writing of: (1) any Release or threatened Release of Hazardous Materials in, on, under, at, from or migrating to any Real Property owned, leased or operated by any of the Companies, except those that are pursuant to and in compliance with the terms and conditions of an Environmental Permit, (2) any non-compliance with, or violation of, any Environmental Law applicable to any Company, any Company's business and any Real Property owned, leased or operated by any of the Companies to the extent that any such noncompliance or violation, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, (3) any Lien pursuant to Environmental Law imposed on any Real Property owned, leased or operated by any of the Companies, (4) any investigation or remediation of any Real Property owned, leased or operated by any of the Companies required to be undertaken pursuant to Environmental Law, and (5) any notice or other communication received by any Company from any person or Governmental Authority relating to any Environmental Claim or liability or potential liability of any Company pursuant to any Environmental Law.

(d) Except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, diligently pursue and use commercially reasonable best efforts to cause any person with an indemnity, contribution or other obligation to any of the Companies relating to compliance with or liability under Environmental Law to satisfy such obligations in full and in a timely manner. To

the extent that such person has not fully satisfied or is not diligently undertaking the necessary actions to achieve satisfaction of such obligations, the Companies shall promptly undertake all action necessary to achieve full and timely satisfaction of such obligations.

Section 5.10 Health Care Matters. (a) Compliance with Law and Other Obligations. Without limiting or being limited by any other provision of any Loan Document: each Company shall (i) comply in all material respects with all Legal Requirements, including all Health Care Laws; (ii) maintain and comply in all material respects with all Company Health Care Permits, Company Accreditations and Company Reimbursement Approvals; (iii) timely file, or cause to be filed, all Company Regulatory Filings in accordance with all Legal Requirements; (iv) timely pay all amounts, Taxes, fees and assessments, if any, due and payable in connection with Company Regulatory Filings, except where the failure to make such filings or payments on a timely basis, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and (v) timely submit and implement all corrective action plans required to be prepared and submitted in response to any Health Care Audits, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Notices. If any Default has occurred and is then continuing, if requested by the Administrative Agent, furnish to the Administrative Agent, to the maximum extent permitted by applicable Legal Requirements, (i) copies of all Company Regulatory Filings; (ii) copies of all Company Permits, Company Accreditations and Company Reimbursement Approvals, as the same may be renewed or amended; (iii) copies of all Health Care Surveys or Health Care Audits and correspondence related thereto and corrective action plans prepared and submitted in response thereto; and (iv) a report of the status of all recoupments, holdbacks, offsets, vendor holds, denials and appeals of amounts owed pursuant to any Company Reimbursement Approvals, in each case outside the ordinary course of business (and ordinary course of business shall be deemed to exclude recoupments, holdbacks, offsets, denials and vendor holds resulting from, related to or arising out of allegations of fraud or patterns of practices of contracting, billing or claims submission inconsistent with Legal Requirements), all subject to any limitations on disclosure included in applicable law.

Section 5.11 Additional Collateral; Additional Guarantors. (a) Subject to this Section 5.11, with respect to any property acquired after the Closing Date by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject (but, in any event, excluding any Equity Interest of a Foreign Subsidiary not required to be pledged pursuant to the last sentence of Section 5.11(b)), promptly (and in any event within 30 days after the acquisition thereof) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, (ii) to the extent requested by the Administrative Agent or the Collateral Agent, deliver opinions of counsel to Borrower in form and substance, and from counsel, reasonably acceptable to the Administrative Agent, and (iii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Documents in accordance with all applicable Legal Requirements, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent. Borrower shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall require to confirm the validity, perfection and priority of the Lien of the Security Documents against such after-acquired properties.

(b) With respect to any person that is or becomes (A) a guarantor of (or otherwise provides, direct or indirect, credit support in respect of) the payment and/or performance of all or any portion of the obligations under or in respect of any or all the Senior Note Documents (a "**Note**

Guarantor") or (B) a Restricted Subsidiary of a Loan Party after the Closing Date, (y) on the Closing Date or, as applicable, within 3 Business Days after such person becomes a Note Guarantor or (z) on the Closing Date or, as applicable, within 30 days after such person becomes a Restricted Subsidiary, to (i) deliver to the Collateral Agent (or its designated bailee or agent) the certificates, if any, representing all of the Equity Interests of such Restricted Subsidiary, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Loan Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party and (ii) if subsequent to the Closing Date, cause such new Restricted Subsidiary (A) to execute a Joinder Agreement to become a Subsidiary Guarantor and a Pledgor or, in the case of a Foreign Subsidiary, execute a security document compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Administrative Agent, and (B) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with all applicable Legal Requirements, including the filing of financing statements (or equivalent restrictions) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent. Notwithstanding the foregoing, (i) no Foreign Subsidiary shall be required to take the actions specified herein if doing so would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would or could reasonably be expected to trigger a material increase in the net income of a United States shareholder of such Subsidiary pursuant to Section 951 (or a successor provision) of the Code, as reasonably determined by Borrower and (ii) no Loan Party shall be required to deliver any Equity Interests in any Foreign Subsidiary under clause (i) of the preceding sentence, except for (A) Voting Stock of any Subsidiary which is a first-tier controlled foreign corporation (as defined in Section 957(a) of the Code) representing no more than 66% of the total voting power of all outstanding Voting Stock of such Subsidiary and (B) 100% of the Equity Interests not constituting Voting Stock of any such Subsidiary. Any such Equity Interests constituting "stock entitled to vote" within the meaning of Treasury Regulation Section 1.956-2(c)(2) shall be treated as Voting Stock for purposes of this Section 5.11(b).

(c) With respect to any person that is or becomes a Restricted Subsidiary of a Loan Party after the Closing Date, promptly (and in any event within 30 days after such person becomes a Subsidiary) execute and deliver to the Collateral Agent (or its designated bailee or agent) (i) a counterpart to the Intercompany Note, (ii) a Joinder Agreement (as defined in the Collateral Management Agreement) to the Collateral Management Agreement and (iii) if such Subsidiary is a Loan Party, an endorsement to the Intercompany Note (undated and endorsed in blank) in the form attached thereto, endorsed by such Subsidiary.

(d) Promptly grant to the Collateral Agent (and in any event within 45 days of the acquisition thereof) a security interest in and Mortgage on each Real Property owned in fee by such Loan Party as is acquired by such Loan Party after the Closing Date and that, together with any improvements thereon, individually has a Fair Market Value of at least $2,500,000, as additional security for the Obligations (unless the subject property is already mortgaged to a third party to the extent permitted by Section 6.02). Such Mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and the Collateral Agent and shall constitute valid and enforceable perfected first priority Liens subject only to Permitted Liens. Such Loan Party shall promptly deliver to the Collateral Agent (and in any event within 30 days) a Landlord Access Agreement or Bailee Letter, as applicable, with respect to each leased Real Property constituting a Key Location (unless the applicable Loan Party shall have used all commercially reasonable efforts to obtain, but failed to obtain, such Landlord Access Agreements or Bailee Letter, as applicable). The Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by applicable

Legal Requirements to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent required to be granted pursuant to the Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full. Such Loan Party shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall require to confirm the validity, enforceability, perfection and priority of the Lien of any existing Mortgage or new Mortgage against such after-acquired Real Property (including a Title Policy, a Survey and local counsel opinion (in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent) in respect of such Mortgage) and shall take such actions relating to insurance with respect to such after-acquired Real Property and execute and/or delivery to the Collateral Agent such insurance certificates and other documentation (including with respect to title and flood insurance), in each case in form and substance reasonably satisfactory to the Administrative Agent and Collateral Agent, as the Collateral Agent shall reasonably request.

Section 5.12 Security Interests; Further Assurances. (a) Promptly, upon the reasonable request of the Administrative Agent, the Collateral Agent or any Lender, at Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary or desirable for the continued validity, enforceability, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or obtain any consents or waivers as may be necessary or appropriate in connection therewith.

(b) Deliver or cause to be delivered to the Administrative Agent and the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and Orders in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent as the Administrative Agent and the Collateral Agent shall reasonably deem necessary or advisable to perfect or maintain the validity, enforceability, perfection and priority of the Liens on the Collateral pursuant to the Security Documents.

(c) Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Loan Document which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may require.

(d) If the Administrative Agent, the Collateral Agent or the Required Lenders determine that they are required by any Legal Requirements to have appraisals prepared in respect of the Real Property of any Loan Party constituting Collateral, Borrower shall provide to the Administrative Agent appraisals that satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA and are otherwise in form and substance satisfactory to the Administrative Agent and the Collateral Agent.

(e) In furtherance of the foregoing in this Section 5.12 and Section 5.11, to the maximum extent permitted by applicable Legal Requirements, each Loan Party (A) authorizes each of the Collateral Agent and/or the Administrative Agent to execute any such documentation, consents, authorizations, approvals, Orders, applications, certifications, instruments and other documents and papers in such Loan Party's name and to file such agreements, instruments or other documents in any appropriate filing office, (B) authorizes each of the Collateral Agent and/or the Administrative Agent to file any financing statement (and/or equivalent foreign registration) required hereunder or under any other Loan Document, and any continuation statement or amendment (and/or equivalent foreign registration)

with respect thereto, in any appropriate filing office without the signature of such Loan Party, and (C) ratifies the filing of any financing statement (and/or equivalent foreign registration), and any continuation statement or amendment with respect thereto (and/or equivalent foreign registration), filed without the signature of such Loan Party prior to the date hereof.

Section 5.13 Information Regarding Collateral. (a) Not effect any change, (i) in any Loan Party's legal name, (ii) in the location of any Loan Party's chief executive office, (iii) in any Loan Party's organizational structure, (iv) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number, if any (except as may be required by applicable Legal Requirements, in which case, Borrower shall promptly notify the Administrative Agent of such change), or (v) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Collateral Agent and the Administrative Agent not less than 30 days' prior written notice (in the form of an Officers' Certificate) of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent or the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the validity, enforceability, perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Loan Party shall promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence. Each Loan Party shall promptly notify the Collateral Agent of any change in the location of any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral is located (including the establishment of any such new office or facility), other than changes in location to a Mortgaged Property or a leased property subject to a Landlord Access Agreement.

(b) Concurrently with the delivery of financial statements pursuant to Section 5.01(a), deliver to the Administrative Agent and the Collateral Agent a Perfection Certificate Supplement.

Section 5.14 Maintenance of Corporate Separateness. Satisfy in all material respects, customary corporate, limited liability company or other like formalities, including the maintenance of organizational and business records. No Company shall take any action, or conduct its affairs in a manner, that is reasonably likely to result in the organizational existence of such Company, or any other Company, being ignored.

Section 5.15 Borrowing Base Matters.

(a) Offices, Records and Books of Account. Keep each of the Loan Party's principal place of business and chief executive office and the office where it keeps its records concerning the Receivables, Inventory and the Collateral at the address set forth in Section 11.01 or, upon 30 days' prior notice to the Collateral Manager (with a copy to the Administrative Agent), at any other locations in jurisdictions where all actions reasonably requested by the Collateral Manager or otherwise necessary to protect, perfect and maintain the Collateral Agent's interest in the Collateral (including the Receivables and Inventory) and all proceeds thereof have been taken and completed. Each of the Loan Parties shall keep its books and accounts in accordance with GAAP and shall not make any notation on its books and records, including any computer files, that is inconsistent with the collateral assignment of the Receivables and Inventory to the Collateral Agent. The Loan Parties shall maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables, Inventory and related contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for collecting all Receivables and Inventory (including, without limitation, records adequate to permit the daily identification of each Receivable and element of Inventory and all Collections of and

adjustments to each existing Receivable and element of Inventory) and for providing the Receivable Information.

(b) Performance and Compliance With Contracts and Credit and Collection Policy. Timely and fully perform and comply, at each of the Loan Party's expense, with all material provisions, covenants and other promises required to be observed by it under the contracts and other documents related to the Receivables, Inventory and other Collateral, and timely and fully comply in all material respects with the Credit and Collection Policy in regard to each Receivables, Inventory and the related contract, and it shall maintain, at its expense, in full operation each of the Lockbox Accounts and Lockboxes. In addition, each of the Loan Parties shall do nothing, nor suffer or permit any other person, to impede or interfere with the collection by the Collateral Agent or the Collateral Manager of the Receivables and Inventory.

(c) Extension or Amendment of Receivables. Not amend, waive or otherwise permit or agree to any material deviation from the terms or conditions of any Receivable except in accordance with the Credit and Collection Policy.

(d) Change in Business or Credit and Collection Policy. Not make any change in the Credit and Collection Policy or make any change in the character of its business that, in either event, could reasonably be expected to result in a Material Adverse Effect, and it will not make any other material changes in the Credit and Collection Policy without the prior written consent of the Collateral Manager; *provided*, *however*, that if an Event of Default has occurred and is continuing, it will not make any material change in the Credit and Collection Policy.

(e) Audits and Visits. Each Loan Party will, at any time and from time to time during regular business hours as requested by the Collateral Manager, permit the Collateral Manager, or its agents or representatives, upon reasonable notice and without interfering with the Loan Party's businesses or operations and subject to compliance with applicable law in the case of review of plan participant/patient/customer information, or its agents or representatives, (i) on a confidential basis, to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in its possession or under its control relating to Receivables and Inventory including, without limitation, the related contracts, and (ii) to visit its offices and properties for the purpose of examining and auditing such materials described in clause (i) above, and to discuss matters relating to Receivables and Inventory or its performance hereunder or under the contracts with any of its officers or employees having knowledge of such matters. Each Loan Party shall permit the Collateral Manager to have at least one agent or representative physically present in its administrative office during normal business hours to assist it in performing its obligations under the Collateral Management Agreement, including its obligations with respect to the collection of Receivables and Inventory pursuant to the Collateral Management Agreement. Notwithstanding the foregoing, and provided that no Default or Event of Default shall have occurred and be continuing, all visits and examinations shall be scheduled at times mutually convenient to the Collateral Manager and the applicable Loan Party.

(f) Change in Payment Instructions. None of the Loan Parties will terminate any Lockbox or any Lockbox Account, or make any change or replacement in the instructions contained in any invoice, Notice to Obligors or otherwise, or regarding payments with respect to Receivables to be made to the Lockboxes or the Lockbox Accounts except upon the prior and express written consent of the Collateral Manager.

(g) Borrowing Base Additional Information. Each Loan Party will provide or make available to the Collateral Manager (in multiple copies, if requested by the Collateral Manager) (with a copy to the Administrative Agent) the following:

(i) promptly (and in no event later than five Business Days following actual knowledge or receipt thereof) notice (in reasonable detail), of (x) any Lien asserted or claim made against a Receivable, (y) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the value of a Receivable or Inventory or on the Lien of the Collateral Agent in a Receivable or Inventory, or (z) the results of any material cost report, investigation or similar audit being conducted by any federal, state or county Governmental Entity or its agents or designees;

(ii) on the 15th of each month, a Borrowing Base Certificate calculated as of the last day of the immediately prior calendar month, based on, with respect to Eligible Inventory, the month-end perpetual Inventory reports; and

(iii) such other information respecting the Receivables, Inventory or the other Collateral as the Collateral Manager may from time to time reasonably request.

(h) Notice of Proceedings; Overpayments. The Borrower shall promptly notify (in reasonable detail) the Collateral Manager (with a copy to the Administrative Agent) (and modify the next Borrowing Base Certificate to be delivered hereunder) in the event of any action, suit, proceeding, dispute, set-off, deduction, defense or counterclaim involving in excess of $100,000 that is or has been threatened to be asserted by any Obligor with respect to any Receivable or element of Inventory. Each Loan Party shall make any and all payments to the Obligors necessary to prevent the Obligors from offsetting any earlier overpayment to any member of the Borrower Group against any amounts the Obligors owe on any Receivables.

(i) No "Instruments". No Loan Party shall take any action which would allow, result in or cause any Receivable to be evidenced by an "instrument" within the meaning of the UCC of the applicable jurisdiction.

(j) Implementation of New Invoices. Each Loan Party shall take all reasonable steps to ensure that all invoices rendered or dispatched on or after the Closing Date contain only the remittance instructions required under Article II of the Collateral Management Agreement.

Section 5.16 Post-Closing Matters. Execute and deliver the documents and complete the tasks set forth on Schedule 5.16, in each case within the time limits specified therein. All conditions precedent and representations and warranties contained in this Agreement and the other Loan Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described above within the time periods required above and in Schedule 5.16, rather than as elsewhere provided in the Loan Documents), provided that (x) to the extent any representation and warranty would not be true because the foregoing actions were not taken on the Closing Date, the respective representation and warranty shall be required to be true and correct in all material respects at the time the respective action is taken (or was required to be taken) in accordance with the foregoing provisions of this Section 5.16 (and Schedule 5.16) and (y) all representations and warranties relating to the Security Documents shall be required to be true immediately after the actions required to be taken by Section 5.16 (and Schedule 5.16) have been taken (or were required to be taken). The acceptance of the benefits of each Credit Extension shall constitute a representation, warranty and covenant by the Borrower to each of the Lenders that the actions required pursuant to this Section 5.16 (and Schedule 5.16) will be, or have been, taken within the relevant time periods referred to in this Section 5.16 (and Schedule 5.16) and that, at such time, all representations and warranties contained in this Agreement and the other Loan Documents shall then be true and correct without any modification pursuant to this Section 5.16 (and Schedule 5.16), and the parties hereto acknowledge and agree that the failure to take any of the

actions required above, within the relevant time periods required above, shall give rise to an immediate Event of Default pursuant to this Agreement.

Section 5.17 Maintenance of Ratings. Cause the Loans and Borrower's corporate credit to continue to be rated by Standard & Poor's Ratings Group and Moody's Investors Service Inc.

Section 5.18 Designation as Senior Debt. Designate all Obligations as "Senior Indebtedness" (or equivalent term) under, and defined in, all Senior Notes and in any other public senior indebtedness and all supplemental indentures thereto.

ARTICLE VI
NEGATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with the Administrative Agent, the Collateral Agent, the Issuing Bank and each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest and premium (if any) on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, no Loan Party will, nor will they cause or permit any Restricted Subsidiaries to:

Section 6.01 Indebtedness. Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except:

(a) Indebtedness incurred under this Agreement and the other Loan Documents;

(b) Indebtedness outstanding on the Closing Date and listed on Schedule 6.01(b);

(c) Indebtedness under Hedging Obligations that are designed to protect against fluctuations in interest rates entered into in the ordinary course of business and not for speculative purposes; *provided* that if such Hedging Obligations relate to interest rates, (i) such Hedging Obligations relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Obligations at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Obligations relate;

(d) Indebtedness resulting from Investments, including loans or advances permitted by Section 6.04;

(e) Indebtedness of Borrower and its Restricted Subsidiaries in respect of (i) Capital Lease Obligations under the Cisco Capital Lease and (ii) Purchase Money Obligations and Capital Lease Obligations (excluding the Cisco Capital Lease) in an aggregate amount not to exceed $5,000,000 at any time outstanding;

(f) Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances and bid, performance or surety bonds issued for the account of any Company in the ordinary course of business, including guarantees or obligations of any Company with respect to letters of credit supporting such workers' compensation claims, self-insurance obligations, bankers' acceptances and bid, performance or surety obligations (in each case other than for an obligation for money borrowed), in an aggregate amount not to exceed $1,000,000 at any time outstanding;

(g) Contingent Obligations of any Company in respect of Indebtedness otherwise permitted under this Section 6.01 (other than under Section 6.01(n));

(h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of incurrence;

(i) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(j) (x) Indebtedness of all Companies in an aggregate principal amount not to exceed $4,000,000 at any time outstanding, and (y) Subordinated Indebtedness of the Companies in an aggregate principal amount not to exceed $10,000,000 at any time outstanding;

(k) Indebtedness which represents a refinancing or renewal of any of the Indebtedness described in clauses (b), (c) and (e); *provided* that (A) any such refinancing Indebtedness is in an aggregate principal amount (or aggregate amount, as applicable) not greater than the aggregate principal amount (or aggregate amount, as applicable) of the Indebtedness being renewed or refinanced, *plus* the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith, (B) such refinancing Indebtedness has a later or equal final maturity and longer or equal weighted average life to maturity than the Indebtedness being renewed or refinanced, (C) the covenants, events of default, subordination (including lien subordination) and other terms, conditions and provisions thereof (including any guarantees thereof or security documents in respect thereof) shall be, in the aggregate, no less favorable to the Administrative Agent, the Collateral Agent and the Lenders than those contained in the Indebtedness being renewed or refinanced and (D) no Default or Event of Default has occurred or is continuing or would result therefrom;

(l) unsecured Indebtedness under the Senior Note Documents (including any notes and guarantees issued in exchange therefor in accordance with the registration rights agreement entered into in connection with the issuance of the Senior Notes and Senior Note Guarantees) in an aggregate principal amount not to exceed $225,000,000 at any time outstanding);

(m) unsecured Indebtedness arising from agreements of Borrower or a Restricted Subsidiary providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with any Permitted Acquisition, any Debt Issuance or Asset Sale otherwise permitted under this Agreement not to exceed $5,000,000 in the aggregate at any time outstanding; and

(n) Indebtedness of Borrower or a Restricted Subsidiary in connection with the acquisition of assets or a new Restricted Subsidiary; provided that such Indebtedness was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by Borrower or one of its Restricted Subsidiaries and was not incurred in connection with, or in contemplation of, such acquisition by Borrower or one of its Restricted Subsidiaries; provided further that the aggregate amount of such Indebtedness, together with any other outstanding Indebtedness incurred pursuant to this clause (n) does not exceed $5,000,000 at any time outstanding.

Section 6.02 Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the "**Permitted Liens**"):

(a) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for taxes, assessments or governmental charges or levies, which (i) are being contested in good faith by appropriate proceedings for which adequate reserves have been

established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(b) Liens in respect of property of any Company imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, and (i) which do not in the aggregate materially detract from the value of the property of the Companies, taken as a whole, or the Loan Parties, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Companies, taken as a whole, or the Loan Parties, taken as a whole, and (ii) which, if they secure obligations that are then due and unpaid, are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(c) any Lien in existence on the Closing Date and set forth on Schedule 6.02(c) and any Lien granted as a replacement or substitute therefor; *provided* that any such replacement or substitute Lien (i) except as permitted by clause (A) of the proviso to Section 6.01(k), does not secure an aggregate amount of Indebtedness or other obligations, if any, greater than that secured on the Closing Date and (ii) does not encumber any property other than the property subject thereto on the Closing Date (any such Lien, an "**Existing Lien**");

(d) easements, rights-of-way, restrictions (including zoning restrictions), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any Real Property, in each case whether now or hereafter in existence, not (i) securing Indebtedness, (ii) individually or in the aggregate materially impairing the value or marketability of such Real Property or (iii) individually or in the aggregate materially interfering with the ordinary conduct of the business of the Companies at such Real Property;

(e) Liens arising out of judgments, attachments or awards not resulting in a Default and in respect of which such Company shall in good faith be prosecuting an appeal or proceedings for review in respect of which there shall be secured a subsisting stay of execution pending such appeal or proceedings;

(f) Liens (other than any Lien imposed by ERISA) (x) imposed by law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of Indebtedness) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; *provided* that (i) with respect to clauses (x), (y) and (z) of this paragraph (f), such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, which proceedings or Orders entered in connection with such proceedings have the effect of preventing the forfeiture or sale of the property subject to any such Lien, and (ii) to the extent such Liens are not imposed by Legal Requirements, such Liens shall in no event encumber any property other than cash and Cash Equivalents;

(g) Leases of the properties of any Company, and the rights of ordinary-course lessees described in Section 9-321 of the UCC, in each case entered into in the ordinary course of such Company's business so long as such Leases and rights do not, individually or in the aggregate, (i) interfere in any material respect with the ordinary conduct of the business of any Company or (ii) materially impair the use (for its intended purposes) or the value of the property subject thereto;

(h) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business in accordance with the past practices of such Company;

(i) Liens securing Indebtedness incurred pursuant to Section 6.01(e), *provided* that (i) any such Liens attach only to the property (including proceeds thereof) being financed pursuant to such Indebtedness and (ii) do not encumber any other property of any Company;

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; *provided* that, unless such Liens are non-consensual and arise by operation of applicable Legal Requirements, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(k) Liens on property of a person existing at the time such person is acquired or merged with or into or consolidated with any Company to the extent permitted hereunder; *provided* that such Liens (i) do not extend to property not subject to such Liens at the time of such acquisition, merger or consolidation (other than proceeds thereof and improvements thereon), (ii) are no more favorable to the lienholders than such existing Liens and (iii) are not created in anticipation or contemplation of such acquisition, merger or consolidation;

(l) Liens granted pursuant to the Security Documents to secure the Obligations;

(m) licenses of Intellectual Property granted by any Company in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Companies;

(n) the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignment of goods;

(o) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC covering only the items being collected upon;

(p) Liens granted by a Company in favor of a Loan Party in respect of Indebtedness owed by such Company to such Loan Party; *provided* that such Indebtedness is evidenced by the Intercompany Note; and

(q) the ABDC Lien (only to the extent subject to the ABDC Intercreditor Agreement) and (y) a Lien of a supplier to Borrower or a Restricted Subsidiary on Inventory (to the extent supplied by such supplier) and related Accounts and the products and proceeds thereof, only to the extent that such supplier has entered into an intercreditor agreement with the Collateral Agent (for the benefit of the Secured Parties) and the Loan Parties in the form of the Supplier Intercreditor Agreement (with such

amendments, supplements and/or modifications thereto as may be reasonably acceptable to the Administrative Agent).

Section 6.03 Sale and Leaseback Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a "**Sale and Leaseback Transaction**").

Section 6.04 Investments, Loans and Advances. Directly or indirectly, lend money or credit (by way of guarantee, assumption of debt or otherwise) or make advances to any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other interest in, or make any capital contribution to, any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract (all of the foregoing, collectively, "**Investments**"), except that the following shall be permitted:

(a) the Companies may consummate the Transactions in accordance with the provisions of the Transaction Documents;

(b) Investments outstanding on the Closing Date and identified on Schedule 6.04(b);

(c) the Companies may (i) acquire, hold and dispose of accounts receivable owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Hedging Obligations permitted pursuant to Section 6.01(c);

(e) loans and advances to directors, employees and officers of Borrower and the Restricted Subsidiaries for *bona fide* business purposes, in aggregate amount not to exceed $1,000,000 at any time outstanding; *provided* that no loans in violation of the Sarbanes-Oxley Act (including Section 402 thereof) shall be permitted hereunder;

(f) Investments (i) by Borrower in any Subsidiary Guarantor, including any entity that becomes a Subsidiary Guarantor in a Permitted Acquisition, (ii) by any Company in Borrower or any Subsidiary Guarantor and (iii) by a Subsidiary of Borrower that is not a Subsidiary Guarantor in any other Subsidiary of Borrower that is not a Subsidiary Guarantor; *provided* that any Investment in the form of a loan or advance shall be evidenced by the Intercompany Note;

(g) Investments in securities of trade creditors or customers in the ordinary course of business and consistent with such Company's past practices that are received in settlement of *bona fide* disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(h) mergers, consolidations and other transactions in compliance with Section 6.05;

(i) Investments made by Borrower or any Restricted Subsidiary as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06;

(j) Acquisitions of property in compliance with Section 6.07;

(k) Dividends in compliance with Section 6.08;

(l) Investments of any person that becomes a Restricted Subsidiary on or after the date hereof in an aggregate amount not to exceed $5,000,000 on the date such person becomes a Restricted Subsidiary; *provided* that (i) such Investments exist at the time such person is acquired, (ii) such Investments are not made in anticipation or contemplation of such person becoming a Restricted Subsidiary, and (iii) such Investments are not directly or indirectly recourse to any of the Companies or any of their respective assets, other than to the person that becomes a Restricted Subsidiary;

(m) Guarantees by Borrower or any Restricted Subsidiary of Indebtedness of Borrower or a Restricted Subsidiary of Indebtedness otherwise permitted under Section 6.01 (other than under Section 6.01(n)); and

(n) Investments made by Borrower or any Restricted Subsidiary in any Permitted Joint Venture on or after the date hereof in an aggregate amount not to exceed $500,000 (for each such Investment and related series of Investments) and $5,000,000 in the aggregate; and

(o) other Investments in an aggregate amount not to exceed $10,000,000 on the date such Investments are made.

Section 6.05 Mergers and Consolidations. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

(a) the Transactions as contemplated by the Transaction Documents;

(b) dispositions of property in compliance with Section 6.06;

(c) any solvent Company (other than Borrower) may merge or consolidate with or into Borrower or any Subsidiary Guarantor (as long as Borrower or a Subsidiary Guarantor is the surviving person in such merger or consolidation and, in the case of any Subsidiary Guarantor, remains a Restricted Subsidiary); *provided* that the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Sections 5.11 and 5.12, as applicable;

(d) any Restricted Subsidiary may dissolve, liquidate or wind up its affairs at any time if such dissolution, liquidation or winding up is not disadvantageous to any Agent or Lender in any material respect; and

(e) Los Feliz Drugs, Inc. may dissolve or merge into or consolidate with another Restricted Subsidiary.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, such Collateral (unless sold to a Company or any Affiliate thereof) shall be sold free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have previously provided to the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request in order to demonstrate compliance with this

Section 6.05, the Collateral Agent shall take all actions it deems appropriate in order to effect the foregoing.

Section 6.06 Asset Sales. Effect any disposition of any property, or agree to effect any of the foregoing, except that the following shall be permitted:

(a) dispositions of worn out, obsolete or surplus property by Borrower or any of its Restricted Subsidiaries in the ordinary course of business and the abandonment or other disposition of Intellectual Property that is, in the reasonable good faith judgment of Borrower or such Restricted Subsidiary, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole;

(b) other dispositions of property; *provided* that (i) the aggregate consideration received in respect of all dispositions of property pursuant to this clause (b) shall not exceed $1,000,000 in any four consecutive fiscal quarters of Borrower, but, in any event, shall not exceed $500,000 with respect to any single disposition of property, (ii) such dispositions of property are made for Fair Market Value, and (iii) at least 80% of the consideration payable in respect of such disposition of property is in the form of cash or Cash Equivalents (and for purposes of making the foregoing determination, each of the following shall be deemed "cash": (1) any liabilities, as shown on the then most recent balance sheet of Borrower or any Restricted Subsidiary (other than contingent liabilities, liabilities that are by their terms subordinated to the Obligations or impaired liabilities) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases Borrower and Restricted Subsidiaries from all liability thereunder or with respect thereto; and (2) any securities, notes or other obligations received by Borrower or such Restricted Subsidiary from the transferee that are converted to cash within thirty (30) days after receipt, to the extent of the cash received in that conversion);

(c) leases, subleases, licenses or sublicenses of real or personal property (including intellectual property or other general intangibles) to third parties in the ordinary course of business and in accordance with the applicable Security Documents;

(d) the Transactions as contemplated by the Transaction Documents;

(e) Permitted Liens in compliance with Section 6.02;

(f) Investments in compliance with Section 6.04;

(g) dispositions related to mergers, consolidations and other transactions in compliance with Section 6.05;

(h) Dividends in compliance with Section 6.08;

(i) sales of inventory or rental equipment fixed assets in the ordinary course of business and dispositions of cash and Cash Equivalents in the ordinary course of business; and

(j) any disposition of property that constitutes a Casualty Event.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.06, with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.06, such Collateral (unless sold to a Company or any Affiliate thereof) shall be sold free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have previously provided to the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent

and/or the Administrative Agent shall reasonably request in order to demonstrate compliance with this Section 6.06, the Collateral Agent shall take all actions it deems appropriate in order to effect the foregoing.

Section 6.07 Acquisitions. Purchase or otherwise acquire (in one or a series of related transactions) (i) all or any substantial part of the property (whether tangible or intangible) of any person (ii) any business unit or division of any person or (iii) in excess of 50% of the Equity Interests of such person (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

(a) Investments in compliance with Section 6.04;

(b) Capital Expenditures by Borrower and the Restricted Subsidiaries shall be permitted to the extent permitted by Section 6.10(c);

(c) purchases and other acquisitions of inventory, materials, equipment and intangible property in the ordinary course of business;

(d) leases or licenses of real or personal property in the ordinary course of business and in accordance with the applicable Security Documents;

(e) the Acquisition as contemplated by the Acquisition Documents;

(f) Permitted Acquisitions;

(g) mergers, consolidations and other transactions in compliance with Section 6.05; and

(h) Dividends in compliance with Section 6.08;

provided that the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable.

Section 6.08 Dividends. Authorize, declare or pay, directly or indirectly, any Dividends with respect to any Company, except for the following:

(a) Dividends by any Company that is a Restricted Subsidiary of Borrower to Borrower or any Subsidiary Guarantor;

(b) Dividends made solely in Equity Interests (other than Disqualified Capital Stock); *provided*, that no Default or Event of Default has occurred and is continuing prior to, or will occur immediately after, such Dividend;

(c) Dividends to the extent constituting the non-cash repurchase of Equity Interests of Borrower deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Equity Interests represent a portion of the exercise price of those securities, in each case, pursuant to Borrower's equity-based compensation or equity-based incentive plan; and

(d) Dividends made in cash in lieu of the issuance of fractional share in connection with the exercise of warrants, options or other securities convertible into, or exchangeable for, Equity Interests of Borrower, in each case, pursuant to Borrower's equity-based compensation or equity-based incentive plan not to exceed $100,000 in the aggregate for any twelve-month period.

Section 6.09 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of any Company (other than between or among Borrower and one or more Subsidiary Guarantors), other than on terms and conditions at least as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends permitted by Section 6.08;

(b) Investments, including loans and advances, permitted by Sections 6.04(e) and (f);

(c) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements, in each case approved by the Board of Directors of the applicable Company, including the employment agreements listed on Schedule 6.09(c) and the payment of salaries and other compensation thereunder;

(d) the Transactions as contemplated by the Transaction Documents;

(e) transactions between or among Borrower and its Restricted Subsidiaries to the extent permitted by Sections 6.01(b) and (g), Section 6.05 (other than pursuant to paragraph (b) thereof) and Section 6.06(g); and

(f) any other agreement or arrangement as in effect on the date of this Agreement and described on Schedule 3.09(i), and any amendment or modification thereto, and the performance of obligations thereunder, so long as such amendment or modification is not more disadvantageous to, or otherwise adverse to the interests of, the Administrative Agent and the Lenders than those in effect on the date of this Agreement.

Section 6.10 Financial Covenants.

(a) Maximum Total Leverage Ratio. Permit the Total Leverage Ratio, as of the last day of any Test Period ending on the date set forth in the table below, to exceed the ratio set forth opposite such Test Period end date in the table below:

Test Period End Date	Total Leverage Ratio
June 30, 2010	5.35 to 1.0
September 30, 2010	5.35 to 1.0
December 31, 2010	5.35 to 1.0
March 31, 2011	5.25 to 1.0
June 30, 2011	5.00 to 1.0
September 30, 2011	5.00 to 1.0
December 31, 2011	4.75 to 1.0
March 31, 2012	4.75 to 1.0
June 30, 2012	4.50 to 1.0
September 30, 2012	4.25 to 1.0

Test Period End Date	Total Leverage Ratio
December 31, 2012	4.25 to 1.0
March 31, 2013	4.00 to 1.0
June 30, 2013	4.00 to 1.0
September 30, 2013	3.75 to 1.0
December 31, 2013	3.75 to 1.0
March 31, 2014	3.50 to 1.0
June 30, 2014	3.50 to 1.0
September 30, 2014	3.50 to 1.0
December 31, 2014	3.50 to 1.0

(b) Minimum Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio, as of the last day of any Test Period ending on the date set forth in the table below, to be less than the ratio set forth opposite such Test Period end date in the table below:

Test Period End Date	Fixed Charge Coverage Ratio
June 30, 2010	1.40 to 1.0
September 30, 2010	1.40 to 1.0
December 31, 2010	1.40 to 1.0
March 31, 2011	1.40 to 1.0
June 30, 2011	1.40 to 1.0
September 30, 2011	1.40 to 1.0
December 31, 2011	1.40 to 1.0
March 31, 2012	1.40 to 1.0
June 30, 2012	1.40 to 1.0
September 30, 2012	1.40 to 1.0
December 31, 2012	1.40 to 1.0
March 31, 2013	1.40 to 1.0
June 30, 2013	1.40 to 1.0
September 30, 2013	1.40 to 1.0
December 31, 2013	1.40 to 1.0
March 31, 2014	1.50 to 1.0
June 30, 2014	1.50 to 1.0
September 30, 2014	1.50 to 1.0
December 31, 2014	1.50 to 1.0

(c) Limitation on Capital Expenditures. Permit the aggregate amount of Capital Expenditures made in any Test Period ending on the date set forth below, to exceed the amount set forth opposite such Test Period end date below:

Period	Capital Expenditure Amount
December 31, 2010	$13,000,000
December 31, 2011	$13,000,000
December 31, 2012	$13,000,000
December 31, 2013	$13,000,000
December 31, 2014	$13,000,000

provided, *however*, that (i) the Test Period ending on December 31, 2010 shall be calculated from April 1, 2010 to and including December 31, 2010, (ii) if the aggregate amount of Capital Expenditures made in any Test Period year shall be less than the maximum amount of Capital Expenditures permitted under this Section 6.10(c) for such Test Period (before giving effect to any carryover), then an amount of such shortfall not exceeding 75% of such maximum amount may be added to the amount of Capital Expenditures permitted under this Section 6.10(c) for the immediately succeeding (but not any other) fiscal year, and (iii) in determining whether any amount is available for carryover, the amount expended in any Test Period shall first be deemed to be from the amount allocated to such Test Period (before giving effect to any carryover).

Section 6.11 Prepayments of Other Indebtedness; Modifications of Organizational Documents, Acquisition and Certain Other Documents, etc.. Directly or indirectly:

(a) except as expressly permitted under Section 2.10(h) with respect to the Senior Notes, make or offer to make (or give any notice in respect thereof) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, or any prepayment, repurchase or redemption, retirement, defeasance as a result of any asset sale, change of control or similar event of, any Senior Notes or Subordinated Indebtedness; *provided* that, so long as no Default or Event of Default has occurred and is then continuing or would result therefrom, Exchange Senior Notes may be issued to the extent contemplated by the definition of Senior Notes and to the extent consistent with the definition of Exchange Senior Notes;

(b) amend, modify, supplement or waive, or permit the amendment, modification supplement or waiver of, any provision of any Transaction Document in any manner that is, or could reasonably be expected to be, adverse in any material respect to the interests of any Agent or Lender; or

(c) terminate, amend, modify (including electing to treat any Pledged Interests (as defined in the Security Agreement) as a "security" under Section 8-103 of the UCC) or change any of its Organizational Documents (including by the filing or modification of any certificate of designation) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders' agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments, modifications or changes or such new agreements which are not, and could not reasonably be expected to be, adverse in any material respect to the interests of any Agent or Lender.

Section 6.12 Limitation on Certain Restrictions on Subsidiaries. Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance, restriction or condition on the ability of any Restricted Subsidiary to (i) pay Dividends or make any other distributions on its Equity Interests or any other interest or participation in its profits owned by any Company, or pay any Indebtedness owed to any Company, (ii) make loans or advances to any Company or (iii) transfer any of its properties to any Company, except for such encumbrances, restrictions or conditions existing under or by reason of:

(a) applicable mandatory Legal Requirements;

(b) (x) this Agreement and the other Loan Documents and (y) the Senior Note Documents;

(c) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Subsidiary;

(d) customary provisions restricting assignment of any agreement entered into by a Subsidiary in the ordinary course of business;

(e) customary restrictions and conditions contained in any agreement relating to the sale of any property pending the consummation of such sale; *provided* that (i) such restrictions and conditions apply only to the property to be sold, and (ii) such sale is permitted hereunder;

(f) any agreement in effect at the time such Restricted Subsidiary becomes a Subsidiary of Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of Borrower; or

(g) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (f) above; *provided* that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

Section 6.13 Limitation on Issuance of Capital Stock. (a) With respect to Borrower, issue any Equity Interest that is Disqualified Capital Stock.

(b) With respect to any Restricted Subsidiary of Borrower, issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of any Restricted Subsidiaries or Borrower in any class of the Equity Interests of such Restricted Subsidiary; and (ii) Subsidiaries of Borrower formed or acquired after the Closing Date in accordance with Section 6.14 may issue Equity Interests to Borrower or the Wholly Owned Subsidiary that is a Restricted Subsidiary of Borrower which is to own such Equity Interests. All Equity Interests issued in accordance with this Section 6.13(b) shall, to the extent required by Section 5.11 and 5.12 or any Security Document, be delivered to the Collateral Agent for pledge pursuant to the applicable Security Document.

Section 6.14 Limitation on Creation of Subsidiaries; Designation of Unrestricted Subsidiaries. Establish, create or acquire any additional Subsidiaries without the prior written consent of the Required Lenders; *provided* that, without such consent, Borrower may (i) establish or create one or more Wholly Owned Subsidiaries, (ii) establish, create or acquire one or more Subsidiaries in connection with an Investment made pursuant to Section 6.04(f), or (iii) acquire one or more Subsidiaries in connection with a Permitted Acquisition or another Investment permitted hereunder, so long as, in each case, Section 5.11 shall be complied with; *provided, further,* that the Board of Directors of Borrower may at any time, in respect of any Subsidiary established, created or acquired subsequent to the Closing Date designate such Subsidiary as an Unrestricted Subsidiary; *provided* that (i) (A) immediately before and after such designation, no Default shall have occurred and be continuing, (B) Borrower and its Restricted Subsidiaries shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 6.10(a) and (b) immediately after giving effect to such designation and, (C) Borrower has delivered to the Administrative Agent (x) written notice of such designation and (y) a certificate, dated the effective date of such designation, of a Financial Officer stating that no Default or Event of Default has occurred and is continuing and setting forth reasonably detailed calculations demonstrating compliance on a Pro Forma Basis with the covenants set forth in Sections 6.10(a) and (b); (ii) such Subsidiary has no Indebtedness other than Non-Recourse Debt; (iii) except as otherwise expressly permitted by Section 6.09, such Subsidiary is not party to any agreement, contract, arrangement or understanding with Borrower or any Restricted Subsidiary of Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Borrower; (iv) such Subsidiary is a person

with respect to which neither Borrower nor any of its other Restricted Subsidiaries has any direct or indirect obligation (whether actual or contingent) to subscribe for additional Equity Interests therein except as expressly permitted under Section 6.08 (b) to make any additional Investment in such person except as expressly permitted pursuant to Section 6.04 or (c) to maintain or preserve such person's financial condition or to cause such person to achieve any specified levels of operating or financial results; and (v) such Subsidiary has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Borrower or any of its other Restricted Subsidiaries. In addition, (x) Borrower and its Restricted Subsidiaries shall not be permitted at any time to designate any Unrestricted Subsidiary as a Restricted Subsidiary, (y) each designation of an Unrestricted Subsidiary under the immediately proceeding proviso in this Section 6.14 shall be irrevocable, and (z) no Unrestricted Subsidiary may be merged with or into Borrower or a Restricted Subsidiary or liquidate into or transfer substantially all its assets to Borrower or a Restricted Subsidiary.

Section 6.15 Business. Engage (directly or indirectly) in any businesses other than those businesses in which Borrower and its Restricted Subsidiaries are engaged on the Closing Date (or which are ancillary thereto, reasonably related thereto or are reasonable extensions thereof or complementary thereto).

Section 6.16 Limitation on Accounting Changes. Make or permit, any change in accounting policies or reporting practices, without the consent of the Required Lenders, which consent shall not be unreasonably withheld, except changes that are required by GAAP.

Section 6.17 Fiscal Periods. Change its fiscal year-end and fiscal quarter-ends to dates other than December 31 and March 31, June 30 and September 30, respectively.

Section 6.18 No Further Negative Pledge. Enter into any agreement, instrument, deed or lease which prohibits or limits the ability of any Company to create, incur, assume or suffer to exist any Lien upon any of its properties or revenues, whether now owned or hereafter acquired, or which requires the grant of any Lien for an obligation if a Lien is granted for another obligation, except the following: (1) this Agreement and the other Loan Documents and the Senior Note Documents; (2) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby; and (3) any prohibition or limitation that (a) exists pursuant to applicable Legal Requirements, or (b) consists of customary restrictions and conditions contained in any agreement relating to the sale or other disposition of any property pending the consummation of such sale or other disposition; *provided* that (i) such restrictions apply only to such property, and (ii) such sale or other disposition is permitted hereunder, or (c) restricts subletting or assignment of any lease governing a leasehold interest of Borrower or one of its Restricted Subsidiaries.

Section 6.19 Anti-Terrorism Law; Anti-Money Laundering. (a) Directly or indirectly, (i) knowingly conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.23, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Companies' compliance with this Section 6.19).

(b) Cause or permit any of the funds of such Loan Party that are used to repay the Credit Extensions to be derived from any unlawful activity with the result that the making of the Credit Extensions would be in violation of Legal Requirements.

Section 6.20 Embargoed Person. Cause or permit (a) any of the funds or properties of the Loan Parties that are used to repay the Loans or other Credit Extensions to constitute property of, or be beneficially owned directly or indirectly by, any person subject to sanctions or trade restrictions under United States law ("**Embargoed Person**" or "**Embargoed Persons**") that is identified on (1) the "List of Specially Designated Nationals and Blocked Persons" (the "**SDN List**") maintained by OFAC and/or on any other similar list ("**Other List**") maintained by OFAC pursuant to any authorizing statute including the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*., The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq*., and any Executive Order or regulation promulgated thereunder, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by applicable Legal Requirements, or the Loans or other Credit Extensions made by the Lenders and the Issuing Bank would be in violation of Legal Requirements, or (2) the Executive Order, any related enabling legislation or any other similar executive orders (collectively, "**Executive Orders**"), or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in the Loan Parties, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by applicable Legal Requirements or the Credit Extensions are in violation of applicable Legal Requirements.

Section 6.21 Health Care Matters. Without limiting or being limited by any other provision of any Loan Document, no Company shall (i) fail to maintain in effect all Company Health Care Permits, Company Accreditations and Company Reimbursement Approvals, to the extent such failure would result in a Material Adverse Effect, or (ii) engage in any activity that constitutes or, with the giving of notice, the passage of time, or both, would (a) result in a violation of any Company Health Care Permit, Company Accreditation or Company Reimbursement Approval or any Health Care Laws, unless such activity could not reasonably be expected to result in a Material Adverse Effect, or (b) cause any Company not to be in substantial compliance with any Health Care Laws.

ARTICLE VII
GUARANTEE

Section 7.01 The Guarantee. The Subsidiary Guarantors hereby, jointly and severally, guarantee, as primary obligors and not as a sureties to each Secured Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Loans made by the Lenders to, and the Notes held by each Lender of, Borrower, and all other Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "**Guaranteed Obligations**"). The Subsidiary Guarantors hereby jointly and severally agree that if Borrower or other Subsidiary Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Section 7.02 Obligations Unconditional. The obligations of the Subsidiary Guarantors under Section 7.01 shall constitute a guaranty of payment and performance and not of collection and to the fullest extent permitted by applicable Legal Requirements, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Notes, if any, or any other agreement or instrument

referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Subsidiary Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Subsidiary Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Subsidiary Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, any Secured Party as security for any of the Guaranteed Obligations shall fail to be valid, perfected or to have the priority required under the Loan Documents; or

(v) the release of any other Subsidiary Guarantor pursuant to Section 7.09.

The Subsidiary Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against Borrower or any Subsidiary Guarantor under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Subsidiary Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment and performance without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by the Secured Parties, and the obligations and liabilities of the Subsidiary Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Subsidiary Guarantors and their respective successors and assigns, and shall inure to the benefit of the Secured Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 7.03 Reinstatement. The obligations of the Subsidiary Guarantors under this Article VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

Section 7.04 Subrogation; Subordination. Each Subsidiary Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against Borrower or any other Subsidiary Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Loan Party permitted pursuant to Section 6.04(f) shall be subordinated to such Loan Party's Obligations in the manner set forth in the Intercompany Note evidencing such Indebtedness.

Section 7.05 Remedies. The Subsidiary Guarantors jointly and severally agree that, as between the Subsidiary Guarantors and the Lenders, the obligations of Borrower under this Agreement and other Loan Documents may be declared to be forthwith due and payable as provided in Article VIII (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrower (but not such Subsidiary Guarantor) and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Borrower) shall forthwith become due and payable by the Subsidiary Guarantors for purposes of Section 7.01.

Section 7.06 Instrument for the Payment of Money. Each Subsidiary Guarantor hereby acknowledges that the guarantee in this Article VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Subsidiary Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

Section 7.07 Continuing Guarantee. The guarantee in this Article VII is a continuing guarantee of payment and performance, and shall apply to all Guaranteed Obligations whenever arising.

Section 7.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Legal Requirement affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount that is valid and enforceable, not void or voidable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 7.09 Release of Guarantors. If, in compliance with the terms and provisions of the Loan Documents, (i) subsequent to the Closing Date, a Subsidiary Guarantor is designated as an Unrestricted Subsidiary by the Board of Directors of Borrower in accordance with Section 6.14, (ii) all of the Equity Interests or all or substantially all of the property of any Subsidiary Guarantor are sold or

otherwise transferred (a "**Transferred Guarantor**") to a person or persons (other than any Company or any Affiliate thereof), such Unrestricted Subsidiary shall, upon its being so designated, and such Transferred Guarantor shall, upon the consummation of such sale or transfer, be released from its obligations under this Agreement (including under Section 11.03) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and, in the case of the sale of all of the Equity Interests of the Unrestricted Subsidiary or Transferred Guarantor, the pledge of such Equity Interests to the Collateral Agent pursuant to the Security Documents shall be released, and so long as Borrower shall have previously provided the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request, the Collateral Agent shall take such actions as are necessary to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents.

Section 7.10 Right of Contribution. (a) The Loan Parties hereby agree as among themselves that, if any Loan Party shall make an Excess Payment (as defined below), such Loan Party shall have a right of contribution from each other Loan Party in an amount equal to such other Loan Party's Contribution Share (as defined below) of such Excess Payment. The payment obligations of any Loan Party under this Section 7.10 shall be subordinate and subject in right of payment to the Obligations until such time as the Obligations have been paid in full in cash and all Commitments have terminated or expired, and none of the Loan Parties shall exercise any right or remedy under this Section 7.10 against any other Loan Party until such time as all Obligations have been performed and paid in full in cash and all Commitments have been terminated. For purposes of this Section 7.10, (a) "**Excess Payment**" shall mean the amount paid by any Loan Party in excess of its Pro Rata Share of any Obligations; (b) "**Pro Rata Share**" shall mean, for any Loan Party in respect of any payment of the Obligations, the ratio (expressed as a percentage) as of the date of such payment of Obligations of (i) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Loan Party (including contingent, subordinated, un-matured, and un-liquidated liabilities, but excluding the Obligations of such Loan Party) to (ii) the amount by which the aggregate present fair salable value of its assets and other properties of all Loan Parties exceeds the amount of all of the debts and liabilities (including contingent, subordinated, un-matured, and un-liquidated liabilities, but excluding the Obligations of all Loan Parties) of the Loan Parties; and (c) "**Contribution Share**" shall mean, for any Loan Party in respect of any Excess Payment made by any other Loan Party, the ratio (expressed as a percentage) as of the date of such Excess Payment of (i) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Loan Party (including contingent, subordinated, un-matured, and un-liquidated liabilities, but excluding the Obligations of such Loan Party) to (ii) the amount by which the aggregate present fair salable value of all assets and other properties of the Loan Parties other than the maker of such Excess Payment exceeds the amount of all of the debts and liabilities (including contingent, subordinated, un-matured, and un-liquidated liabilities, but excluding the Obligations of the Loan Parties) of the Loan Parties other than the maker of such Excess Payment. Nothing in this Section 7.10 shall require any Loan Party to pay its Contribution Share of any Excess Payment in the absence of a demand therefor by the Loan Party that has made the Excess Payment. Without limiting the foregoing in any manner, it is the intent of the parties hereto that as of any date of determination, no Contribution Amount of any Loan Party shall be greater than the maximum amount of the claim which could then be recovered from such Loan Party under this Section 7.10 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(b) This Section 7.10 is intended only to define the relative rights of the Loan Parties and nothing set forth in this Section 7.10 is intended to or shall impair the obligations of the Loan Parties, jointly and severally, to pay any amounts and perform any obligations as and when the same shall become due and payable or required to be performed in accordance with the terms of this Agreement or any other

Loan Document. Nothing contained in this Section 7.10 shall limit the liability of Borrower to pay the Loans and other Credit Extensions made to Borrower and accrued interest, Fees and expenses with respect thereto for which Borrower shall be primarily liable.

(c) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Loan Parties to which such contribution and indemnification is owing.

(d) The rights of any indemnified Loan Party against the other Loan Parties under this Section 7.10 shall be exercisable upon, but shall not be exercisable prior to, the full and indefeasible payment of the Obligations and termination or expiration of the Commitments under the Loan Documents.

ARTICLE VIII
EVENTS OF DEFAULT

Section 8.01 Events of Default. Upon the occurrence and during the continuance of any of the following events (each, an "**Event of Default**"):

(a) default shall be made in the payment of any principal of any Loan or any Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof (including a Term Loan Repayment Date) or at a date fixed for mandatory prepayment thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Credit Extension or any Fee or any other amount (other than an amount referred to in paragraph (a) above) due under any Loan Document, when and as the same shall become due and payable, whether at the due date thereof (including an Interest Payment Date) or at a date fixed for prepayment (whether voluntary or mandatory) or by acceleration or demand thereof or otherwise, and such default shall continue unremedied for a period of three Business Days or a Borrowing Base Deficiency shall have occurred and be continuing for a period equal to or exceeding five Business Days;

(c) any representation or warranty made or deemed made in or in connection with any Loan Document or the Borrowings or issuances of Letters of Credit hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.01(a), 5.01(b), 5.02 (other than clause (a) thereof), 5.03(a), 5.08, 5.11 or 5.16 or in Article VI;

(e) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (a), (b) or (d) immediately above) and such default shall continue unremedied or shall not be waived for a period of 30 days (or (A) five days in the case of the Fee Letter or (B) ten days in the case of any covenant, condition or agreement contained in Section 5.01 (other than clause (a) or clause (b) thereof)) after the occurrence thereof;

(f) any Company shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due

and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf (with or without the giving of notice, the lapse of time or both) to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer to purchase by the obligor; *provided* that it shall not constitute an Event of Default pursuant to this paragraph (f) unless the aggregate amount of all such Indebtedness referred to in clauses (i) and (ii) individually exceeds $2,500,000 at any one time (*provided* that, in the case of Hedging Obligations, the notional amount thereof shall be counted for this purpose);

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Company or of a substantial part of the property of any Company, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement; (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Company or for a substantial part of the property of any Company; or (iii) the winding-up or liquidation of any Company; and such proceeding or petition shall continue undismissed for 90 days or an Order approving or ordering any of the foregoing shall be entered;

(h) any Company shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Company or for a substantial part of the property of any Company; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due; (vii) except as permitted in Section 6.05, wind up or liquidate; or (viii) take any action for the purpose of effecting any of the foregoing;

(i) one or more Orders for the payment of money in an aggregate amount in excess of $2,500,000 (to the extent not adequately covered by insurance in respect of which a solvent and unaffiliated insurance company has acknowledged coverage in writing) shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of 90 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such Order;

(j) one or more ERISA Events shall have occurred that, in the opinion of the Required Lenders, when taken together with all other such ERISA Events that have occurred, could reasonably be expected to result in liability of any Company and its ERISA Affiliates in an aggregate amount exceeding $2,500,000 or the imposition of a Lien on any properties of a Company;

(k) any security interest and Lien in any material portion of the Collateral purported to be created by any Security Document shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, the Liens, rights, powers and privileges purported to be created and granted under such Security Documents (including a valid, enforceable, perfected first priority (except as otherwise provided in this Agreement or any Security Document) security interest in and Lien on, all of the Collateral thereunder (except as otherwise expressly provided in this Agreement or such Security Document)) in favor of the Collateral Agent, or shall be asserted by or on behalf of any Company not to be, a valid, enforceable, perfected, first priority (except as otherwise expressly provided in this Agreement or

such Security Document) security interest in or Lien on the Collateral covered thereby; *provided* that it will not be an Event of Default under this paragraph (k) if the Collateral Agent shall not have or shall cease to have a valid, enforceable and perfected first priority Lien on any Collateral purported to be covered by the Security Documents, individually or in the aggregate, having a Fair Market Value of less than $2,500,000;

(l) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by or on behalf of any Loan Party or any other person, or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Company (directly or indirectly) shall repudiate or deny any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control;

(n) there shall have occurred the termination of, or the receipt by any Company of notice of the termination of, or the occurrence of any event or condition which would, with the passage of time or the giving of notice or both, constitute an event of default under or permit the termination of, any one or more Material Agreements, Company Health Care Permits, Company Accreditations or Company Reimbursement Approvals of any Company, except for terminations that could not be expected to have a Material Adverse Effect;

(o) the Acquisition shall not have occurred on the Closing Date in accordance with the terms and conditions of the Acquisition Agreement; or

(p) any Company or any of their directors or officers is criminally convicted under any law or Legal Requirement that could lead to a forfeiture of any Collateral or exclusion from participation in any federal or state health care program, including Medicare or Medicaid, and could reasonably be expected to result in a Material Adverse Effect,

then, and in every such event (other than an event with respect to Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans and Reimbursement Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans and Reimbursement Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding; and in any event with respect to Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans and Reimbursement Obligations then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding.

Section 8.02 Rescission. If at any time after termination of the Commitments or acceleration of the maturity of the Loans, the Loan Parties shall pay all arrears of interest and all payments on account of principal of the Loans and Reimbursement Obligations owing by them that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 11.02, then upon the written consent of the Required Lenders (which may be given or withheld in their sole discretion) and written notice to Borrower, the termination of the Commitments or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders, the Issuing Bank and the other Secured Parties to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit Borrower and the other Loan Parties and do not give Borrower and/or any of the Loan Parties the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

ARTICLE IX
COLLATERAL ACCOUNT; APPLICATION OF COLLATERAL PROCEEDS

Section 9.01 Collateral Account. (a) The Collateral Agent is hereby authorized to establish and maintain at its office (or, at the Collateral Agent's discretion, at the office of its designee from time to time) at 520 Madison Avenue, New York, New York 10022, in the name of the Collateral Agent and pursuant to a Control Agreement, a restricted deposit account designated "BioScrip Collateral Account" (or such other substantially similar designation as shall be determined by the Collateral Agent in its discretion from time to time). Each Loan Party shall deposit into the Collateral Account from time to time any cash that such Loan Party is required to pledge as additional collateral security hereunder pursuant to the Loan Documents.

(b) The balance from time to time in the Collateral Account shall constitute part of the Collateral and shall not constitute payment of the Obligations until applied as hereinafter provided. So long as no Event of Default has occurred and is continuing or will result therefrom, the Collateral Agent shall within two Business Days of receiving a request of the applicable Loan Party for release of cash proceeds with respect to the LC Sub-Account, remit such Net Cash Proceeds on deposit in the LC Sub-Account to or upon the order of such Loan Party (x) at such time as all Letters of Credit shall have been terminated and all of the liabilities in respect of the Letters of Credit have been paid in full or (y) otherwise in accordance with Section 2.18(i). At any time following the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Required Lenders as specified herein, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Collateral Account to the payment of the Obligations in the manner specified in Section 9.02 subject, however, in the case of amounts deposited in the LC Sub-Account, to the provisions of Section 2.18(i). The Loan Parties shall have no right to withdraw, transfer or otherwise receive any funds deposited in the Collateral Account except to the extent specifically provided herein.

(c) Amounts on deposit in the Collateral Account shall be invested and reinvested from time to time in Cash Equivalents as the applicable Loan Party (or, after the occurrence and during the continuance of an Event of Default, the Collateral Agent) shall determine by written instruction to the Collateral Agent, or if no such instructions are given, then as the Collateral Agent, in its sole discretion, shall determine, which Cash Equivalents shall be held in the name and be under the control of the Collateral Agent (or any sub-agent); *provided* that at any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Required Lenders

as specified herein, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Cash Equivalents and to apply or cause to be applied the proceeds thereof to the payment of the Obligations in the manner specified in Section 9.02 subject, however, in the case of amounts deposited in the LC Sub-Account, to the provisions of Section 2.18(i).

(d) Amounts deposited into the Collateral Account as cover for liabilities in respect of Letters of Credit under any provision of this Agreement requiring such cover shall be held by the Administrative Agent in a separate sub-account designated as the "LC Sub-Account" (the "**LC Sub-Account**") and, subject to Section 2.18(i), all amounts held in the LC Sub-Account shall constitute collateral security to be applied in accordance with Section 2.18(i).

Section 9.02 Application of Proceeds. The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, in full or in part, together with any other sums then held by the Collateral Agent pursuant to this Agreement or any other Loan Document, promptly by the Collateral Agent as follows:

(a) *First*, to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Collateral Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith and all amounts for which the Collateral Agent is entitled to indemnification pursuant to the provisions of any Loan Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including compensation to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third*, without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, pro rata, of interest and other amounts constituting Obligations (other than principal, Reimbursement Obligations and Hedging Obligations) in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(d) *Fourth*, to the indefeasible payment in full in cash, *pro rata*, of the principal amount of the Obligations (including Reimbursement Obligations);

(e) *Fifth*, to Hedging Obligations to the extent secured by Liens on the Collateral and constituting Obligations of the type described in clause (c) of the definition of Obligations; and

(f) *Sixth*, the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (f) of this Section 9.02, the Loan Parties shall remain liable, jointly and severally, for any deficiency.

ARTICLE X
THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

Section 10.01 Appointment. (a) Each Lender and the Issuing Bank hereby irrevocably designates and appoints each of the Administrative Agent and the Collateral Agent as an agent of such Lender under this Agreement and the other Loan Documents. Each Lender irrevocably authorizes each Agent, in such capacity, through its agents or employees, to take such actions on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are delegated to such Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article X are solely for the benefit of the Agents, the Lenders and the Issuing Bank, and no Loan Party shall have rights as a third party beneficiary of any such provisions.

(b) Each Lender irrevocably appoints each other Lender as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets which, in accordance with the UCC or any other applicable Legal Requirement, a security interest can be perfected by possession or control. Should any Lender (other than the Collateral Agent) obtain possession or control of any such Collateral, such Lender shall notify the Collateral Agent thereof, and, promptly following the Collateral Agent's request therefor, shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions.

Section 10.02 Agent in Its Individual Capacity. Each person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such person and its Affiliates may accept deposits from, lend money to, act as financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Company or Affiliate thereof as if it were not an Agent hereunder and without duty to account therefor to the Lenders or the Issuing Bank.

Section 10.03 Exculpatory Provisions. No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02); *provided* that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Legal Requirements, and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose or shall be liable for the failure to disclose, any information relating to any Company that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as any Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 11.02) or in the absence of its own gross negligence or willful misconduct as found by a final and nonappealable judgment of a court of competent jurisdiction. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Borrower, a Lender, or the Issuing Bank, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or

conditions set forth in any Loan Document or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties. Each party to this Agreement acknowledges and agrees that the Administrative Agent may from time to time use one or more outside service providers for the tracking of all UCC financing statements (and/or other collateral related filings and registrations from time to time) required to be filed or recorded pursuant to the Loan Documents and the notification to the Administrative Agent, of, among other things, the upcoming lapse or expiration thereof, and that each of such service providers will be deemed to be acting at the request and on behalf of Borrower and the other Loan Parties. No Agent shall be liable for any action taken or not taken by any such service provider.

Section 10.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent, or otherwise authenticated by a proper person. Each Agent also may rely upon any statement made to it orally and believed by it to be made by a proper person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, each Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless each Agent shall have received written notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other advisors selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or advisors.

Section 10.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Affiliates of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Section 10.06 Successor Agent. Each Agent may resign as such at any time upon at least 30 days' prior notice to the Lenders, the Issuing Bank and Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with Borrower, to appoint a successor Agent from among the Lenders. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Agent, which successor shall be a commercial banking institution organized under the laws of the United States (or any State thereof) or a United States branch or agency of a commercial banking institution, in each case, having combined capital and surplus of at least $500,000,000; *provided* that if such retiring Agent is unable to find a commercial banking institution that is willing to accept such appointment and which meets the qualifications set forth above, the retiring Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent.

Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring (or retired) Agent shall be discharged from its duties and obligations under the Loan Documents. The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article X, Section 11.03 and Sections 11.08 to 11.10 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Section 10.07 Non-Reliance on Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender further represents and warrants that it has reviewed the Confidential Information Memorandum and each other document made available to it on the Platform in connection with this Agreement and has acknowledged and accepted the terms and conditions applicable to the recipients thereof (including any such terms and conditions set forth, or otherwise maintained, on the Platform with respect thereto). Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Section 10.08 Name Agents. The parties hereto acknowledge that the Syndication Agent, the Co-Documentation Agents and Collateral Agent hold their titles in name only, and that their titles confer no additional rights or obligations relative to those conferred on any Lender or the Issuing Bank hereunder.

Section 10.09 Indemnification. The Lenders severally agree to indemnify each Agent in its capacity as such and each of its Related Persons (to the extent not reimbursed by Borrower or the Subsidiary Guarantors and without limiting the obligation of Borrower or the Subsidiary Guarantors to do so), ratably according to their respective outstanding Loans and Commitments in effect on the date on which indemnification is sought under this Section 10.09 (or, if indemnification is sought after the date upon which all Commitments shall have terminated and the Loans and Reimbursement Obligations shall have been paid in full, ratably in accordance with such outstanding Loans and Commitments as in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, litigations, investigations, inquiries or proceedings, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans and Reimbursement Obligations) be imposed on, incurred by or asserted against such Agent or Related Person in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein, the Transactions or any of the other transactions contemplated hereby or thereby or any action taken or omitted by such Agent or Related Person under or in connection with any of the foregoing (**IN ALL CASES, WHETHER OR NOT CAUSED OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF ANY AGENT OR RELATED PERSON)**; *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, litigations, inquiries or proceedings, costs, expenses or disbursements that are found by a final and nonappealable judgment of a court of competent jurisdiction to have directly resulted solely from such Agent's or Related Person's, as the case may be, gross negligence or willful misconduct. The agreements in this Section 10.09 shall survive the payment of the Loans and all other amounts payable hereunder.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Notices.

(a) Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile transmission, as follows:

if to any Loan Party, to Borrower at:

BioScrip, Inc.
100 Clearbrook Road
Elmsford, New York 10523
Attention: Chief Executive Officer
Facsimile No.: (914) 460-1660

and to:

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036
Attention: E. William Bates II. Esq.
Facsimile No.: (212) 556-2222

if to the Administrative Agent or the Collateral Agent, to it at:

Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: Account Officer — BioScrip
Facsimile No.: (212) 284-3444

if to the Collateral Manager, to it at:

Healthcare Finance Group, LLC
199 Water Street, 20th Floor
New York, New York 10038
Attention: Chief Credit Officer and National Portfolio Manager
Facsimile: (212) 785-8501

if to a Lender, to it at its address (or telecopy number) set forth on Annex II or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto; and

if to the Swingline Lender, to it at:

HFG Healthco-4, LLC
199 Water Street, 20th Floor
New York, New York 10038

Attention: Chief Credit Officer
Facsimile: (212) 785-8501

if to the Issuing Bank, to it at:

Healthcare Finance Group, LLC
199 Water Street, 20th Floor
New York, New York 10038
Attention: Chief Credit Officer
Facsimile: (212) 785-8501

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy or by certified or registered mail, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 11.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 11.01, and failure to deliver courtesy copies of notices and other communications shall in no event affect the validity or effectiveness of such notices and other communications.

Notices delivered through electronic communications to the extent provided in Section 11.01(b) below, shall be effective as provided in Section 11.01(b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may (subject to Section 11.01(d)) be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Article II if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent (in a manner set forth in Section 11.01(a)) that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or Borrower may, in their respective sole discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures, respectively, approved by it (including as set forth in Section 11.01(d)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (including by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, etc. Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Posting. Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial

statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at such e-mail address(es) provided to Borrower by the Administrative Agent from time to time or in such other form, including hard copy delivery thereof, as the Administrative Agent shall require. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document or in such other form, including hard copy delivery thereof, as the Administrative Agent shall require. Nothing in this Section 11.01 shall prejudice the right of the Agents, any Lender, the Issuing Bank or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document or as any such Agent shall reasonably require.

To the extent consented to by the Administrative Agent in writing from time to time, the Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents; provided that Borrower shall also deliver to the Administrative Agent an executed original of each Compliance Certificate required to be delivered hereunder.

Each Loan Party further agrees that the Administrative Agent may make the Communications available to the other Agents, the Lenders or the Issuing Bank by posting the Communications on IntraLinks, SyndTrak or a substantially similar electronic transmission system (the "**Platform**"). The Platform is provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform.

Section 11.02 Waivers; Amendment. (a) No failure or delay by any Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document (other than any Hedging Agreement) or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 11.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement,

pursuant to an agreement or agreements in writing entered into by Borrower and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the Collateral Agent (in the case of any Security Document) and the Loan Party or Loan Parties that are parties thereto, in each case with the written consent of the Required Lenders; *provided* that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal amount or premium, if any, of any Loan or LC Disbursement or reduce the rate of interest thereon (other than waiver of any increase in the rate of interest pursuant to Section 2.06(c)), or reduce any Fees payable hereunder, or change the currency of payment of any Obligation, without the written consent of each Lender directly affected thereby;

(iii) postpone or extend the maturity of any Loan, or any scheduled date of payment of or the installment otherwise due on the principal amount of any Term Loan under Section 2.09, or the required date of payment of any Reimbursement Obligation, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment (other than a waiver of any increase in the rate of interest pursuant to Section 2.06(c)), or postpone the scheduled date of expiration of any Commitment or postpone the scheduled date of expiration of any Letter of Credit beyond the Letter of Credit Expiration Date, without the written consent of each Lender directly affected thereby;

(iv) change Section 11.04(b) in a manner which further restricts assignments thereunder without the written consent of each Lender

(v) change Section 2.14(b) or (c) or Section 9.02 in a manner that would alter the order of or the *pro rata* sharing of payments or setoffs required thereby, without the written consent of each Lender;

(vi) change the percentage set forth in the definition of "Required Lenders" or any other provision of any Loan Document (including this Section 11.02) specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be);

(vii) release all or substantially all of the Subsidiary Guarantors from their Guarantees (except as expressly provided in Article VII), or limit their liability in respect of such Guarantees, without the written consent of each Lender;

(viii) except as otherwise permitted in any Security Document or by Section 6.06, release all or substantially all of the Collateral from the Liens of the Security Documents or alter the relative priorities of the Obligations entitled to the Liens of the Security Documents (except in connection with securing additional Obligations equally and ratably with the other Obligations), in each case without the written consent of each Lender;

(ix) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of

Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class;

(x) change the order of application of prepayments among Term Loans and Revolving Commitments under Section 2.10(h) or change the application of prepayments of Term Loans set forth in Section 2.10(h), in each case without the consent of the Required Lenders and Term Loan Lenders holding more than 50% of the principal amount of the outstanding Term Loans;

(xi) change the advance rates set forth in clauses (i) and (ii) of the definition of Borrowing Base or the definition of Eligibility Criteria (or the qualifications or basis for determining whether a Receivable qualifies as an Eligible Receivable or Inventory qualifies as Eligible Inventory) or the establishment or modification of any Borrowing Base Reserve (including changing or modifying the defined terms used, respectively, therein) if the effect thereof (with such effect determined on a cumulative basis for all such changes or other modifications from the Closing Date or, if later, the date of effectiveness of the immediately preceding approval provided as contemplated by this clause (xi)) is to reduce availability under the Borrowing Base (based on the Borrowing Base Certificate last delivered) by an aggregate amount equal to or in excess of $1,000,000, in each case without the consent of the Revolving Lenders holding more than 50% of the Revolving Exposure; or

(xii) change the Collateral Management Agreement, without the consent of the Collateral Manager.

provided, further, that (1) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral Agent, the Collateral Manager, the Issuing Bank or the Swingline Lender without the prior written consent of the Administrative Agent, the Collateral Manager, the Issuing Bank or the Swingline Lender, as the case may be, (2) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of the Revolving Lenders (but not the Term Loan Lenders), or the Term Loan Lenders (but not the Revolving Lenders) may be effected by an agreement or agreements in writing entered into by Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section 11.02 if such Class of Lenders were the only Class of Lenders hereunder at the time, and (3) any waiver, amendment or modification prior to the achievement of a successful syndication of the credit facilities provided herein (as determined by the Arranger in its sole discretion) may not be effected without the written consent of the Arranger. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, the Issuing Bank and the Swingline Lender) if (x) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment, (y) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of, premium, if any, and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement, and (z) Section 2.16(b) is complied with.

Without the consent of any other person, the applicable Loan Party or Loan Parties and the Administrative Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by applicable Legal Requirements to give effect to, or

protect any security interest for the benefit of the Secured Parties, in any property or assets so that the security interests therein comply with applicable Legal Requirements.

Section 11.03 Expenses; Indemnity. (a) The Loan Parties agree, jointly and severally, to pay, promptly upon demand:

(i) all reasonable costs and expenses incurred by the Arranger, the Administrative Agent, the Collateral Agent, the Collateral Manager, the Swingline Lender and the Issuing Bank, including the reasonable fees, charges and disbursements of Advisors for the Arranger, the Administrative Agent, the Collateral Agent, the Collateral Manager, the Swingline Lender and the Issuing Bank, in connection with the syndication of the Loans and Commitments, the preparation, negotiation, execution and delivery of the Loan Documents, the administration of the Credit Extensions and Commitments (including with respect to the establishment and maintenance of a Platform), the perfection and maintenance of the Liens securing the Collateral and any actual or proposed amendment, supplement or waiver of any of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated);

(ii) all costs and expenses incurred by the Administrative Agent, the Collateral Manager and the Collateral Agent, including the fees, charges and disbursements of Advisors for the Administrative Agent, the Collateral Manager, and the Collateral Agent, in connection with any action, claim, suit, litigation, investigation, inquiry or proceeding affecting the Collateral or any part thereof, in which action, claim, suit, litigation, investigation, inquiry or proceeding the Administrative Agent, the Collateral Manager, or the Collateral Agent is made a party or participates or in which the right to use the Collateral or any part thereof is threatened, or in which it becomes necessary in the judgment of the Administrative Agent, the Collateral Manager, or the Collateral Agent to defend or uphold the Liens granted by the Security Documents (including any action, claim, suit, litigation, investigation, inquiry or proceeding to establish or uphold the compliance of the Collateral with any Legal Requirements);

(iii) all costs and expenses incurred by the Arranger, the Administrative Agent, the Collateral Agent, the Collateral Manager, any other Agent, the Swingline Lender, the Issuing Bank or any Lender, including the fees, charges and disbursements of Advisors for any of the foregoing, incurred in connection with the enforcement or protection of its rights under the Loan Documents, including its rights under this Section 11.03(a), or in connection with the Loans made or Letters of Credit issued hereunder and the collection of the Obligations, including all such costs and expenses incurred during any workout, restructuring or negotiations in respect of the Obligations; and

(iv) all Other Taxes in respect of the Loan Documents.

(b) The Loan Parties agree, jointly and severally, to indemnify the Agents, each Lender, the Issuing Bank and the Swingline Lender, each Affiliate of any of the foregoing persons and each Related Person of each of the foregoing (each such person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, all reasonable out-of-pocket costs and any and all losses, claims, damages, liabilities, fees, fines, penalties, actions, judgments, suits and related expenses, including reasonable Advisors fees, charges and disbursements (collectively, "**Claims**"), incurred by or asserted against any Indemnitee, directly or indirectly, arising out of, in any way connected with, or as a result of (i) the execution, delivery, performance, administration or enforcement of the Loan Documents or any agreement or instrument contemplated thereby or the performance by the parties thereto of their respective obligations thereunder, (ii) any actual or proposed use of the proceeds of the Loans or issuance of Letters of Credit, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing,

whether or not any Indemnitee is a party thereto, (iv) any actual or alleged presence or Release or threatened Release of Hazardous Materials, on, at, under or from any property owned, leased or operated by any Company at any time, or any Environmental Claim or threatened Environmental Claim related in any way to any Company, (v) any past, present or future non-compliance with, or violation of, Environmental Laws or Environmental Permits applicable to any Company, or any Company's business, or any property presently or formerly owned, leased, or operated by any Company or their predecessors in interest, (vi) the environmental condition of any property owned, leased, or operated by any Company at any time, or the applicability of any Legal Requirements relating to such property, whether or not occasioned wholly or in part by any condition, accident or event caused by any act or omission of any Company, (vii) the imposition of any environmental Lien encumbering Real Property, (viii) the consummation of the Transactions and the other transactions contemplated hereby or (ix) any actual or prospective claim, action, suit, litigation, inquiry, investigation, or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party or otherwise, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted directly from the gross negligence or willful misconduct of such Indemnitee.

(c) The Loan Parties agree, jointly and severally, that, without the prior written consent of the Administrative Agent and any affected Lender, which consent(s) will not be unreasonably withheld, the Loan Parties will not enter into any settlement of a Claim in respect of the subject matter of clauses (i) through (ix) of Section 11.03(b) unless such settlement includes an explicit and unconditional release from the party bringing such Claim of all affected Indemnitees and does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnitees.

(d) The provisions of this Section 11.03 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Loans, Reimbursement Obligations and any other Obligations, the release of any Guarantor or of all or any portion of the Collateral, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agents, the Issuing Bank or any Lender. All amounts due under this Section 11.03 shall be payable on written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(e) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Agents, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section 11.03 in accordance with paragraph (g) of this Section 11.03, each Lender severally agrees to pay to the Agents, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (such indemnity shall be effective whether or not the related losses, claims, damages, liabilities and related expenses are incurred or asserted by any party hereto or any third party); *provided* that the unreimbursed Claim was incurred by or asserted against any of the Agents, the Issuing Bank or the Swingline Lender in its capacity as such. For purposes of this paragraph, a Lender's "*pro rata* share" shall be determined based upon its share of the sum of the total Revolving Exposure, outstanding Term Loans and unused Commitments at the time.

(f) To the fullest extent permitted by applicable Legal Requirements, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) arising out

of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Loan Documents or the transactions contemplated thereby.

(g) All amounts due under this Section 11.03 shall be payable not later than 10 days after demand therefor.

Section 11.04 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that the Loan Parties may not assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent, the Issuing Bank, the Swingline Lender, and each Lender which consent may be withheld in their sole discretion (and any attempted assignment or transfer by any Loan Party without such consent shall be null and void). Nothing in this Agreement or any other Loan Document, express or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants to the extent expressly provided in paragraph (e) of this Section 11.04 and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement or any other Loan Document.

(b) Any Lender shall have the right at any time to assign to one or more assignees (other than any Company or any Affiliate thereof or a natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided* that:

(i) except in the case of (A) an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, (B) any assignment made in connection with the syndication of the Commitment and Loans by the Arranger or (C) an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Term Loan Commitment or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 and the amount of the Revolving Commitment or Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $2,500,000;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all of the assigning Lender's rights and obligations under this Agreement, except that this clause (ii) shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 (which fee may be waived or reduced by the Administrative Agent in its sole discretion); *provided* that such fee shall not be payable in the case of (A) an assignment by any Lender to an Approved Fund of such Lender, (B) any assignment made in connection with the primary syndication of the Commitments and Loans by the Arranger or (C) an assignment settled through the Administrative Agent;

(iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(v) in the case of an assignment of all or a portion of a Revolving Commitment or any Revolving Lender's obligations in respect of its LC Exposure or Swingline Exposure (except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund), the Issuing Bank and the Swingline Lender must give its prior written consent to such assignment (which consent shall not be unreasonably withheld, delayed or conditioned);

(vi) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld, delayed or conditioned); and

(vii) in the case of an assignment of all or a portion of a Revolving Commitment, a Revolving Loan or any Revolving Lender's obligations in respect of its LC Exposure or Swingline Exposure (except in the case of (A) an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, or (B) any assignment made in connection with the syndication of the Commitment and Loans by the Arranger), Borrower must give its prior written consent to such assignment (which consent shall not be unreasonably withheld, delayed or conditioned).

Notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing (i) any consent of Borrower otherwise required under this paragraph shall not be required, and (ii) any consent of the Issuing Bank and the Swingline Lender required under this paragraph (b) may be withheld by such person in its sole discretion. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section 11.04, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement (*provided* that any liability of Borrower to such assignee under Section 2.12, 2.13 or 2.15 shall be limited to the amount, if any, that would have been payable thereunder by Borrower in the absence of such assignment, except to the extent any such amounts are attributable to a Change in Law occurring after the date of such assignment), and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.15 and 11.03).

(c) The Administrative Agent, acting for this purpose as an agent of Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive in the absence of manifest error, and Borrower, the Administrative Agent, the Issuing Bank and the Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower, the Issuing Bank, the Collateral Agent, the Swingline Lender and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 11.04 and any written consent to such assignment required by paragraph (b) of this

Section 11.04, the Administrative Agent shall reasonably promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with the requirements of this Section 11.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section 11.04.

(e) Any Lender shall have the right at any time, without the consent of, or notice to Borrower, the Administrative Agent, the Issuing Bank, or the Swingline Lender or any other person to sell participations to any person (other than any Company or any Affiliate thereof or a natural person) (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Borrower, the Administrative Agent, the Collateral Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) is described in clauses (i), (ii) or (iii) of the proviso to Section 11.02(b) and (2) directly affects such Participant. Subject to paragraph (f) of this Section 11.04, each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 11.04. To the extent permitted by Legal Requirements, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; *provided* that such Participant agrees in writing to be subject to Section 2.14(c) as though it were a Lender. Each Lender shall, acting for this purpose as an agent of Borrower, maintain at one of its offices a register for the recordation of the names and addresses of its Participants, and the amount and terms of its participations; *provided* that no Lender shall be required to disclose or share the information contained in such register with Borrower or any other person, except as required by applicable Legal Requirements.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the prior written consent of Borrower (which consent shall not be unreasonably withheld or delayed). A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of Borrower, to comply with Section 2.15(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank, and this Section 11.04 shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. Without limiting the foregoing, in the case of any Lender that is a fund that invests in bank loans or similar extensions of credit, such Lender may, without the consent of Borrower, the Issuing Bank, the Swingline Lender, the Administrative Agent or any other person, collaterally assign or pledge all or any portion of its rights under this Agreement, including the Loans and Notes or any other instrument evidencing its rights as a Lender under this

Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPC**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and Borrower, the option to provide to Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to such Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof; *provided further* that nothing herein shall make the SPC a "Lender" for the purposes of this Agreement, obligate Borrower or any other Loan Party or the Administrative Agent to deal with such SPC directly, obligate Borrower or any other Loan Party in any manner to any greater extent than they were obligated to the Granting Lender, or increase costs or expenses of Borrower. The Loan Parties and the Administrative Agent shall be entitled to deal solely with, and obtain good discharge from, the Granting Lender and shall not be required to investigate or otherwise seek the consent or approval of any SPC, including for the approval of any amendment, waiver or other modification of any provision of any Loan Document. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States of America or any state thereof. In addition, notwithstanding anything to the contrary contained in this Section 11.04(h), any SPC may (i) with notice to, but without the prior written consent of, Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(i) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Legal Requirement, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 11.05 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the reports, certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force

and effect as long as any Obligation or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Article X and Sections 2.12 to 2.15, 10.06, 11.03 and 11.08 to 11.10 shall survive and remain in full force and effect regardless of the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Loans, the payment of the Reimbursement Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 11.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Fee Letter and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank and each of their respective Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirements, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Bank or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of any Loan Party now or hereafter existing under this Agreement or any other Loan Documents held by such Lender or the Issuing Bank, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be contingent or unmatured or are owed to a branch or office of such Lender or the Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender under this Section 11.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

Section 11.09 Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be

heard and determined in such New York State court or, to the extent permitted by applicable Legal Requirements, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. Nothing in this Agreement or any other Loan Document or otherwise shall affect any right that the Administrative Agent, any other Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Legal Requirements, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.09(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than facsimile or email) in Section 11.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable Legal Requirements.

Section 11.10 Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to any Loan Document, the Transactions or the other transactions contemplated thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 11.10.

Section 11.11 Headings; No Adverse Interpretation of Other Agreements. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. This Agreement may not be used to interpret any other loan or debt agreement or instrument of any Company or of any other person. Any such loan or debt agreement or instrument may not be used to interpret this Agreement or any other Loan Document.

Section 11.12 Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' and Approved Funds' directors, officers, employees, agents, advisors and other representatives, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential pursuant to the terms hereof), (b) to the extent requested by any regulatory authority or any quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Legal Requirements or by any subpoena or similar legal process or in connection with any pledge or assignment made pursuant to Section 11.04(g), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under the Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f)

subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations, (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Loan or Loan Party or (iv) any actual or prospective investor in an SPC, (g) with the consent of Borrower or (h) to the extent such Information (i) is publicly available at the time of disclosure or becomes publicly available other than as a result of a breach of this Section 11.12 or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than Borrower or any Subsidiary. In addition, the Agents, the Issuing Bank and the Lenders may disclose the existence of the Loan Documents and information about the Loan Documents to market data collectors, similar service providers to the financing community, and service providers to the Agents, the Issuing Bank and the Lenders. For the purposes of this Section 11.12, "**Information**" shall mean all information received from Borrower relating to Borrower or any of its Subsidiaries or its business that is clearly identified at the time of delivery as confidential, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by Borrower. Any person required to maintain the confidentiality of Information as provided in this Section 11.12 shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person accords to its own confidential information.

Section 11.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Legal Requirements, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 11.13 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 11.14 Assignment and Acceptance. Each Lender to become a party to this Agreement (other than the Administrative Agent and any other Lender that is a signatory hereto) shall do so by delivering to the Administrative Agent an Assignment and Acceptance duly executed by such Lender, Borrower (if Borrower consent to such assignment is required hereunder) and the Administrative Agent.

Section 11.15 Obligations Absolute. To the fullest extent permitted by applicable law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;

(b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection or loss of priority of any Liens on any or all of the Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

Section 11.16 Waiver of Defenses; Absence of Fiduciary Duties. (a) Each of the Loan Parties hereby waives any and all suretyship defenses available to it as a Guarantor arising out of the joint and several nature of its respective duties and obligations hereunder (including any defense contained in Article VII).

(b) Each of the Loan Parties agrees that in connection with all aspects of the transactions contemplated hereby or by the other Loan Documents and any communications in connection therewith, the Loan Parties and their respective Affiliates, on the one hand, and each Lender, SPC and Agent, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of any Lender, SPC or any Agent or any of their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 11.17 Patriot Act. Each Lender hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies the Loan Parties, which information includes the name, address and taxpayer identification number of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act.

Section 11.18 Judgment Currency. (a) The Loan Parties' obligations hereunder and under the other Loan Documents to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than Dollars, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or the respective Lender or Issuing Bank of the full amount of Dollars expressed to be payable to the Administrative Agent or such Lender or Issuing Bank under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than Dollars (such other currency being hereinafter referred to as the "**Judgment Currency**") an amount due in Dollars, the conversion shall be made at the Dollar Equivalent determined as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "**Judgment Currency Conversion Date**").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Loan Parties shall pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Dollar Equivalent or any other rate of exchange for this Section 11.18, such amounts shall include any premium and costs payable in connection with the purchase of Dollars.

Section 11.19 Assumption of Obligations under Loan Documents. Concurrently with the consummation of the Acquisition, the Target and of its Subsidiaries will (i) enter into such agreements as reasonably determined by the Administrative Agent to assume all of the Obligations and the other liabilities and obligations of Subsidiary Guarantors under this Agreement and the other Loan Documents, and (ii) agree that they are bound as Subsidiary Guarantors under this Agreement and the other Loan Documents, and, in the case of the Security Documents, as Pledgors, in each case, by all of the terms, covenants and conditions set forth in this Agreement and the other Loan Documents to the same extent as if the Target and such Subsidiary Guarantors had been Subsidiary Guarantors immediately prior to the consummation of the Acquisition.

Section 11.20 Assumption of Obligations under Commitment Letter and Fee Letter. Each Loan Party hereby irrevocably agrees that it is jointly and severally liable with Borrower and each other Loan Party for any and all liabilities and obligations of Borrower relating to or arising out of any of its respective duties, responsibilities and obligations under the Commitment Letter and the Fee Letter.

Section 11.21 LEGEND. THE TERM LOANS HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THESE LOANS MAY BE OBTAINED BY WRITING TO THE ADMINISTRATIVE AGENT AT THE ADDRESS SET FORTH IN SECTION 11.01.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or other authorized signatories as of the day and year first above written.

BIOSCRIP, INC., as Borrower

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHRONIMED, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

LOS FELIZ DRUGS, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BRADHURST SPECIALTY PHARMACY, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY (NY), INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PBM SERVICES, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATURAL LIVING INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP NURSING SERVICES, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION MANAGEMENT, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY SERVICES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHS HOLDINGS, INC.
(**FORMERLY CAMELOT ACQUISITION CORP.**), as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CRITICAL HOMECARE SOLUTIONS, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

APPLIED HEALTH CARE, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CEDAR CREEK HOME HEALTH CARE AGENCY, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS ENTERPRISES, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS HOMECARE, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

EAST GOSHEN PHARMACY, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HEALTH SERVICES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HOME HEALTH CARE AGENCY, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY PROFESSIONAL AFFILIATES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

GERICARE, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF BRUNSWICK, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF MELBOURNE, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION SOLUTIONS, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

KNOXVILLE HOME THERAPIES, LLC, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATIONAL HEALTH INFUSION, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NEW ENGLAND HOME THERAPIES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

OPTION HEALTH, LTD., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

PROFESSIONAL HOME CARE SERVICES, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

REGIONAL AMBULATORY DIAGNOSTICS, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SCOTT-WILSON, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION I, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION II, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION III, as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SPECIALTY PHARMA, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

WILCOX MEDICAL, INC., as a Subsidiary Guarantor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

JEFFERIES FINANCE LLC,
as Administrative Agent, Collateral Agent, Arranger,
and Book Manager

By: /s/ E.J. Hess
Name: E.J. Hess
Title: Managing Director

COMPASS BANK, as Co-Documentation Agent and as a Lender

By: /s/ Eric J. Paul
Name: Eric J. Paul
Title: Senior Vice President

GENERAL ELECTRIC CAPITAL CORPORATION,
as Co-Documentation Agent and as a Lender

By: /s/ John Dale
Name: John Dale
Title: Duly Authorized Signature

ING CAPITAL LLC, as Syndication Agent and as a Lender

By: /s/ Mike Garvin
Name: Mike Garvin
Title: Managing Director

HEALTHCARE FINANCE GROUP, LLC,
as Collateral Manager

By: /s/ John D. Calabro
Name: John D. Calabro
Title: Executive Vice President

HFG HEALTHCO-4 LLC,
as Lender

By: Master Healthco, LLC, a member

By: /s/ John D. Calabro
Name: John D. Calabro
Title: Executive Vice President

JEFFERIES FINANCE CP FUNDING LLC,
as Lender

By: /s/ E.J. Hess
Name: E.J. Hess
Title: Managing Director

HEALTHCARE FINANCE GROUP, LLC, as Issuing Bank

By: /s/ John D. Calabro
Name: John D. Calabro
Title: Executive Vice President

HFG HEALTHCO-4 LLC,
as Swingline Lender

By: Master Healthco, LLC, a member

By: /s/ John D. Calabro
Name: John D. Calabro
Title: Executive Vice President

RAYMOND JAMES BANK, FSB,
as a Lender

By: /s/ Joseph A. Ciccolini
Name: Joseph A. Ciccolini
Title: Vice President — Senior Corporate Banker

Annex I

Amortization Table

Date	Term Loan Amount
June 30, 2010	$ 625,000
September 30, 2010	$ 625,000
December 31, 2010	$ 625,000
March 31, 2011	$ 625,000
June 30, 2011	$ 1,250,000
September 30, 2011	$ 1,250,000
December 31, 2011	$ 1,250,000
March 31, 2012	$ 1,250,000
June 30, 2012	$ 1,875,000
September 30, 2012	$ 1,875,000
December 31, 2012	$ 1,875,000
March 31, 2013	$ 1,875,000
June 30, 2013	$ 2,500,000
September 30, 2013	$ 2,500,000
December 31, 2013	$ 2,500,000
March 31, 2014	$ 2,500,000
June 30, 2014	$ 3,125,000
September 30, 2014	$ 3,125,000
December 31, 2014	$ 3,125,000
March 31, 2015	$65,625,000

Initial Lenders and Commitments

Lender	Address for Notices	Amount of Revolving Commitment	Amount of Term Loan Commitment
Jefferies Finance CP Funding LLC	520 Madison Avenue New York, New York	$ 0	$42,000,000
HFG Healthco-4, LLC	199 Water Street New York, NY 10036	$31,000,000	$20,000,000
ING Capital LLC	200 Galleria Parkway, Suite 950 Atlanta, GA 30339	$ 7,500,000	$15,000,000
Compass Bank	1703 West 5th Street, Suite 500 Austin, TX 78703	$ 5,000,000	$10,000,000
General Electric Capital Corporation	500 West Monroe Street, 14th Floor Chicago, IL 60661	$ 4,000,000	$ 8,000,000
Raymond James Bank, FSB	P.O. Box 11628, St. Petersburg, FL 33733-1628	$ 2,500,000	$ 5,000,000

NET VALUE FACTORS

1. Rebate Receivables: Initially 99%

2. Receivables that are not Rebate Receivables:

PBM Services	Mail Order	New Jersey	Roslyn	Comm Pharm	Bronx	SF Mail	Burbank	BioScrip Consolidated
95%	95%	95%	90%	92%	92%	95%	95%	94%

ELIGIBILITY CRITERIA

PART 1 — ELIGIBLE RECEIVABLES

The following shall constitute the eligibility criteria for acceptance of Receivables and Inventory for inclusion in the Borrowing Base (capitalized terms not otherwise defined in the Credit Agreement and used in this Annex IV shall have the meaning provided in the Collateral Management Agreement and, if not defined therein, in the Security Agreement):

(a) The information provided by the Loan Parties with respect to each such Receivable is complete and correct and all documents, attestations and agreements relating thereto that have been delivered to the Collateral Manager are true and correct, and, other than with respect to Unbilled Receivables, the applicable Loan Party has billed the applicable Obligor and has delivered to such Obligor all requested supporting claim documents with respect to such Receivable and no amounts with respect to such Receivable have been paid as of the date and time of the inclusion of such Receivable in the Borrowing Base. All information set forth in the bill and supporting claim documents with respect to such Receivable is true, complete and correct; if additional information is requested by the Obligor, each Loan Party (or the applicable member thereof) has or will promptly provide the same, and if any error has been made with respect to such information, each Loan Party will promptly correct the same and, if necessary, rebill such Receivable.

(b) Each such Receivable (i) is payable, in an amount not less than its Expected Net Value, by the Obligor identified by the applicable Loan Party as being obligated to do so, (ii) is based on an actual and *bona fide* rendition of services to the Obligor or sale of goods to an Obligor or a plan participant of the Obligor in the ordinary course of business, (iii) is denominated and payable only in U.S. dollars in the United States, and (iv) is an account receivable or general intangible within the meaning of the UCC of the state in which the applicable Loan Party has its principal place of business, or is a right to payment under a policy of insurance or proceeds thereof, and is not evidenced by any instrument or chattel paper. There is no payor other than the Obligor identified by the Loan Parties as the payor primarily liable on such Receivable.

(c) Each such Receivable (i) is not the subject of any action, suit, proceeding or dispute (pending or threatened), setoff, counterclaim, defense, abatement, suspension, deferment, deductible, reduction or termination by the Obligor (except for statutory rights of Governmental Entities that are not pending or threatened), (ii) is not past, or within 60 days of, the statutory limit for collection applicable to the Obligor or is not aged more than 180 days from its Last Service Date, (iii) in the case of a Receivable that is not a Rebate Receivable, was not billed to the Obligor on a date more than 30 days after the Last Service Date, and (iv) in the case of a Rebate Receivable, was not billed to the Obligor on a date more than 60 days after the end of the fiscal quarter in which such Rebate Receivable became due and payable.

(d) Each such Receivable is not due from any Governmental Authority other than Medicare, Medicaid, TRICARE/CHAMPUS, Ryan White programs, 340B drug pricing programs, the State Children's Health Insurance Program (Title XXI of the Social Security Act) or any similar state or federally funded program.

(e) No Loan Party has any guaranty of, letter of credit providing credit support for, or collateral security for, such Receivable, other than any such guaranty, letter of credit or collateral

security as has been assigned to the Collateral Agent (for the benefit of the Secured Parties), and any such guaranty, letter of credit or collateral security is not subject to any Lien in favor of any other Person.

(f) The Obligor with respect to each such Receivable is (i) not currently the subject of any bankruptcy, insolvency or receivership proceeding, nor is it unable to make payments on its obligations when due, (ii) located in the United States of America, (iii) one of the following: (x) a person which in the ordinary course of its business or activities agrees to pay for healthcare services received by individuals, including, without limitation, commercial insurance companies and non-profit insurance companies (such as Blue Cross and Blue Shield) issuing health, personal injury, worker's compensation or other types of insurance, employers or unions which self-insure for employee or member health insurance, prepaid healthcare organizations, preferred provider organizations, health maintenance organizations, commercial hospitals, physician's groups or any other similar person or (y) an individual, (iv) not an Affiliate of Borrower and (v) not the Obligor of any Receivable that was a Defaulted Receivable in the past 12 months.

(g) The financing of such Receivables under the Loan Documents is made in good faith and without actual intent to hinder, delay or defraud present or future creditors of any of the Loan Parties.

(h) The insurance policy, contract or other instrument obligating an Obligor to make payment with respect to such Receivable (i) does not contain any provision prohibiting the grant of a security interest in such payment obligation from the applicable Loan Party to the Collateral Agent (for the benefit of the Secured Parties) as provided in the Security Documents, (ii) has been duly authorized and, together with such Receivable, constitutes the legal, valid and binding obligation of the Obligor in accordance with its terms, (iii) together with such Receivable, does not contravene in any material respect any requirement of law applicable thereto, and (iv) was in full force and effect and applicable to the Obligor at the time the goods or services constituting the basis for such Receivable were sold or performed.

(i) No consents by any third party to the assignment of such Receivable are required other than consents previously obtained in writing by the relevant Loan Party, a copy of each such consent having been provided to the Collateral Manager.

(j) The inclusion of each such Receivable in the Borrowing Base would not increase the fraction expressed as a percentage where (i) the numerator is the sum of the then outstanding principal amount of Eligible Receivables for any Obligor (or group of Obligors) listed below included in the Borrowing Base, and (ii) the denominator is the Borrowing Base for all Eligible Receivables, above the corresponding maximum percentage listed below:

Obligor	Maximum Percentage
Health Maintenance Organizations	100%
Managed Care Organizations	100%
Long-Term Care Facilities	20%
Employer Plans	50%
any single AAA rated Obligor	10%
any single AA rated Obligor	6%
any single A rated Obligor	4%
any single BBB rated Obligor	3%
any single unrated Obligor	3%

With respect to any Receivables that fail to satisfy the Eligibility Criteria set forth in this clause (j), such Receivables shall be deemed Eligible Receivables (provided they otherwise satisfy the Eligibility Criteria set forth in this Annex IV) until shall time that the Collateral Manager, in its sole discretion, determines that such Receivables (or any portion thereof) shall not be Eligible Receivables as a result of their failure to satisfy the Eligibility Criteria set forth in this clause (j).

(k) Unless specifically verified and accepted by the Collateral Manager, no single Eligible Receivable that is not a Rebate Receivable has an Expected Net Value greater than $800,000.

(l) For the 12-month period then most recently ended, the product obtained by multiplying (a) the quotient obtained by dividing (i) the average Receivables of the Loan Parties over the three month period ending on such date, *by* (ii) average revenue of the Loan Parties generated from Receivables over the three month period ending on such date, *by* (b) 365 day, is no more than 75 days.

(m) No prior sale or assignment of security interest which is still in effect on the applicable date of the Borrowing Base Certificate has been made with respect to or granted in any such Receivable.

PART II — ELIGIBLE INVENTORY

The following shall constitute the Eligibility Criteria for acceptance of Inventory for inclusion in the Borrowing Base

All Inventory of the Loan Parties, valued at the lower cost or market in accordance with GAAP, but excluding any Inventory having any of the following characteristics:

(a) Inventory that is in-transit; located at any warehouse, job site or located on any other premises that may be subject to the Lien of any person other than the Collateral Agent;

(b) Inventory that is otherwise not subject to a duly perfected first priority Lien in the Collateral Agent’s favor;

(c) Inventory that is subject to (x) a Lien in favor of any Person other than the Lender other than the ABDC Lien that is subject to the ABDC Intercreditor Agreement and (y) the Lien

of a supplier or similar creditor of any of the Loan Parties that is subject to a Supplier Intercreditor Agreement;

(d) Inventory covered by any negotiable or non-negotiable warehouse receipt, bill of lading or other document of title; on consignment from any Person; on consignment to any Person or subject to any bailment unless such consignee or bailee has executed an agreement with the Lender;

(e) Supplies, packaging, parts or sample Inventory, or customer supplied parts or Inventory;

(f) Work-in-process Inventory;

(g) Inventory that is damaged, defective, obsolete, slow moving or not currently saleable in the normal course of the Borrower's operations, or the amount of such Inventory that has been reduced by shrinkage;

(h) Inventory that the Borrower has returned, has attempted to return, is in the process of returning or intends to return to the vendor thereof;

(i) Inventory that is perishable or live or 30 days from expiration;

(j) Inventory stored at locations outside the United States;

(k) Inventory formulated by a Loan Party pursuant to a license unless the applicable licensor has agreed in writing to permit the Collateral Agent to exercise its rights and remedies against such Inventory; and

(l) Inventory that is classified as controlled substances, C2 or other controlled substances or pharmaceuticals unless the applicable Loan Party (i) possesses a specialized license from the U.S. Drug Enforcement Agency or other federal, state or local authority to sell or dispose of same, or (ii) is not otherwise prohibited under applicable law from selling or otherwise disposing of same.

* * *

EXECUTION VERSION

EXHIBIT A

[Form of]
ASSIGNMENT AND ACCEPTANCE

Reference is made to the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, collateral manager and as issuing bank for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1. _____ (the "**Assignor**") hereby irrevocably sells and assigns, without recourse, to the Assignee, and the Assignee hereby irrevocably purchases and assumes, from the Assignor, without recourse to the Assignor, effective as of the Effective Date set forth below (but not prior to the registration of the information contained herein in the Register pursuant to Section 11.04(c) of the Credit Agreement), the interests set forth below (the "**Assigned Interest**") in the Assignor's rights and obligations under the Credit Agreement and the other Loan Documents, including, without limitation, the Swingline Commitment, Revolving Commitment, Term Loan Commitment and the Swingline Loans, Revolving Loans, Term Loans and participations held by the Assignor in Letters of Credit which are outstanding on the Effective Date. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned hereby free and clear of any lien, encumbrance or other adverse claim created by the Assignor and that its Commitments, and the outstanding balances of its Loans, without giving effect to assignments thereof which have not become effective, are as set forth in this Assignment and Acceptance and (ii) it has all necessary power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) except as set forth in (a) above, the Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, or the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto.

3. The Assignee (a) represents and warrants that (i) it is legally authorized to enter into this Assignment and Acceptance and (ii) it has all necessary power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and become a Lender under the Credit Agreement; (b) confirms that it has received a copy of the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Agents or any Lender and based on

such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agents to take such action as agents on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Agents by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the "**Effective Date**"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, in its sole discretion, be earlier than three Business Days after the date of such acceptance and recording by the Administrative Agent). This Assignment and Acceptance will be delivered to the Administrative Agent together with (a) if the Assignee is a Foreign Lender, the forms specified in Section 2.15(e) of the Credit Agreement, duly completed and executed by such Assignee; (b) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire, and (c) a processing and recordation fee of $3,500, if required under the Loan Documents.

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) [to the Assignor for amounts which have accrued to the Effective Date and to the Assignee for amounts which have accrued subsequent to the Effective Date] [to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.]

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. This Assignment and Acceptance shall be construed in accordance with and governed by the law of the State of New York without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SCHEDULE 1

to

Assignment and Acceptance

Effective Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Percentage Assigned of Applicable Loan/Commitment:

Loan/Commitment	Principal Amount Assigned	Percentage Assigned of applicable Loan/Commitment (set forth, to at least 15 decimals, as a percentage of the Loans and the aggregate Commitments of all Lenders thereunder)
Term Loans	$	%
Revolving Loans	$	%
Letters of Credit	$	%
Swingline Loans	$	%

[*Signature Page Follows*]

The terms set forth above are hereby agreed to:

[_____]
as Assignor

By: _____
Name:
Title:

_____
as Assignee

By: _____
Name:
Title:

Accepted:*

BIOSCRIP, INC.

By: _____
Name:
Title:

JEFFERIES FINANCE LLC,
as Administrative Agent

By: _____
Name:
Title:

[_____],
as [Swingline Lender/Issuing Bank]**

By: _____
Name:
Title:

* To be completed to the extent consent of Borrower and/or Administrative Agent is required under Section 11.04(b) of the Credit Agreement.

** To be completed to the extent consent of the Swingline Lender or Issuing Bank is required under Section 11.04(b) of the Credit Agreement.

EXHIBIT B-1

[Form of]
BORROWING REQUEST

Jefferies Finance LLC,
as Administrative Agent for
the Lenders referred to below
520 Madison Avenue
New York, New York 10022
Attention: Account Manager — BioScrip
Facsimile: (212) 284-3444

Re: BioScrip, Inc. [Date]

Ladies and Gentlemen:

Reference is made to the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent, as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and that in connection therewith sets forth below the terms on which such Borrowing is requested to be made:

(A)	Class of Borrowing:	[Revolving Borrowing] [Term Borrowing]
(B)	Principal amount of Borrowing:[1]	_____
(C)	Date of Borrowing (which is a Business Day):	_____
(D)	Type of Borrowing:	[ABR Borrowing] [Eurodollar Borrowing]
(E)	Interest Period and the last day thereof:[2]	_____
(F)	Funds are requested to be disbursed to Borrower's account with:	_____ Account No. _____

Borrower hereby represents and warrants that the conditions to lending specified in Sections 4.02(b)-(d) of the Credit Agreement are satisfied as of the date hereof.

[Signature Page Follows]

1 See Section 2.02(a) of the Credit Agreement for minimum borrowing amounts.

2 To be inserted if a Eurodollar Borrowing and shall be subject to the definition of "Interest Period" in the Credit Agreement.

BIOSCRIP, INC.

By: _____
Name:
Title:

EXHIBIT B-2

[Form of]
BORROWING BASE CERTIFICATE

B1-4

BIOSCRIP, INC.
BORROWING BASE
at 1/31/2010

	PBM Services	Mail Order	(ADIMA2) New Jersey	Roslyn	Comm Pharm	Bronx	SF Mail	Burbank	Rebate Receivables	CHS	BioScrip Consolidated
Gross Receivables As of xx/xx/xxxx											
Additions to Gross Receivables											
Manual AR											
Rebate Receivable											
Deductions to Gross Receivables											
Ineligible AR											
Offset — Shared Rebate Portion											
Cash Basis account for PBM											
Gross Eligible Receivables											
Estimated Net Value Factor	95%	95%	95%	90%	92%	92%	95%	95%	99%	0%	
Estimated Net Value											
Additions to Estimated Net Value											
Deduction to Estimated Net Value											
Credit Balances											
Month-end Cash intransit											0
Adjusted Net Value of Receivable											
Advance Rate A/R	85%	85%	85%	85%	85%	85%	85%	85%	85%	0%	#IV/0!
Availability	**#REF**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	
Additions to Availability											
Inventory Availability per Appendix 1											0
Interim CHS availability											
Deductions to Availability											
Term Loan Exposure Outstandings											$ 100,000,000
Total Availability											
Borrowing Base											$ 0
Revolving Commitment											$ 50,000,000
Borrowing Limit											$ 0
Other Reserves											
Adjusted Borrowing Limit											
Loan Activity											$ 0
Outstanding Loan Balance Prior Monthly											
Revolving Advances Since Prior Report											—
Less Collections											—

Deposits		—
Total Interest, Fees, Charges & Expenses		—
Deposits in Transit		—
Revolving Advance Request This Report		
Revolving Loan Balance This Report		
Net Availability	$	0

BIOSCRIP, INC.

The undersigned represents and warrants that the foregoing information is true, complete and correct and that the collateral reflected herein complies with and conforms to the Eligibility Criteria set forth in Annex IV to the Credit Agreement between the undersigned, Healthcare Finance Group, LLC, as Collateral Manager, and any supplements and amendments, if any, thereto (the "Agreement"). BioScrip, Inc. promises to pay to Healthcare Finance Group, LLC, as Collateral Manager, the new loan balances reflected above, plus interest, as set forth in the Agreement.

By: _____ Date: _____

Name:
Title:

Healthcare Finance Group, LLC, as Collateral Manager

By: _____

BIOSCRIP, INC.
Inventory Collateral Report
As of X/XX/XXX

I.	Inventory per perpetual report	$ —
II.	Deductions:	
	Shrinkage, Slow Moving, WIP, etc.	$ —
	Controlled Substances (class 2)	$ —
	Other	$ —
III.	Net Eligible Inventory (I minus II)	$ —
IV.	80% of Net Eligible Inventory	$ —
V.	50% Of Net Orderly Liquidation Value of elig. Inventory	$ —
VI.	**Net Inventory Availability**	**$ —**

EXHIBIT C

[Form of]
COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 5.01(d) of the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent, as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement.

1. I am the duly elected, qualified and acting [*specify type of Financial Officer*] of Borrower.

2. I have reviewed and am familiar with the contents of this Certificate.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Borrower and its Subsidiaries during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "**Financial Statements**"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default or an Event of Default[, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 6.10 of the Credit Agreement.[1]

5. [Attached hereto as Attachment 3 are the computations showing Borrower's calculation of "Excess Cash Flow."][2]

IN WITNESS WHEREOF, I execute this Certificate in my official capacity as the [Financial Officer] of Borrower, and not individually, this _____ day of _____, 20_.

By: _____
Name:
Title: [Financial Officer] of BioScrip, Inc.

1 This Attachment should only be included in a Compliance Certificate delivered pursuant to Section 5.01(a) or Section 5.01(b) of the Credit Agreement.

2 This Attachment should only be included in a Compliance Certificate delivered pursuant to Section 5.01(a) of the Credit Agreement.

ATTACHMENT 1
TO
COMPLIANCE CERTIFICATE

Financial Statements

The information described herein is as of [_____], and pertains to the fiscal [month] [quarter] [year] ended [_____].

ATTACHMENT 2
TO
COMPLIANCE CERTIFICATE

[*Set forth financial covenant calculations*]

ATTACHMENT 3
TO
COMPLIANCE CERTIFICATE

[*Set forth calculation of Excess Cash Flow*]

EXHIBIT D

[Form of]
INTERCOMPANY NOTE

INTERCOMPANY SUBORDINATED DEMAND PROMISSORY NOTE

Note Number: _____ Dated: _____, 20____

FOR VALUE RECEIVED, Borrower (as defined below), and each of its Subsidiaries (collectively, the "**Group Members**" and each, a "**Group Member**") which is a party to this intercompany subordinated demand promissory note (this "**Promissory Note**") as a Payor (as defined below) promises to pay to the order of such other Group Member that makes loans to such Group Member (each Group Member which borrows money pursuant to this Promissory Note is referred to herein as a "**Payor**" and each Group Member which makes loans and advances pursuant to this Promissory Note is referred to herein as a "**Payee**"), on demand, in lawful money of the United States of America, in immediately available funds and at the appropriate office of the Payee, the aggregate unpaid principal amount of all loans and advances heretofore and hereafter made by such Payee to such Payor and any other indebtedness now or hereafter owing by such Payor to such Payee as shown in the books and records of such Payee. The failure to show any such indebtedness or any error in showing such Indebtedness shall not affect the obligations of any Payor hereunder. Unless otherwise defined herein, terms defined in the Credit Agreement (hereinafter defined) and used herein shall have the meanings given to them in that certain credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as issuing bank for the Lenders.

The unpaid principal amount hereof from time to time outstanding shall bear interest at a rate equal to the rate as may be agreed upon in writing from time to time by the relevant Payor and Payee. Each Payor and any endorser of this Promissory Note hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note has been pledged by (x) each Payee that is a Loan Party to the Collateral Agent, for the benefit of the Secured Parties, as security for such Payee's Obligations, if any, under the Credit Agreement, the Security Agreement and the other Loan Documents to which such Payee is a party and (y) each Payee that is the Company or any Guarantor (as defined in the Senior Note Agreement) to the Trustee (under and as defined in the Senior Note Agreement) for the benefit of the Holders (as defined in the Senior Note Agreement). Each Payor acknowledges and agrees that (x) upon the occurrence and during the continuation of an Event of Default, the Collateral Agent and the other Secured Parties may exercise all the rights of the Payees that are Loan Parties under this Promissory Note in accordance with the terms and conditions of the Credit Agreement, the Security Agreement and the other Loan Documents and will not be subject to any abatement, reduction, recoupment, defense, setoff or counterclaim available to such Payor, and (y) upon the occurrence and during the continuation of an Event of Default (as defined in the Senior Note Agreement), the Trustee (as defined in the Senior Note Agreement) may exercise all rights of the Company or any Guarantor (as defined in the Senior Note Agreement) as Payees under this Promissory Note in accordance with the terms and conditions of the Senior Note Agreement and other

Senior Note Documents and will not be subject to any abatement, reduction, recoupment, defense, setoff or counterclaim available to such Payor.

Each Payee agrees that any and all claims of such Payee against any Payor that is a Loan Party or any endorser for the obligations of a Payor that is a Loan Party of this Promissory Note, or against any of their respective properties, shall be subordinate and subject in right of payment to (x) the Obligations until all of the Obligations have been performed and paid in full in immediately available funds, all Letters of Credit have been terminated or cash collateralized and the Commitments have been terminated; *provided*, that each such Payor may make payments to the applicable Payee so long as no Default or Event of Default shall have occurred and be continuing and (y) the Obligations (as defined in the Senior Note Agreement) until all of the Obligations (as defined in the Senior Note Agreement) have been performed and paid in full in immediately available funds; *provided*, that each such Payor may make payments to the applicable Payee so long as no Default or an Event of Default (each as defined in the Senior Note Agreement) shall have occurred and be continuing.

Notwithstanding any right of any Payee to ask, demand, sue for, take or receive any payment from any Payor, all rights, Liens and security interests of such Payee, whether now or hereafter arising and howsoever existing, in any assets of any Payor (whether constituting part of the security or collateral given to the Collateral Agent or any Secured Party to secure payment of all or any part of the Obligations or otherwise) shall be and hereby are subordinated to the rights of (x) the Administrative Agent or any Secured Party in such assets and (y) the Trustee (as defined in the Senior Note Agreement) or any Holder (as defined in the Senior Note Agreement) in such assets. Except as expressly permitted by the Credit Agreement and the Senior Note Agreement, the Payees shall have no right to possession of any such asset or to foreclose upon, or exercise any other remedy in respect of, any such asset, whether by judicial action or otherwise, unless and until all of (x) the Obligations shall have been performed and paid in full in immediately available funds, all Letters of Credit have been terminated or cash collateralized and the Commitments have been terminated and (y) the Obligations (as defined in the Senior Note Agreement) shall have been performed and paid in full in immediately available funds.

This Promissory Note shall be binding upon each Payor and its successors and assigns, and the terms and provisions of this Promissory Note shall inure to the benefit of each Payee and their respective successors and assigns, including subsequent holders hereof. Notwithstanding anything to the contrary contained herein, in any other Loan Document or any Senior Note Document or in any other promissory note or other instrument, this Promissory Note (i) replaces and supersedes any and all promissory notes or other instruments which create or evidence any loans or advances made on or before the date hereof by any Payee to any other Group Member, and (ii) shall not be deemed replaced, superseded or in any way modified (x) by any promissory note or other instrument entered into on or after the date hereof which purports to create or evidence any loan or advance by any Payee to any other Group Member or (y) prior to the payment in full of the Obligations, termination or cash collateralization of all Letters of Credit and the terminations of all Commitments.

THIS PROMISSORY NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CHOICE OF LAW THAT WOULD APPLY THE LAW OF ANOTHER JURISDICTION.

The terms and provisions of this Promissory Note are severable, and if any term or provision shall be determined to be superseded, illegal, invalid or otherwise unenforceable in whole or in part pursuant to applicable Legal Requirements by a Governmental Authority having jurisdiction, such determination shall

not in any manner impair or otherwise affect the validity, legality or enforceability of that term or provision in any other jurisdiction or any of the remaining terms and provisions of this Promissory Note in any jurisdiction.

From time to time after the date hereof, additional Subsidiaries of Borrower may become parties (as Payor and/or Payee, as the case may be) hereto by executing a counterpart signature page to this Promissory Note (each additional Subsidiary, an "**Additional Party**"). Upon delivery of such counterpart signature page to the Payees, notice of which is hereby waived by the other Payors, each Additional Party shall be a Payor and/or a Payee, as the case may be, and shall be as fully a party hereto as if such Additional Party were an original signatory hereof. Each Payor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Payor or Payee hereunder. This Promissory Note shall be fully effective as to any Payor or Payee that is or becomes a party hereto regardless of whether any other person becomes or fails to become or ceases to be a Payor or Payee hereunder.

This Promissory Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Promissory Note by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Promissory Note.

[Signature Page Follows]

IN WITNESS WHEREOF, each Payor and Payee has caused this Intercompany Subordinated Demand Promissory Note to be executed and delivered by its proper and duly authorized officer as of the date set forth above.

[PAYEE/PAYOR], as a Payor and Payee

By: _____
Name: _____
Title: _____

ENDORSEMENT

FOR VALUE RECEIVED, each of the undersigned does hereby sell, assign and transfer to _____ all of its right, title and interest in and to the Intercompany Subordinated Demand Promissory Note, dated [_____] (as amended, supplemented, replaced or otherwise modified from time to time, the "**Promissory Note**"), made by Borrower and each Subsidiary thereof or any other person that becomes a party thereto, and payable to the undersigned. This endorsement is intended to be attached to the Promissory Note and, when so attached, shall constitute an endorsement thereof.

The initial undersigned shall be the Group Members (as defined in the Promissory Note) that are Loan Parties on the date of the Promissory Note. From time to time after the date thereof, additional Subsidiaries of the Group Members shall become parties to the Promissory Note (each, an "**Additional Payee**") and, if such Subsidiaries are or will become Loan Parties, a signatory to this endorsement by executing a counterpart signature page to the Promissory Note and to this endorsement. Upon delivery of such counterpart signature page to the Payors, notice of which is hereby waived by the other Payees, each Additional Payee shall be a Payee and shall be as fully a Payee under the Promissory Note and a signatory to this endorsement as if such Additional Payee were an original Payee under the Promissory Note and an original signatory hereof. Each Payee expressly agrees that its obligations arising under the Promissory Note and hereunder shall not be affected or diminished by the addition or release of any other Payee under the Promissory Note or hereunder. This endorsement shall be fully effective as to any Payee that is or becomes a signatory hereto regardless of whether any other person becomes or fails to become or ceases to be a Payee under the Promissory Note or hereunder.

Dated: _____

[Signature Page Follows]

[PAYEES], as a Payee

By: _____
Name: _____
Title: _____

EXHIBIT E

[Form of]
INTEREST ELECTION REQUEST

[Date]

Jefferies Finance LLC,
as Administrative Agent for
the Lenders referred to below
520 Madison Avenue
New York, New York 10022
Attention: Account Manager – BioScrip
Telecopy: (212) 284-3444

Re: BioScrip, Inc.

Ladies and Gentlemen:

Pursuant to Section 2.08 of that certain credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement Borrower hereby gives the Administrative Agent notice that Borrower hereby requests:

[***Option A — Conversion of Eurodollar Borrowings to ABR Borrowings:*** to convert $_____ in principal amount of presently outstanding Eurodollar _____ Borrowings[1] with a final Interest Payment Date of _____ _____, _____ to ABR Borrowings on _____ _____, _____ (which is a Business Day).]

[***Option B — Conversion of ABR Borrowings to Eurodollar Borrowings:*** to convert $_____ in principal amount of presently outstanding ABR _____ Borrowings[2] to Eurodollar Borrowings on _____ _____, _____ (which is a Business Day). The Interest Period for such Eurodollar Borrowings is _____ month[s].]

[***Option C — Continuation of Eurodollar Borrowings as Eurodollar Borrowings:*** to continue as Eurodollar Borrowings $_____ in presently outstanding Eurodollar _____ Borrowings[3] with

---

1 Identify as Eurodollar Term Borrowings or Eurodollar Revolving Borrowings.

2 Identify as ABR Term Borrowings or ABR Revolving Borrowings.

3 Identify as Eurodollar Term Borrowings or Eurodollar Revolving Borrowings.

a final Interest Payment Date of _____ _____ _____, _____ (which is a Business Day). The Interest Period for such Eurodollar Borrowings is _____ month[s].]

Very truly yours,

BIOSCRIP, INC.

By: _____
Name:
Title

EXHIBIT F

[Form of]
LANDLORD ACCESS AGREEMENT

THIS LANDLORD ACCESS AGREEMENT (this "**Agreement**") is made and entered into as of _____, by and between _____, having an office at _____ ("**Landlord**"), Jefferies Finance LLC, as the Collateral Agent for the benefit of the lenders (the "**Lenders**") party to the Credit Agreement (as hereinafter defined) (in such capacity, the "**Collateral Agent**").

R E C I T A L S :

A. Landlord is the record title holder and owner of the real property described in Schedule A attached hereto (the "**Real Property**").

B. Landlord has leased all or a portion of the Real Property (the "**Leased Premises**") to [_____] ("**Lessee**") pursuant to a certain lease agreement or agreements described in Schedule B attached hereto (collectively, and as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Lease**").

C. BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors party thereto and the Collateral Agent, among others, have entered into a credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"; terms used and not otherwise defined herein that are defined in the Credit Agreement shall have the meanings assigned to such terms therein), pursuant to which the Lenders have agreed to make certain loans to Borrower (collectively, the "**Loans**").

D. [The Lessee is a Subsidiary of Borrower.] [Borrower is a Subsidiary of the Lessee.][1]

E. [The Lessee has, pursuant to the Credit Agreement, guaranteed the obligations of Borrower under the Credit Agreement and the other Loan Documents.][2]

F. As security for the payment and performance of Lessee's Obligations under the Credit Agreement and the other Loan Documents, the Collateral Agent has or will acquire a security interest in and lien upon all of Lessee's personal property, inventory, accounts, goods, machinery, equipment, furniture and fixtures, other than any building fixtures, including, without limitation, HVAC systems (together with all additions, substitutions, replacements and improvements to, and proceeds of, the foregoing, collectively, the "**Personal Property**") for the benefit of the Secured Parties.

G. The Collateral Agent has requested that Landlord execute this Agreement as a condition precedent to the making of the Loans under the Credit Agreement.

---

1 Include if Borrower is not the Lessee.

2 Include if Borrower is not the Lessee.

A G R E E M E N T :

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby represents, warrants and agrees in favor of the Collateral Agent, as follows:

1. Landlord certifies that (i) Landlord is the landlord under the Lease described in Schedule B attached hereto, (ii) the Lease is in full force and effect and has not been amended, modified or supplemented except as set forth in Schedule B hereto and (iii) Landlord has sent no notice of default to Lessee under the Lease respecting a default which has not been cured by Lessee.

2. Landlord agrees that it will provide the Collateral Agent (via overnight mail at Lessee's cost and expense) with written notice of any default by Lessee under the Lease resulting in termination of the Lease (a "**Default Notice**") at the same time as it sends such notice to the Lessee. The Collateral Agent shall have at least 10 days following receipt of such Default Notice to cure such default, but the Collateral Agent shall not be under any obligation to cure any default by Lessee under the Lease. No action by the Collateral Agent pursuant to this Agreement shall be deemed to be an assumption by the Collateral Agent of any obligation under the Lease, and, except as provided in Sections 3, 5 and 6 below, the Collateral Agent shall not have any obligation to Landlord.

3. Landlord agrees that the Personal Property is and will remain personal property and not fixtures even though it may be affixed to or placed on the Leased Premises. Landlord further agrees that the Collateral Agent has the right to remove the Personal Property from the Leased Premises at any time in accordance with the terms of the Loan Documents; *provided* that the Collateral Agent shall use its commercially reasonable efforts to notify Landlord first and shall repair any damage arising from such removal. Landlord further agrees that it will not hinder the Collateral Agent's actions in removing Personal Property from the Leased Premises or the Collateral Agent's actions in otherwise enforcing its security interest in the Personal Property. The Collateral Agent shall not be liable for any diminution in value of the Leased Premises caused by the absence of Personal Property actually removed or by the need to replace the Personal Property after such removal. Landlord acknowledges that the Collateral Agent shall have no obligation to remove the Personal Property from the Leased Premises.

4. Landlord acknowledges and agrees that Lessee's granting of a security interest in the Personal Property in favor of the Collateral Agent (for the benefit of the Secured Parties) shall not constitute a default under the Lease nor permit Landlord to terminate the Lease or re-enter or repossess the Leased Premises or otherwise be the basis for the exercise of any remedy by Landlord and Landlord hereby expressly consents to the granting of such security interest and agrees that such security interest shall be superior to any lien of the Landlord (statutory or otherwise) in the Personal Property.

5. Upon a termination of the Lease, Landlord will permit the Collateral Agent and its representatives and invitees to occupy and remain on the Leased Premises; *provided* that (a) such period of occupation (the "**Disposition Period**") shall not exceed 180 days following receipt by the Collateral Agent of a Default Notice or, if the Lease has expired by its own terms (absent a default thereunder), up to 60 days following the Collateral Agent's receipt of written notice of such expiration, (b) for the actual period of occupancy by the Collateral Agent, the Applicable Collateral Agent will pay to Landlord the basic rent due under the Lease pro rated on a per diem basis determined on a 30-day month, and shall provide and retain liability and property insurance coverage, electricity and heat to the extent required by the Lease and (c) such amounts paid by the Collateral Agent to Landlord shall exclude any rent adjustments, indemnity payments or similar amounts for which the Lessee remains liable under the Lease for default, holdover status or other similar charges. If any injunction or stay is issued that prohibits the

Collateral Agent from removing the Personal Property, the commencement of the applicable Disposition Period will be deferred until such injunction or stay is lifted or removed.

6. During any Disposition Period, (a) the Collateral Agent and its representatives and invitees may inspect, repossess, remove and otherwise deal with the Personal Property, and the Collateral Agent may advertise and conduct public auctions or private sales of the Personal Property at the Leased Premises, in each case without interference by Landlord or liability of the Collateral Agent or any Lender to Landlord and (b) the Collateral Agent shall make the Leased Premises available for inspection by Landlord and prospective tenants and shall cooperate in Landlord's reasonable efforts to re-lease the Leased Premises. If the Collateral Agent conducts a public auction or private sale of the Personal Property at the Leased Premises, the Collateral Agent shall use reasonable efforts to notify Landlord first and to hold such auction or sale in a manner which would not unduly disrupt Landlord's or any other tenant's use of the Leased Premises.

7. The terms and provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Landlord (including, without limitation, any successor owner of the Real Property) and the Collateral Agent for the benefits of the Secured Parties. Landlord will disclose the terms and conditions of this Agreement to any purchaser or successor to Landlord's interest in the Leased Premises.

8. All notices to any party hereto under this Agreement shall be in writing and sent to such party at its respective address set forth above (or at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 8) by certified mail, postage prepaid, return receipt requested or by overnight delivery service.

9. The provisions of this Agreement shall continue in effect until Landlord shall have received the Collateral Agent's written certification that the Loans have been paid in full and all of Borrower's other Obligations under the Credit Agreement and the other Loan Documents have been satisfied (exclusive of indemnification obligations which survive this termination of the Loan Documents).

10. THE INTERPRETATION, VALIDITY AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

11. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and the Collateral Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

_____
as Landlord

By: _____
Name:
Title:

JEFFERIES FINANCE LLC, as Collateral Agent

By: _____
Name:
Title:

Schedule A
To
Landlord Access Agreement

Description of Real Property

Schedule B
To
Landlord Access Agreement

Description of Lease

Lessor	Lessee	Dated	Modification	Location/ Property Address

EXHIBIT G

[Form of]
LC REQUEST

[Date]

Jefferies Finance LLC,
as Administrative Agent for
the Lenders referred to below
520 Madison Avenue
New York, New York 10022
Attention: Account Manager – BioScrip

[_____]

Re: BioScrip, Inc.

Ladies and Gentlemen:

The undersigned, BioScrip, Inc., a Delaware corporation ("**Borrower**"), hereby makes reference to that certain credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent, as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. Borrower hereby gives notice, pursuant to Section 2.18(b) of the Credit Agreement, that Borrower hereby requests the issuance of a Letter of Credit under the Credit Agreement, and in connection therewith sets forth below the information relating to such issuance (the "**Proposed Issuance**"):

(i) The requested date of the Proposed Issuance: _____
(which is a Business Day)

(ii) The face amount of the proposed Letter of Credit: $_____

(iii) The requested expiration date of such Letter of Credit: _____

(iv) The Proposed Issuance is requested for the account of [Borrower] [Subsidiary] (*provided* that Borrower shall remain jointly and severally liable as co-applicant).

(v) The name and address of the beneficiary of such requested Letter of Credit is:

(vi) Any documents to be presented by such beneficiary in connection with any drawing hereunder, including any certificate(s), application or form of such requested Letter of Credit, are attached hereto as Attachment 1 or described therein.

In connection with a request for an amendment, renewal or extension of any outstanding Letter of Credit, Borrower sets forth the information below relating to such proposed amendment, renewal or extension:

(i) A copy of the outstanding Letter of Credit requested to be amended, renewed or extended is attached hereto as Attachment 2.

(ii) The proposed date of amendment, renewal or extension thereof: _____
(which shall be a Business Day)

(iii) The nature of the proposed amendment, renewal or extension:

The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the Proposed Issuance or on the date that any amendment, renewal or extension of an outstanding Letter of Credit becomes effective hereunder:

(A) the representations and warranties contained in each Loan Document are true and correct in all material respects on and as of the date of the Proposed Issuance, before and after giving effect to the Proposed Issuance requested hereby, as though made on and as of such date, other than any such representations and warranties that, by their terms, are specifically made as of a date other than the date of the Proposed Issuance;

(B) no event has occurred and is continuing, or would result from the Proposed Issuance requested hereby, that constitutes a Default or an Event of Default; and

(C) the LC Exposure does not exceed the LC Commitment and the aggregate amount of Revolving Exposures do not exceed the total Revolving Commitments.

[*Signature Page Follows*]

Very truly yours,

BIOSCRIP, INC.

By: _____
Name:
Title:

ATTACHMENT 1
TO
LC REQUEST

[Documents required by Issuing Bank]

ATTACHMENT 2
TO
LC REQUEST

[Outstanding Letter of Credit]

EXHIBIT H-1

[Form of]
TERM NOTE

$[_____] New York, New York
[_____]

FOR VALUE RECEIVED, the undersigned, BioScrip, Inc., a Delaware corporation ("**Borrower**"), hereby promises to pay to the order of [_____] or its registered assigns (the "**Lender**") on the Term Loan Maturity Date (as defined in the Credit Agreement referred to below) in lawful money of the United States and in immediately available funds, the principal amount of [_____] DOLLARS or, if less, the aggregate unpaid principal amount of all Term Loans of the Lender outstanding under the Credit Agreement referred to below, which sum shall be due and payable in such amounts and on such dates as are set forth in the Credit Agreement. Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the rates, and on the dates, specified in Section 2.06 of the Credit Agreement. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein.

The holder of this Note may endorse and attach a schedule to reflect the date, Type and amount of each Term Loan of the Lender outstanding under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and the date of each interest rate conversion or continuation pursuant to Section 2.08 of the Credit Agreement and the principal amount subject thereto; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. This Note is subject to the provisions thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

This Note is secured and guaranteed as provided in the Credit Agreement and the Security Documents. Reference is hereby made to the Credit Agreement and the Security Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuation of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

BIOSCRIP, INC.
as Borrower

By: _____
Name:
Title:

EXHIBIT H-2

[Form of]
REVOLVING NOTE

$[_____] New York, New York
[_____]

FOR VALUE RECEIVED, the undersigned, BioScrip, Inc., a Delaware corporation ("**Borrower**"), hereby promises to pay to the order of [_____] or its registered assigns (the "**Lender**") on the Revolving Maturity Date (as defined in the Credit Agreement referred to below) in lawful money of the United States and in immediately available funds, the principal amount of the lesser of (a) [_____] DOLLARS and (b) the aggregate unpaid principal amount of all Revolving Loans of the Lender outstanding under the Credit Agreement referred to below. Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the rates, and on the dates, specified in Section 2.06 of the Credit Agreement. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein.

The holder of this Note may endorse and attach a schedule to reflect the date, Type and amount of each Revolving Loan of the Lender outstanding under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and the date of each interest rate conversion or continuation pursuant to Section 2.08 of the Credit Agreement and the principal amount subject thereto; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and issuing bank for the Lenders. This Note is subject to the provisions thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

This Note is secured and guaranteed as provided in the Credit Agreement and the Security Documents. Reference is hereby made to the Credit Agreement and the Security Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuation of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

BIOSCRIP, INC.
as Borrower

By: _____
Name:
Title:

EXHIBIT H-3

[Form of]
SWINGLINE NOTE

$[_____] New York, New York
[_____]

FOR VALUE RECEIVED, the undersigned, BioScrip, Inc., a Delaware corporation ("**Borrower**"), hereby promises to pay to the order of [_____] or its registered assigns (the "**Lender**") on the Revolving Maturity Date (as defined in the Credit Agreement referred to below), in lawful money of the United States and in immediately available funds, the principal amount of the lesser of (a) [_____] DOLLARS and (b) the aggregate unpaid principal amount of all Swingline Loans made by Lender to the undersigned pursuant to Section 2.17 of the Credit Agreement referred to below. Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time from the date hereof at the rates and on the dates specified in Section 2.06 of the Credit Agreement. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein.

The holder of this Note may endorse and attach a schedule to reflect the date, the amount of each Swingline Loan and the date and amount of each payment or prepayment of principal thereof; *provided* that the failure of the Lender to make such recordation (or any error in such recordation) shall not affect the obligations of Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. This Note is subject to the provisions thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

This Note is secured and guaranteed as provided in the Credit Agreement and the Security Documents. Reference is hereby made to the Credit Agreement and the Security Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuation of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

BIOSCRIP, INC.,
as Borrower

By: _____
Name:
Title:

EXHIBIT I-1

PERFECTION CERTIFICATE

Reference is hereby made to (i) that certain Security Agreement, dated as of March 25, 2010 (the "**Security Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the subsidiary guarantors party thereto (collectively, the "**Subsidiary Guarantors**") and Jefferies Finance LLC, as collateral agent for the benefit of the Secured Parties (in such capacity, the "**Collateral Agent**"), and (ii) that certain credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, the Subsidiary Guarantors, the Lenders the Collateral Agent, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger and as book manager, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healtco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The undersigned hereby certify to the Administrative Agent and each of the Secured Parties as follows:

12. Names. (a) The exact legal name of each Company, as such name appears in its respective certificate of incorporation or any other organizational document, is set forth in **Schedule 1(a)** hereto. Each Company is (i) the type of entity disclosed next to its name in **Schedule 1(a)** hereto and (ii) a registered organization except to the extent disclosed in **Schedule 1(a)** hereto. Also set forth in **Schedule 1(a)** hereto is the organizational identification number, if any, of each Company that is a registered organization, the Federal Taxpayer Identification Number of each Company and the jurisdiction of formation of each Company.

(b) **Schedule 1(b)** hereto sets forth any other corporate or organizational names each Company has had in the past five years, together with the date of any relevant change.

(c) **Schedule 1(c)** hereto sets forth a list of all other names (including trade names or similar appellations) used by each Company, or any other business or organization to which any Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, at any time during the past five years and the date hereof. **Schedule 1(c)** hereto also sets forth the information required by **Section 1** hereto for any other business or organization to which each Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, at any time during the past five years and the date hereof. Except as set forth in **Schedule 1(c)** hereto, no Company has changed its jurisdiction of organization at any time during the past four months.

13. Current Locations. (a) The chief executive office of each Company is located at the address set forth in **Schedule 2(a)** hereto.

(b) **Schedule 2(b)** hereto sets forth all locations where each Company maintains any books or records relating to any Collateral.

(c) **Schedule 2(c)** hereto sets forth all the other places of business of each Company.

(d) **Schedule 2(d)** hereto sets forth all locations not identified on **Schedule 2(c)** hereto where each Company maintains any of the Collateral consisting of inventory or equipment (whether or not in the possession of any Company) except to the extent that the fair market value, individually or in the aggregate, of inventory and equipment at all locations not identified on **Schedule 2(c)** or **Schedule 2(d)** hereto does not exceed $100,000.

(e) **Schedule 2(e)** hereto sets forth the names and addresses of all persons or entities other than each Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment, except to the extent that the fair market value, individually or in the aggregate (with respect to a particular third party), of instruments, chattel paper, inventory or equipment not identified on **Schedule 2(e)** hereto does not exceed $100,000.

14. [Reserved]

15. Extraordinary Transactions. Except for those purchases, acquisitions and other transactions described on **Schedule 4** hereto, all of the Collateral has been originated by each Company in the ordinary course of business or consists of goods which have been acquired by such Company in the ordinary course of business from a person in the business of selling goods of that kind.

16. File Search Reports. **Schedule 5** hereto is a true and accurate summary of file search reports from (i) the Uniform Commercial Code filing offices (x) in each jurisdiction identified on **Schedule 1(a)** or **Schedule 2** with respect to each legal name set forth on **Schedule 1(a)** and **Schedule 1(b)** and (y) in each jurisdiction described in **Schedule 1(c)** hereto or **Schedule 4** hereto relating to any of the transactions described in **Schedule (1)(c)** hereto or **Schedule 4** hereto with respect to each legal name of the person or entity from which each Company purchased or otherwise acquired any of the Collateral and (ii) each filing officer in each real estate recording office identified on **Schedule 8** hereto with respect to real estate on which Collateral consisting of fixtures is or is to be located. A true copy of each financing statement, including judgment and tax liens, bankruptcy and pending lawsuits or other filing identified in such file search reports has been delivered to the Collateral Agent.

17. UCC Filings. The financing statements (duly authorized by each Company constituting the debtor therein), including the indications of the collateral, attached as **Schedule 6** hereto relating to the Security Agreement or the applicable Mortgage, are in the appropriate forms for filing in the filing offices in the jurisdictions identified in **Schedule 7** hereto.

18. Schedule of Filings. **Schedule 7** hereto sets forth (i) the appropriate filing offices for the financing statements attached hereto as **Schedule 6** and (ii) the appropriate filing offices for the filings described in **Schedule 14(c)** hereto and (iii) any other actions required to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents. No other filings or actions are required to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents.

19. Real Property. **Schedule 8** hereto sets forth all real property owned or leased by each Company.

20. Termination Statements. Attached hereto as **Schedule 9(a)** are the duly authorized termination statements in the appropriate form for filing in each applicable jurisdiction identified in **Schedule 9(b)** hereto with respect to each Lien described therein.

21. No Change. The undersigned knows of no anticipated change in any of the circumstances or with respect to any of the matters contemplated in **Sections 1** through **9** and **Sections 11** through **18** of this Perfection Certificate except as set forth on **Schedule 10** hereto.

22. Stock Ownership and Other Equity Interests. **Schedule 11** hereto sets forth (i) all the issued and outstanding stock, partnership interests, limited liability company membership interests or other Equity Interests of each Company and the record and beneficial owners of such stock, partnership interests, membership interests or other Equity Interests, and (ii) each equity investment of each Company that represents 50% or less of the equity of the entity in which such investment was made except to the extent such equity investment is held in a Securities Account set forth on **Schedule 16** hereto.

23. Instruments and Tangible Chattel Paper. **Schedule 12** hereto sets forth all promissory notes, instruments (other than checks to be deposited in the ordinary course of business), tangible chattel paper, electronic chattel paper and other evidence of indebtedness held by each Company as of the date hereof, including all intercompany notes between or among any two or more Companies, except to the extent that the amount, individually or in the aggregate, of the items not identified on **Schedule 12** hereto does not exceed $100,000.

24. Advances. **Schedule 13** hereto sets forth (i) the principal balance (on a Company-by-Company basis) of all advances made by any Company to any other Company as of the date hereof (other than those identified on **Schedule 12**), which advances will be on and after the date hereof evidenced by the Intercompany Note pledged to the Collateral Agent under the Security Agreement, and (ii) a true and correct list of all unpaid intercompany transfers of goods sold and delivered by or to any Company as of the date hereof.

25. Intellectual Property. (a) Patents. **Schedule 14(a)** hereto sets forth all of each Company's Patents issued from, and Patent applications pending in, the United States Patent and Trademark Office ("**USPTO**"); Patent Licenses recorded in the USPTO; all other Patents issued from, or Patent applications pending in, all patent-granting authorities; all other Patent Licenses, recorded or unrecorded; and including, with respect to each of the foregoing Patents and Patent applications, the name of the owner and the number of each such Patent or Patent application. For purposes of this **Section 14(a)**, the term Patent shall have the meaning given to such term in the Security Agreement.

(b) Trademarks. **Schedule 14(b)** hereto sets forth all of each Company's Trademarks registered with, and Trademark applications pending in, the USPTO; Trademark Licenses recorded in the USPTO; all other Trademarks registered with, or Trademark applications pending in, an authority other than the USPTO; all unregistered Trademarks; all other Trademark Licenses, recorded or unrecorded; and including, with respect to each of the foregoing registered Trademarks and Trademark applications, the name of the owner and the number of each such registered Trademark or Trademark application. For purposes of this **Section 14(b)**, the term Trademark shall have the meaning given to such term in the Security Agreement.

(c) Copyrights. **Schedule 14(c)** hereto sets forth all of each Company's Copyrights registered with, and Copyright applications pending in, the United States Copyright Office ("**USCO**"); Copyright Licenses recorded in the USCO; and all other registered or unregistered Copyrights, pending Copyright applications, and recorded or unrecorded Copyright Licenses, including, with respect to each registered Copyright and Copyright application, the name of the owner and the number of each such registered Copyright or Copyright application. For purposes of this **Section 14(c)**, the term Copyright shall have the meaning given to such term in the Security Agreement.

(d) Attached hereto as **Schedule 14(d)** in proper form for filing with the USPTO, United States Copyright Office and any other administrative body, domestic or foreign, with which a filing is required to be made, are (together with the financing statements attached as **Schedule 6** hereto) the filings necessary to preserve, protect and perfect the security interests in the intellectual property set forth on **Schedule 14(a)** hereto, **Schedule 14(b)** hereto, and **Schedule 14(c)** hereto, including duly signed copies of each of the Patent Security Agreement, Trademark Security Agreement and Copyright Security Agreement, as applicable. For purposes of this **Section 14(d)**, the terms Patent Security Agreement, Trademark Security Agreement and Copyright Security Agreement shall have the meanings given to them in the Security Agreement.

26. Commercial Tort Claims. **Schedule 15** hereto sets forth all Commercial Tort Claims (as defined in the Security Agreement) held by each Company, including a brief description thereof, which have a value reasonably believed by the Companies to be, individually or in the aggregate, in excess of $25,000.

27. Deposit Accounts, Securities Accounts and Commodity Accounts. **Schedule 16(a)** hereto sets forth all Deposit Accounts (as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account, except to the extent that the amount individually or in the aggregate, of the funds held in all such accounts not identified on **Schedule 16(a)** hereto does not exceed $100,000. **Schedule 16(b)** hereto sets forth all Lockbox Accounts (as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account. **Schedule 16(c)** hereto sets forth all Securities Accounts and Commodity Accounts (each as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account, except to the extent that the fair market value and/or amount, as the case may be, individually or in the aggregate, of the financial assets and/or commodity contracts, as the case may be, held in all such accounts not identified on **Schedule 16(c)** hereto does not exceed $100,000.

28. Letter-of-Credit Rights. **Schedule 17** hereto sets forth all Letters of Credit issued in favor of each Company, as beneficiary thereunder, except to the extent that the face amount, individually or in the aggregate, of all Letters of Credit not identified on **Schedule 17** hereto does not exceed $100,000.

29. Motor Vehicles. **Schedule 18** hereto sets forth all motor vehicles (covered by certificates of title or ownership) valued, individually or in the aggregate, at over $1,500,000 and owned by each Company, and the owner and approximate value of such motor vehicles.

Each Company hereby authorizes the Collateral Agent to file financing or continuation statements, and amendments thereto, in all jurisdictions and with all filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interests granted or to be granted to the Collateral Agent under the Security Agreement. Such financing statements may describe the collateral in the same manner as described in the Security Agreement or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the collateral granted to the Collateral Agent, including, without limitation, describing such property as “all assets” or “all personal property.”

Dated: [_____]

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned executes this Perfection Certificate as of the date first above written.

BIOSCRIP, INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, INC.

By: _____
Name:
Title:

CHRONIMED LLC

By: _____
Name:
Title:

LOS FELIZ INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY, INC.

By: _____
Name:
Title:

BRADHURST SPECIALTY PHARMACY, INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY (NY), INC.

By: _____
Name:
Title:

BIOSCRIP PBM SERVICES, LLC

By: _____
Name:
Title:

NATURAL LIVING INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, LLC

By: _____
Name:
Title:

BIOSCRIP NURSING SERVICES, LLC

By: _____
Name:
Title:

BIOSCRIP INFUSION MANAGEMENT, LLC

By: _____
Name:
Title:

BIOSCRIP PHARMACY SERVICES, INC.

By: _____
Name:
Title:

Schedule 1(a)
to
Perfection Certificate

Legal Names, Etc.

Legal Name	Type of Entity	Registered Organization (Yes/No)	Organizational Number*	Federal Taxpayer Identification Number	State of Formation

* If none, so state.

Schedule 1(b)
to
Perfection Certificate

Prior Organizational Names

Company	Prior Name	Date of Change

Schedule 1(c)
to
Perfection Certificate

Other Names; Changes in Corporate Identity

Company	Corporate Name of Entity	Action	Date of Action	State of Formation	List of All Other Names Used During Past Five Years

[Add Information required by Section 1 to the extent required by Section 1(c) of the Perfection Certificate]

Schedule 2(a)
to
Perfection Certificate

Chief Executive Offices

Company	Address	County	State

Schedule 2(b)
to
Perfection Certificate

Location of Books and Records

Company	Address	County	State

Schedule 2(c)
to
Perfection Certificate

Other Places of Business

Company	Address	County	State

Schedule 2(d)
to
Perfection Certificate

Additional Locations of Equipment and Inventory

Company	Address	County	State

Schedule 2(e)
to
Perfection Certificate

Locations of Collateral in Possession of Persons Other Than Companies

Company	Name of Entity in Possession of Collateral/Capacity of such Entity	Address/Location of Collateral	County	State

Schedule 4
to
Perfection Certificate

Transactions Other Than in the Ordinary Course of Business

Company	Description of Transaction Including Parties Thereto	Date of Transaction

Schedule 5
to
Perfection Certificate

File Search Reports

Company	Search Report Dated	Prepared by	Jurisdiction

Schedule 6
to
Perfection Certificate

Copy of Financing Statements to Be Filed

Schedule 7
to
Perfection Certificate

Filings/Filing Offices

Type of Filings*	Entity	Applicable Security Document‡‡‡	Jurisdictions

* UCC1 financing statement, fixture filing, mortgage, intellectual property filing or other necessary filing.

‡‡‡ Mortgage, Security Agreement or other.

Schedule 8
to
Perfection Certificate

Real Property

Entity of Record	Location Address	Owned or Leased	Landlord/Owner if Leased	Description of Lease Documents

Schedule 9(a)
to
Perfection Certificate

Attached hereto is a true copy of each termination statement filing duly acknowledged or otherwise identified by the filing officer.

Schedule 9(b)
to
Perfection Certificate

Termination Statement Filings

Debtor	Jurisdiction	Secured Party	Type of Collateral	UCC1 File Date	UCC1 File Number

Schedule 10
to
Perfection Certificate

Changes from Circumstances Described in Perfection Certificate

Schedule 11
to
Perfection Certificate

Stock Ownership and Other Equity Interests

Company: _____

Current Legal Entities Owned	Record Owner	Certificate No.	No. Shares/Interest	Percent Pledged

Schedule 12
to
Perfection Certificate

Instruments and Tangible Chattel Paper

1. Promissory Notes:

Entity	Principal Amount	Date of Issuance	Interest Rate	Maturity Date

2. Chattel Paper:

Entity	Principal Amount	Date of Issuance	Interest Rate	Maturity Date

Schedule 13
to
Perfection Certificate

Advances

Description and Date of Advance	From	To	Description and Date of Unpaid Intercompany Transfer of Goods	From	To

Schedule 14(a)
to
Perfection Certificate

Patents and Patent Licenses

UNITED STATES PATENTS:

Issued Patents:

OWNER	PATENT NUMBER	DESCRIPTION

Applications:

OWNER	APPLICATION NUMBER	DESCRIPTION

Licenses:

LICENSEE	LICENSOR	PATENT/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(a) (continued)
to
Perfection Certificate

OTHER PATENTS:

Issued Patents:

OWNER	PATENT NUMBER	COUNTRY/STATE	DESCRIPTION

Applications:

OWNER	APPLICATION NUMBER	COUNTRY/STATE	DESCRIPTION

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	PATENT/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(b)
to
Perfection Certificate

Trademarks and Trademark Licenses

UNITED STATES TRADEMARKS:

Registrations:

OWNER	REGISTRATION NUMBER	TRADEMARK

Applications:

OWNER	APPLICATION NUMBER	TRADEMARK

Licenses:

LICENSEE	LICENSOR	REGISTRATION/ APPLICATION NUMBER	TRADEMARK

Schedule 14(b) (continued)
to
Perfection Certificate

OTHER TRADEMARKS:

Registrations:

OWNER	REGISTRATION NUMBER	COUNTRY/STATE	TRADEMARK

Applications:

OWNER	APPLICATION NUMBER	COUNTRY/STATE	TRADEMARK

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	REGISTRATION/ APPLICATION NUMBER	TRADEMARK

Schedule 14(c)
to
Perfection Certificate

Copyrights and Copyright Licenses

UNITED STATES COPYRIGHTS

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	APPLICATION NUMBER

Licenses:

LICENSEE	LICENSOR	REGISTRATION/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(c) (continued)
to
Perfection Certificate

OTHER COPYRIGHTS

Registrations:

OWNER	COUNTRY STATE	TITLE	REGISTRATION NUMBER

Applications:

OWNER	COUNTRY/STATE	APPLICATION NUMBER

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	REGISTRATION/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(d)
to
Perfection Certificate

Intellectual Property Filings

Schedule 15
to
Perfection Certificate

Commercial Tort Claims

Schedule 16(a)
to
Perfection Certificate

Deposit Accounts (Other Than Lockbox Accounts)

Owner	Bank	Account Numbers

Schedule 16(b)
to
Perfection Certificate

Lockbox Accounts

Owner	Bank	Account Numbers

Schedule 16(c)
to
Perfection Certificate

Securities Accounts and Commodity Accounts

Owner	Type of Account	Intermediary	Account Numbers

Schedule 17
to
Perfection Certificate

Letter of Credit Rights

Schedule 18
to
Perfection Certificate

Motor Vehicles

I-1-40

EXHIBIT I-2

PERFECTION CERTIFICATE SUPPLEMENT

Reference is hereby made to (i) that certain Security Agreement, dated as of March [___], 2010 (the "**Security Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the subsidiary guarantors party thereto (collectively, the "**Subsidiary Guarantors**") and Jefferies Finance LLC, as collateral agent for the benefit of the Secured Parties (in such capacity, the "**Collateral Agent**"), and (ii) that certain credit agreement, dated as of March [___], 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, the Subsidiary Guarantors, the Lenders the Collateral Agent, Jefferies Finance LLC, as administrative agent (in such capacity, the "**Administrative Agent**"), as lead arranger, as book manager and as syndication agent, Jefferies Finance LLC, as swingline lender for the Lenders, and [_____], as issuing bank for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. This Perfection Certificate Supplement is delivered pursuant to Section 5.14(b) of the Credit Agreement.

The undersigned[1] hereby certify to the Administrative Agent and each of the Secured Parties that, as of the date hereof, there has been no change in the information described in the Perfection Certificate delivered on the Closing Date (as supplemented by any perfection certificate supplements delivered prior to the date hereof, the "**Prior Perfection Certificate**"), other than as follows:

1. Names. (a) Except as listed on **Schedule 1(a)** hereto, (i) Schedule 1(a) to the Prior Perfection Certificate sets forth the exact legal name of each Company, as such name appears in its respective certificate of incorporation or any other organizational document; (ii) each Company is (x) the type of entity disclosed next to its name in Schedule 1(a) to the Prior Perfection Certificate and (y) a registered organization except to the extent disclosed in Schedule 1(a) to the Prior Perfection Certificate; and (z) Schedule 1(a) to the Prior Perfection Certificate sets forth the organizational identification number, if any, of each Company that is a registered organization, the Federal Taxpayer Identification Number of each Company and the state of formation of each Company.

(b) Except as listed on **Schedule 1(b)** hereto, Schedule 1(b) to the Prior Perfection Certificate sets forth any other corporate or organizational names each Company has had in the past five years, together with the date of the relevant change.

2. Current Locations. (a) Except as listed on **Schedule 2(a)** hereto, the chief executive office of each Company is located at the address set forth in Schedule 2(a) to the Prior Perfection Certificate.

(b) Except as listed on **Schedule 2(b)** hereto, Schedule 2(b) to the Prior Perfection Certificate sets forth all locations where each Company maintains any books or records relating to any Collateral.

(c) Except as listed on **Schedule 2(c)** hereto, Schedule 2(c) to the Prior Perfection Certificate sets forth all the other places of business of each Company.

(d) Except as listed on **Schedule 2(d)** hereto, Schedule 2(d) to the Prior Perfection Certificate sets forth all other locations not identified on **Schedule 2(c)** hereto or Schedule 2(c) to the Prior

---

1 Insert appropriate officers of the Companies.

Perfection Certificate where each Company maintains any of the Collateral consisting of inventory or equipment (whether or not in the possession of any Company) except to the extent that the fair market value, individually or in the aggregate, of inventory and equipment at all locations not identified on **Schedule 2(c)** or **Schedule 2(d)** hereto and on Schedule 2(c) thereto or Schedule 2(d) thereto does not exceed $100,000.

(e) Except as listed on **Schedule 2(e)** hereto, Schedule 2(e) to the Prior Perfection Certificate sets forth the names and addresses of all persons or entities other than each Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment, except to the extent that the value, individually or in the aggregate (with respect to a particular third party), of instruments, chattel paper, inventory and equipment not identified on **Schedule 2(e)** hereto and Schedule 2(e) thereto does not exceed $100,000.

3. [Reserved]

4. Extraordinary Transactions. Except for those purchases, acquisitions and other transactions described on **Schedule 4** hereto and on Schedule 4 to the Prior Perfection Certificate, all of the Collateral has been originated by each Company in the ordinary course of business or consists of goods which have been acquired by such Company in the ordinary course of business from a person in the business of selling goods of that kind.

5. File Search Reports. Except as listed on **Schedule 5** hereto, Schedule 5 to the Prior Perfection Certificate is a true and accurate summary of file search reports from (i) the Uniform Commercial Code filing offices (x) in each jurisdiction identified on **Schedule 1(a)** or **Schedule 2** hereto and thereto with respect to each legal name set forth on **Schedule 1(a)** and **Schedule 1(b)** hereto and thereto and (y) in each jurisdiction described in Schedule 1(c) thereto, or **Schedule 4** hereto or Schedule 4 thereto relating to any of the transactions described in Schedule (1)(c) thereto or **Schedule 4** hereto or Schedule 4 thereto with respect to each legal name of the person or entity from which each Company purchased or otherwise acquired any of the Collateral and (ii) each filing officer in each real estate recording office identified on **Schedule 8** hereto or Schedule 8 thereto with respect to real estate on which Collateral consisting of fixtures is or is to be located. Except as listed on **Schedule 5** hereto, Schedule 5 to the Prior Perfection Certificate is a true copy of each financing statement, including judgment and tax liens, bankruptcy and pending lawsuits or other filing identified in such file search reports.

6. UCC Filings. Except as set listed on **Schedule 6** hereto, the financing statements (duly authorized by each Company constituting the debtor therein), including the indications of the collateral, relating to the Security Agreement or the applicable Mortgage, are set forth in Schedule 6 to the Prior Perfection Certificate, and are in the appropriate forms for filing in the filing offices in the jurisdictions identified in **Schedule 6** hereto and Schedule 6 thereto.

7. Schedule of Filings. Except as listed on **Schedule 7** hereto, Schedule 7 to the Prior Perfection Certificate sets forth (i) the appropriate filing offices for the financing statements attached thereto as Schedule 5 and hereto as **Schedule 5**, (ii) the appropriate filing offices for the filings described in Schedule 13(e) thereto and **Schedule 13(e)** hereto and (iii) any other actions required to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents. No other filings or actions are required to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents.

8. Real Property. Except as listed on **Schedule 8** hereto, Schedule 8 to the Prior Perfection Certificate sets forth all real property owned or leased by each Company.

9. Termination Statements. Except as listed on **Schedule 9(a)** hereto, Schedule 9(a) to the Prior Perfection Certificate sets forth the duly authorized termination statements in the appropriate form for filing in each applicable jurisdiction identified in **Schedule 9(b)** hereto and Schedule 9(b) thereto with respect to each Lien described therein.

10. No Change. The undersigned knows of no anticipated change in any of the circumstances or with respect to any of the matters contemplated in **Sections 1** through **9** and **Sections 11** through **18** hereto except as set forth on **Schedule 10** hereto.

11. Stock Ownership and other Equity Interests. Except as listed on **Schedule 11** hereto, Schedule 11 to the Prior Perfection Certificate sets forth (i) all the issued and outstanding stock, partnership interests, limited liability company membership interests or other Equity Interests of each Company and the record and beneficial owners of such stock, partnership interests, membership interests or other Equity Interests and (ii) each equity investment of each Company that represents 50% or less of the equity of the entity in which such investment was made, except to the extent such equity investment is held in a Securities Account set forth on **Schedule 16(b)** hereto or on Schedule 16(b) to the Prior Perfection Certificate.

12. Instruments and Tangible Chattel Paper. Except as listed on **Schedule 12** hereto, Schedule 12 to the Prior Perfection Certificate sets forth all promissory notes, instruments (other than checks to be deposited in the ordinary course of business), tangible chattel paper, electronic chattel paper and other evidence of indebtedness held by each Company as of the date hereof, including all intercompany notes between or among any two or more Companies, except to the extent that the amount, individually or in the aggregate, of the items not identified on **Schedule 12** hereto and Schedule 12 thereto does not exceed $100,000.

13. Advances. Except as listed on **Schedule 13** hereto, Schedule 13 to the Prior Perfection Certificate sets forth (i) the principal balance (on a Company-by-Company basis) of all advances made by any Company to any other Company as of the date hereof (other than those identified on **Schedule 12** hereto or Schedule 12 thereto), which advances will be on and after the date hereof evidenced by the Intercompany Note pledged to the Collateral Agent under the Security Agreement and (ii) all unpaid intercompany transfers of goods sold and delivered by or to any Company as of the date hereof.

14. Intellectual Property. (a) Patents. Except as listed on **Schedule 14(a)** hereto, Schedule 14(a) to the Prior Perfection Certificate sets forth all of each Company's Patents issued from, and Patent Applications pending in, the United States Patent and Trademark Office ("**USPTO**"); Patent Licenses recorded in the USPTO; all other Patents issued from, or Patent Applications pending in, all patent-granting authorities; all other Patent Licenses, recorded or unrecorded; and including, with respect to each of the foregoing Patents and Patent Applications, the name of the owner and the number of each such Patent or Patent Application. For purposes of this **Section 14(a)**, the terms Patent, Patent Application, and Patent License shall have the meanings given to them in the Security Agreement.

(b) Trademarks. Except as listed on **Schedule 14(b)** hereto, Schedule 14(b) to the Prior Perfection Certificate sets forth all of each Company's Trademarks registered with, and Trademark Applications pending in, the USPTO; Trademark Licenses recorded in the USPTO; all other Trademarks registered with, or Trademark Applications pending in, an authority other than the USPTO; all unregistered Trademarks; all other Trademark Licenses, recorded or unrecorded; and including, with

respect to each of the foregoing registered Trademarks and Trademark Applications, the name of the owner and the number of each such registered Trademark or Trademark Application. For purposes of this **Section 14(b)**, the terms Trademark, Trademark Application, and Trademark License shall have the meanings given to them in the Security Agreement.

(c) Copyrights. Except as listed on **Schedule 14(c)** hereto, Schedule 14(c) to the Prior Perfection Certificate sets forth all of each Company's Copyrights registered with, and Copyright Applications pending in, the United States Copyright Office ("**USCO**"); Copyright Licenses recorded in the USCO; and all other registered or unregistered Copyrights, pending Copyright Applications, and recorded or unrecorded Copyright Licenses, including, with respect to each registered Copyright and Copyright Application, the name of the owner and the number of each such registered Copyright or Copyright Application. For purposes of this **Section 14(c)**, the terms Copyright, Copyright Application, and Copyright License shall have the meanings given to them in the Security Agreement.

(d) Except as listed on **Schedule 14(d)** hereto, attached to the Prior Perfection Certificate as Schedule 14(c) in proper form for filing with the USPTO and the USCO are (together with the financing statements attached as **Schedule 6** hereto and Schedule 6 thereto) the filings necessary to preserve, protect and perfect the security interests in the Trademarks, Trademark Licenses, Patents, Patent Licenses, Copyrights and Copyright Licenses set forth on **Schedules 14(a)**, **(b)** and **(c)** hereto and Schedules 14(a), (b) and (c) thereto, including duly signed copies of each of the Patent Security Agreement, Trademark Security Agreement and the Copyright Security Agreement, as applicable. For purposes of this **Section 14(d)**, the terms Trademarks, Trademark Licenses, Patents, Patent Licenses, Copyrights, Copyright Licenses, Patent Security Agreement, Trademark Security Agreement and Copyright Security Agreement shall have the meanings given to them in the Security Agreement.

15. Commercial Tort Claims. Except as listed on **Schedule 15** hereto, Schedule 15 to the Prior Perfection Certificate sets forth all Commercial Tort Claims (as defined in the Security Agreement) held by each Company, including a brief description thereof, which have a value reasonably believed by the Companies to be, individually or in the aggregate, in excess of $25,000.

16. Deposit Accounts, Securities Accounts and Commodity Accounts. Except as listed on **Schedule 16(a)** hereto, Schedule 16(a) to the Prior Perfection Certificate sets forth all Deposit Accounts (as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account, except to the extent that the amount of the funds, individually or in the aggregate (with respect to any Financial Institution), held in all such accounts not identified on **Schedule 16(a)** hereto and Schedule 16(a) thereto does not exceed $100,000. Except as listed on **Schedule 16(b)** hereto, Schedule 16(b) to the Prior Perfection Certificate sets forth all Lockbox Accounts (as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account. Except as listed on **Schedule 16(c)** hereto, Schedule 16(c) to the Prior Perfection Certificate sets forth all Securities Accounts and Commodity Accounts (each as defined in the Security Agreement) maintained by each Company, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account, except to the extent that the fair market value and/or amount, as the case may be, individually or in the aggregate, of the financial assets and/or commodity contracts, as the case may be, held in all such accounts not identified on **Schedule 16(c)** hereto and Schedule 16(c) to the Prior Perfection Certificate does not exceed $100,000.

17. Letter-of-Credit Rights. Except as listed on **Schedule 17** hereto, Schedule 17 to the Perfection Certificate sets forth all Letters of Credit issued in favor of each Company, as beneficiary

thereunder, except to the extent that the face amount, individually or in the aggregate, of all Letters of Credit not identified on **Schedule 17** hereto does not exceed $100,000.

18. Motor Vehicles. Except as listed on **Schedule 18** hereto, Schedule 18 to the Prior Perfection Certificate sets forth all motor vehicles (covered by certificates of title or ownership) valued at over $1,500,000 and owned by each Company, and the owner and approximate value of such motor vehicles.

Each Company hereby authorizes the Collateral Agent to file financing or continuation statements, and amendments thereto, in all jurisdictions and with all filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interests granted or to be granted to the Collateral Agent under the Security Agreement. Such financing statements may describe the collateral in the same manner as described in the Security Agreement or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the collateral granted to the Collateral Agent, including, without limitation, describing such property as "all assets" or "all personal property."

Dated: [_____]

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned executes this Perfection Certificate Supplement as of the date first above written.

[_____]

By: _____
Name:
Title:

[_____]

By: _____
Name:
Title:

[_____]

By: _____
Name:
Title:

Schedule 1(a)
To
Perfection Certificate Supplement

Legal Names, Etc.

Legal Name	Type of Entity	Registered Organization (Yes/No)	Organizational Number*	Federal Taxpayer Identification Number	State of Formation

* If none, so state.

Schedule 1(b)
To
Perfection Certificate Supplement

Prior Organizational Names

Company	Prior Name	Date of Change

Schedule 2(a)
To
Perfection Certificate Supplement

Chief Executive Offices

Company	Address	County	State

Schedule 2(b)
To
Perfection Certificate Supplement

Location of Books and Records

Company	Address	County	State

Schedule 2(c)
To
Perfection Certificate Supplement

Other Places of Business

Company	Address	County	State

Schedule 2(d)
To
Perfection Certificate Supplement

Additional Locations of Equipment and Inventory

Company	Address	County	State

Schedule 2(e)
To
Perfection Certificate Supplement

Locations of Collateral in Possession of Persons Other Than Companies

Company	Name of Entity in Possession of Collateral/Capacity of such Entity	Address/Location of Collateral	County	State

Schedule 4
To
Perfection Certificate Supplement

Transactions Other Than in the Ordinary Course of Business

Company	Description of Transaction Including Parties Thereto	Date of Transaction

Schedule 5
To
Perfection Certificate Supplement

File Search Reports

Company	Search Report Dated	Prepared by	Jurisdiction

Schedule 6
To
Perfection Certificate Supplement

Copy of Financing Statements To Be Filed

Schedule 7
To
Perfection Certificate Supplement

Filings/Filing Offices

Type of Filings*	Entity	Applicable Security Document††††	Jurisdictions

* UCC1 financing statement, fixture filing, mortgage, intellectual property filing or other necessary filing.

†††† Mortgage, Security Agreement or other.

Schedule 8
To
Perfection Certificate Supplement

Real Property

Entity of Record	Location Address	Owned or Leased	Landlord/Owner if Leased	Description of Lease Documents

Schedule 9(a)
To
Perfection Certificate Supplement

Attached hereto is a true copy of each termination statement filing duly acknowledged or otherwise identified by the filing officer.

Schedule 9(b)
To
Perfection Certificate Supplement

Termination Statement Filings

Debtor	Jurisdiction	Secured Party	Type of Collateral	UCC1 File Date	UCC1 File Number

Schedule 10
To
Perfection Certificate Supplement

Changes from Circumstances Described in Prior Perfection Certificate

Schedule 11
To
Perfection Certificate Supplement

Stock Ownership and Other Equity Interests

Company: _____

Current Legal Entities Owned	Record Owner	Certificate No.	No. Shares/Interest	Percent Pledged

Schedule 12
To
Perfection Certificate Supplement

Instruments and Tangible Chattel Paper

1. Promissory Notes:

Entity	Principal Amount	Date of Issuance	Interest Rate	Maturity Date

2. Chattel Paper:

Schedule 13
To
Perfection Certificate Supplement

Advances

Description and Date of Advance	From	To	Description and Date of Unpaid Intercompany Transfer of Goods	From	To

Schedule 14(a)
To
Perfection Certificate Supplement

Patents and Patent Licenses

UNITED STATES PATENTS:

Issued Patents:

OWNER	PATENT NUMBER	DESCRIPTION

Applications:

OWNER	APPLICATION NUMBER	DESCRIPTION

Licenses:

LICENSEE	LICENSOR	PATENT/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(a) (continued)
To
Perfection Certificate Supplement

OTHER PATENTS:

Issued Patents:

OWNER	PATENT NUMBER	COUNTRY/STATE	DESCRIPTION

Applications:

OWNER	APPLICATION NUMBER	COUNTRY/STATE	DESCRIPTION

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	PATENT/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(b)
To
Perfection Certificate Supplement

Trademarks and Trademark Licenses

UNITED STATES TRADEMARKS:

Registrations:

OWNER	REGISTRATION NUMBER	TRADEMARK

Applications:

OWNER	APPLICATION NUMBER	TRADEMARK

Licenses:

LICENSEE	LICENSOR	REGISTRATION/ APPLICATION NUMBER	TRADEMARK

Schedule 14(b) (continued)
To
Perfection Certificate Supplement

OTHER TRADEMARKS:

Registrations:

OWNER	REGISTRATION NUMBER	COUNTRY/STATE	TRADEMARK

Applications:

OWNER	APPLICATION NUMBER	COUNTRY/STATE	TRADEMARK

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	REGISTRATION/ APPLICATION NUMBER	TRADEMARK

Schedule 14(c)
To
Perfection Certificate Supplement

Copyrights and Copyright Licenses

UNITED STATES COPYRIGHTS

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	APPLICATION NUMBER

Licenses:

LICENSEE	LICENSOR	REGISTRATION/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(c) (continued)
To
Perfection Certificate Supplement

OTHER COPYRIGHTS

Registrations:

OWNER	COUNTRY STATE	TITLE	REGISTRATION NUMBER

Applications:

OWNER	COUNTRY/STATE	APPLICATION NUMBER

Licenses:

LICENSEE	LICENSOR	COUNTRY/STATE	REGISTRATION/ APPLICATION NUMBER	DESCRIPTION

Schedule 14(d)
To
Perfection Certificate Supplement

Intellectual Property Filings

Schedule 15
To
Perfection Certificate Supplement

Commercial Tort Claims

Schedule 16(a)
To
Perfection Certificate Supplement

Deposit Accounts (Other Than Lockbox Accounts)

OWNER	BANK	ACCOUNT NUMBERS

Schedule 16(b)
To
Perfection Certificate Supplement

Lockbox Accounts

OWNER	BANK	ACCOUNT NUMBERS

Schedule 16(c)
To
Perfection Certificate Supplement

Securities Accounts and Commodity Accounts

OWNER	TYPE OF ACCOUNT	INTERMEDIARY	ACCOUNT NUMBERS

Schedule 17
To
Perfection Certificate Supplement

Letter of Credit Rights

Schedule 18
To
Perfection Certificate Supplement

Motor Vehicles

I-2-37

EXHIBIT J

[Form of Security Agreement — see Exhibit 10.2 to this Current Report on Form 8-K]

EXHIBIT K

[Form of]
NON-BANK CERTIFICATE

Reference is made to the credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation, the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent, as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and issuing bank for the Lenders. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement.

Pursuant to Section 2.15(e) of the Credit Agreement, the undersigned is not a bank (as such term is used in Section 881(c)(3)(A), of the Internal Revenue Code of 1986, as amended).

[NAME OF LENDER]

By: _____
Name:
Title:

[ADDRESS]

Dated: _____, 20___

EXHIBIT L

[Form of]
SOLVENCY CERTIFICATE

Reference is made to that certain credit agreement, dated as of March 25, 2010 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), among BioScrip, Inc., a Delaware corporation ("**Borrower**"), the Subsidiary Guarantors, the Lenders, Jefferies Finance LLC, as administrative agent, as lead arranger, as book manager and as collateral agent for the Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, HFG Healthco-4, LLC, as swingline lender for the Lenders, and Healthcare Finance Group, LLC, as collateral manager and as issuing bank for the Lenders. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. The undersigned, [_____], Chief Financial Officer of Borrower, Inc., a Delaware corporation ("**Borrower**"), solely in my capacity as Chief Financial Officer of Borrower and not in individual capacity, does hereby certify pursuant to Section 4.01(h) of the Credit Agreement, as follows:

Both immediately before and immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of each Credit Extension and after giving effect to the application of the proceeds of each Credit Extension on the Closing Date:

(a) The fair value of the properties of each Loan Party will exceed its debts and liabilities, subordinated, contingent or otherwise;

(b) The present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

(c) Each Loan Party will be able to generally pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured;

(d) Each Loan Party will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Closing Date;

(e) For purposes of this Certificate, the amount of contingent liabilities has been computed as the amount that, in the light of all the facts and circumstances existing as of the date hereof, represents the amount that can reasonably be expected to become an actual or matured liability and takes into account contractual and common law rights of contribution among the Guarantors, including the rights of contribution set forth in Section 7.10 of the Credit Agreement;

(f) No Loan Party intends, in consummating the transactions contemplated by the Credit Agreement, to hinder, delay, or defraud either present or future creditors or any other person to which any Loan Party is, or will become on or after the date hereof, indebted;

(g) The Administrative Agent has previously received the financial statements described in Sections 3.04(a), 3.04(b) and 4.01(e) of the Credit Agreement (the "**Financial**

Statements"), which the undersigned believes present fairly and accurately, the financial condition and results of operations and cash flows of the Acquired Business as of the dates and for the periods to which they relate;

(h) In reaching the conclusions set forth in this Certificate, the undersigned has considered, among other things:

(i) the Financial Statements;

(ii) the values of each Loan Party's real property, equipment, inventory, accounts receivable, joint venture interests and all other property of each Loan Party, real and personal, tangible and intangible;

(iii) the experience of management of each Loan Party in acquiring and disposing of their assets;

(iv) all indebtedness of each Loan Party known to the undersigned, including, among other things, any claims arising out of pending or threatened litigation against each Loan Party;

(v) historical and anticipated changes in the sales volume of each Loan Party;

(vi) the customary terms of trade payables of each Loan Party;

(vii) the amount of the credit extended by and to customers of each Loan Party; and

(viii) the level of capital customarily maintained by each Loan Party and other entities engaged in the same or similar businesses as the business of each Loan Party; and

(i) In reaching the conclusions set forth in this Certificate, the undersigned has made such other investigations and inquiries as the undersigned has deemed appropriate, having taken into account the nature of the particular business anticipated to be conducted by each Loan Party after consummation of the Transactions.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The undersigned understands that the Lenders are relying on the truth and accuracy of contents of this Certificate in connection with each Credit Extension made to Borrower pursuant to the Credit Agreement.

[Signature Page Follows]

BIOSCRIP, INC.

By: _____
Name:
Title: Chief Financial Officer

EXHIBIT M

[Form of]

SUPPLIER INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of [_____] (this "***Agreement***"), is between Jefferies Finance LLC, as agent for the First Priority Secured Parties (as defined below) (in such capacity, the "***First Priority Agent***"), and [_____], a [Delaware] corporation ("***Supplier***").

PRELIMINARY STATEMENT

Reference is made to (a) the credit agreement, dated as of March 25, 2010 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "***First Priority Debt Agreement***"), among BioScrip, Inc., a Delaware corporation (the "***Company***"), the lenders from time to time party thereto (the "***First Priority Creditors***"), the subsidiary guarantors of the Company from time to time party thereto, Jefferies Finance LLC, as lead arranger, as book manager, as administrative agent for the First Priority Creditors and as collateral agent for the First Priority Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, Healthcare Finance Group, LLC, as collateral manager and issuing bank for the First Priority Creditors, and HFG Healthco-4, LLC, as swingline lender for the First Priority Creditors, (b) the security agreement, dated as of March 25, 2010 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "***First Priority Security Agreement***"), among the Company, the subsidiaries of the Company from time to time party thereto, and the First Priority Agent, (c) the other Loan Documents as defined, and referred to, in the First Priority Debt Agreement, and (d) [*insert description of supplier agreements*] (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, the "***Prime Vendor Agreement***"), between by Supplier and the Company and certain subsidiaries of the Company.

RECITALS

A. Pursuant to the Prime Vendor Agreement, the Grantors (as hereinafter defined) granted Supplier a lien in all of their existing and future inventory and accounts and proceeds thereof (including insurance proceeds).

B. The First Priority Creditors have agreed to make loans and other extensions of credit to the Company pursuant to the First Priority Debt Agreement (in an aggregate committed principal amount, as of the Closing Date, of $150,000,000, subject to the terms and conditions contained therein and in the other Loan Documents) on the condition, among others, that the First Priority Claims (such term and each other capitalized term used but not defined in the preliminary statement or these recitals having the meaning given it in Article I) shall be secured by first priority Liens on, and security interests in, substantially all of the assets of the Company (including the Collateral), and that the priority of the Liens securing the First Priority Claims be senior and prior to the Liens securing the Second Priority Claims.

C. Supplier has agreed to the subordination of Liens securing the Company's obligations under the Second Priority Financing Documents to the Liens securing the First Priority Claims, upon the terms and subject to the conditions set forth in this Agreement.

D. The First Priority Debt Agreement requires, among other things, that the First Priority

Collateral Agent and Supplier set forth in this Agreement, among other things, their respective rights, obligations and remedies with respect to the Collateral.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall, except to the extent the context otherwise requires, have the meanings set forth in the First Priority Debt Agreement (as in effect on the date hereof) or the First Priority Security Agreement (as in effect on the date hereof), as applicable.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"***Agreement***" shall have the meaning assigned to such term in the preamble hereto.

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy," as now and hereinafter in effect, or any successor statute.

"***Bankruptcy Law***" shall mean the Bankruptcy Code and any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law.

"***Collateral***" shall mean, collectively, all Second Priority Collateral that is (or purports to be or, pursuant to the terms hereof or any of the First Priority Debt Documents, is required to be) part of the First Priority Collateral.

"***Company***" shall have the meaning assigned to such term in the preliminary statement to this Agreement.

"***Debt Documents***" shall mean the First Priority Debt Documents and the Second Priority Financing Documents.

"***DIP Financing***" shall have the meaning assigned to such term in Section 5.01(a).

"***DIP Financing Liens***" shall have the meaning assigned to such term in Section 5.01(a).

"***Discharge of First Priority Claims***" shall mean, subject to Sections 6.01 and 6.02, (a) payment in full in cash of the principal of and interest (including interest accruing during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under the First Priority Debt Documents to the extent constituting First Priority Claims, (b) payment in full in cash of all other First Priority Claims that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid, (c) cancellation of or the entry into collateralization arrangements satisfactory to the First Priority Agent and the Issuing Bank with respect to all Letters of Credit issued and outstanding under the First Priority Debt Agreement, and (d) the termination or expiration of all commitments to lend and all obligations to issue or extend Letters of Credit under the First Priority Debt Agreement; *provided*, *further*, that, with respect to each First Priority Creditor's First Priority

Claims, the acceptance by such First Priority (in its absolute discretion) of non-cash consideration in exchange for its First Priority Claims (or applicable specified portion thereof), coupled with a written acknowledgment of discharge in form and substance satisfactory to such First Priority Creditor, shall also constitute, subject to Section 6.02, a Discharge of First Priority Claims only with respect to such exchanged First Priority Claims relating to such First Priority Creditor.

"***Discharge of Second Priority Claims***" shall mean, subject to Section 6.02, payment in full in cash of all Indebtedness outstanding under the Second Priority Financing Documents to the extent constituting Second Priority Claims and the termination of all Second Priority Financing Documents.

"***Disposition***" shall mean any sale, lease, exchange, transfer or other disposition. "***Dispose***" shall have a correlative meaning.

"***First Priority Agent***" shall have the meaning assigned to such term in the preamble to this Agreement.

"***First Priority Claims***" shall mean (i) the due and punctual payment of (A) the principal of and interest (including interest accruing during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding) on the loans and other advances outstanding under the First Priority Debt Agreement, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) each payment required to be made by the Company under the First Priority Debt Agreement in respect of any Letter of Credit, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (C) all other monetary obligations of the Company to any of the First Priority Secured Parties under the First Priority Debt Agreement and each of the other First Priority Debt Documents, including fees (including any early termination or prepayment fees), costs, expenses (including fees and expenses of counsel) and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding), (ii) the due and punctual performance of all other obligations of the Company under or pursuant to the First Priority Debt Agreement and each of the other First Priority Debt Documents, and (iii) the due and punctual payment and performance of all the obligations of each other Grantor under or pursuant to the First Priority Debt Agreement and each of the other First Priority Debt Documents.

"***First Priority Collateral***" shall mean, collectively, all "Collateral", as defined in each of the First Priority Debt Agreement and/or in any other First Priority Debt Document, including all property of any Grantor now or at any time hereafter subject to Liens securing any First Priority Claims.

"***First Priority Creditors***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Debt Agreement***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Debt Documents***" shall mean the "Loan Documents" as defined in the First Priority Debt Agreement.

"***First Priority Liens***" shall mean all Liens on the First Priority Collateral securing the First Priority Claims, whether created under the First Priority Security Documents or acquired by possession, statute (including any judgment lien), operation of law, subrogation or otherwise.

"***First Priority Secured Parties***" shall mean, at any time, (a) the First Priority Creditors, (b) the First Priority Agent, (d) the Issuing Bank, (e) each other Person to whom any of the First Priority Claims is owed (including any Affiliate of a First Priority Creditor to whom any First Priority Claims of the type described in clause (b) of the definition thereof is owed) and (f) the successors and assigns of each of the foregoing.

"***First Priority Security Agreement***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Security Documents***" shall mean the First Priority Debt Agreement, the First Priority Security Agreement and any other agreement, document or instrument pursuant to which a Lien is granted by any Grantor to secure any First Priority Claims or under which rights or remedies with respect to any such Lien are governed.

"***Grantors***" shall mean the Company and each of its Subsidiaries that shall have created or purported to create any First Priority Lien or Second Priority Lien on all or any part of its assets to secure any First Priority Claims or any Second Priority Claims, and each other Person that shall have created or purported to create any First Priority Lien or Second Priority Lien on all or any part of its assets to secure any First Priority Claims or any Second Priority Claims.

"***Guarantors***" shall mean, collectively, each Grantor that has guaranteed, or that may from time to time hereafter guarantee, the First Priority Claims or the Second Priority Claims, whether by executing and delivering the First Priority Debt Agreement, the First Priority Security Agreement, the Second Priority Financing Agreement and a supplement thereto or otherwise.

"***Indebtedness***" shall mean and includes all obligations that constitute "Indebtedness" as defined in the First Priority Debt Agreement.

"***Insolvency or Liquidation Proceeding***" shall mean (a) any voluntary or involuntary proceeding under the Bankruptcy Code or any other Bankruptcy Law with respect to any Grantor, (b) any voluntary or involuntary appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Grantor or for a substantial part of the property or assets of any Grantor, (c) any voluntary or involuntary winding-up or liquidation of any Grantor, or (d) a general assignment for the benefit of creditors by any Grantor.

"***Issuing Bank***" shall mean the "Issuing Lender" as defined in the First Priority Debt Agreement.

"***Letter of Credit***" shall mean a "Letter of Credit" as defined in the First Priority Debt Agreement.

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third Person with respect to such securities.

"***Liquidation Sale***" shall mean a so-called bulk sale, liquidation sale or "going out of business sale" conducted either by any Secured Party or a Grantor in respect to all or a substantial portion of such Grantor's Collateral following the occurrence and during the continuance of a Default or an Event of Default under, and as defined in, either the First Priority Debt Documents or Second Priority Financing Documents.

"***New First Priority Agent***" shall have the meaning assigned to such term in Section 6.01.

"***New First Priority Claims***" shall have the meaning assigned to such term in Section 6.01.

"***New First Priority Debt Documents***" shall have the meaning assigned to such term in Section 6.01.

"***Pledged or Controlled Collateral***" shall have the meaning assigned to such term in Section 6.04.

"***Refinance***" shall mean, in respect of any Indebtedness, to refinance, extend, renew, restructure (including by the amendment and restatement of any instrument or agreement evidencing such Indebtedness) or replace or to issue other Indebtedness in exchange or replacement for, such Indebtedness, in whole or in part. "***Refinanced***" and "***Refinancing***" shall have correlative meanings.

"***Refinancing Notice***" shall have the meaning assigned to such term in Section 6.01.

"***Release***" shall have the meaning assigned to such term in Section 3.04.

"***Second Priority Financing Documents***" shall mean the Prime Vendor Agreement and any other agreement, instrument, certificate or other document pursuant to which any Grantor grants (or purports to grant) a security interest in or a Lien on any property of any Grantor now or at any time hereafter.

"***Second Priority Claims***" shall mean all Indebtedness of the Grantors under the Second Priority Financing Documents.

"***Second Priority Collateral***" shall mean, collectively, all "Collateral", as defined in the Prime Vendor Agreement, including all property of any Grantor now or at any time hereafter subject to Liens securing any Second Priority Claims; *provided*, that as of the date hereof, the "Second Priority Collateral" shall, exclusively, be comprised of all assets of Grantors described in Recital A of this Agreement, wherever located, now owned or hereafter acquired or arising.

"***Second Priority Creditors***" shall mean [*Supplier*], [___] and its successors and assigns.

"***Second Priority Liens***" shall mean all Liens on the Second Priority Collateral securing the Second Priority Claims created under the Second Priority Financing Documents or acquired by assignment, and shall not include any judgment Liens acquired through the exercise by Supplier of any rights or remedies as an unsecured creditor (except to the extent, and only to the extent, that such judgment Liens relate to, or are applicable to, the Second Priority Collateral).

"***Second Priority Permitted Actions***" shall have the meaning assigned to such term in Section 3.01(a).

"***Second Priority Secured Parties***" shall mean, at any time, (a) the Second Priority Creditors, (b) each other Subsidiary or Affiliate of any Second Priority Creditor to whom any of the Second Priority Claims (including indemnification obligations) is owed and (c) the successor and assigns of each of the foregoing.

"***Secured Parties***" shall mean, as the context may require, the First Priority Secured Parties and/or the Second Priority Secured Parties.

"***Uniform Commercial Code***" or "***UCC***" shall mean the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in any applicable jurisdiction.

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (b) any reference herein (i) to any Person shall be construed to include such Person's successors and assigns and (ii) to the Company or any other Grantor shall be construed to include the Company or such Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor, as the case may be, in any Insolvency or Liquidation Proceeding or Liquidation Sale, (c) the word "remedies" shall be construed to refer to all remedies (whether at law, equity or otherwise, including under contract (including netting, set-off or similar remedies), statute or regulation or otherwise, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles or Sections shall be construed to refer to Articles or Sections of this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II

Lien Priorities

SECTION 2.01. Relative Priorities. Notwithstanding the date, manner or order of grant, attachment or perfection of any Second Priority Lien and any First Priority Lien, and notwithstanding any provision of the UCC or any other applicable law or the provisions of any First Priority Debt Agreement, First Priority Security Agreement or Second Priority Financing Agreement or any other circumstance whatsoever, the parties hereby agree that so long as the Discharge of First Priority Claims has not occurred, (i) any First Priority Lien (to the extent perfected) on any Collateral now or hereafter held by or for the benefit of any First Priority Secured Party shall be senior in right, priority, operation, effect and all other respects to any and all Second Priority Liens on any Collateral, and (ii) any Second Priority Lien on any Collateral now or hereafter held by or for the benefit of any Second Priority Secured Party shall be junior and subordinate in right, priority, operation, effect and all other respects to any and all First Priority Liens (to the extent perfected) on any Collateral, and the First Priority Liens (to the

extent perfected) on any Collateral shall be and remain senior in right, priority, operation, effect and all other respects to any Second Priority Liens on any Collateral for all purposes, whether or not any First Priority Liens on any Collateral are subordinated in any respect to any other Lien held by any Person (other than the Second Priority Secured Parties) securing any other obligation of the Company, any other Grantor or any other Person; *provided*, *however*, for the avoidance of doubt, nothing herein contained shall be deemed a subordination in right of payment of the Second Priority Claims to the First Priority Claims.

SECTION 2.02. Prohibition on Contesting Liens. Supplier, for itself and on behalf of the other Second Priority Secured Parties, hereby agrees that it will not, and hereby waives any right to, contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity or enforceability of any First Priority Lien. First Priority Agent, for itself and on behalf of the other First Priority Secured Parties, hereby agrees that it will not, and hereby waives any right to, contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding) the priority (subject to the terms hereof governing relative priorities) validity or enforceability of any Second Priority Lien.

SECTION 2.03. Common Collateral. The parties hereto acknowledge and agree that it is their intention that the Second Priority Collateral be included within the First Priority Collateral and that, without limiting the foregoing, no portion of the Second Priority Collateral shall not be a part of the First Priority Collateral. In furtherance of the foregoing, the parties hereto agree to cooperate in good faith in order to determine, upon any reasonable request by the First Priority Agent or Supplier, the specific assets included in the First Priority Collateral and the Second Priority Collateral, the steps taken to perfect the First Priority Liens and the Second Priority Liens thereon and the identity of the respective parties obligated under the First Priority Debt Documents and the Second Priority Financing Documents in respect of the First Priority Claims and the Second Priority Claims, respectively and, to the extent that any portion of the Second Priority Collateral is not included within the First Priority Collateral at any time, without limiting any other right or remedy available to the First Priority Agent or the other First Priority Secured Parties, Supplier, for itself and on behalf of the other Second Priority Secured Parties, agrees that any amounts received by or distributed to any Second Priority Secured Party pursuant to or as a result of any Lien in such Second Priority Collateral shall be subject to Section 4.02. In addition, in furtherance of the foregoing, without the prior written consent of the First Security Priority Agent, no Second Priority Financing Document may be amended, supplemented or otherwise modified, or entered into, to the extent such amendment, supplement or modification, or the terms of such new Second Priority Financing Document, would (i) contravene the provisions of this Agreement or (ii) increase, expand or otherwise add to the Second Priority Collateral.

ARTICLE III

Enforcement of Rights; Matters Relating to Collateral

SECTION 3.01. Exercise of Rights and Remedies. (a) So long as the Discharge of First Priority Claims has not occurred, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the First Priority Agent and the other First Priority Secured Parties shall have the exclusive right to enforce rights and exercise remedies with respect to the Collateral (including making determinations regarding the release, Disposition or restrictions with respect to the Collateral), or to commence or seek to commence any action or

proceeding with respect to such rights or remedies (including any foreclosure action or proceeding or any Insolvency or Liquidation Proceeding or Liquidation Sale), in each case, without any consultation with or the consent of any Second Priority Secured Party except as required pursuant to applicable law; *provided* that, notwithstanding the foregoing, (i) in any Insolvency or Liquidation Proceeding, the Second Priority Secured Parties may file a proof of claim or statement of interest with respect to the Second Priority Claims; (ii) the Second Priority Secured Parties may take any action to preserve or protect the validity and enforceability of the Second Priority Liens, *provided* that no such action is, or could reasonably be expected to be, (A) materially adverse to the First Priority Liens or the rights of the First Priority Secured Parties as secured creditors or any other First Priority Secured Party to exercise remedies as secured creditors in respect thereof or (B) otherwise inconsistent with the terms of this Agreement, including the automatic release of Second Priority Liens provided in Section 3.04; (iii) the Second Priority Secured Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Second Priority Secured Parties, including any claims secured by the Collateral or otherwise make any agreements or file any motions pertaining to the Second Priority Claims, in each case, to the extent not inconsistent with the terms of this Agreement; (iv) the Second Priority Secured Parties may exercise rights and remedies as unsecured creditors, as provided in Section 3.03(a); and (v) subject to Section 3.02(a), the Second Priority Agent and the other Second Priority Secured Parties may enforce any of their rights and exercise any of their remedies with respect to the Collateral after the termination of the Standstill Period (the actions described in this proviso being referred to herein as the "***Second Priority Permitted Actions***"). Except for the Second Priority Permitted Actions, unless and until the Discharge of First Priority Claims has occurred, the sole right of the Second Priority Secured Parties with respect to the Collateral shall be to receive the proceeds of the Collateral, if any, remaining after the Discharge of First Priority Claims has occurred and in accordance with the Second Priority Financing Documents and applicable law.

(b) In exercising rights and remedies with respect to the Collateral, subject to applicable law (including all provisions of the UCC applicable thereto), the First Priority Agent and the other First Priority Secured Parties may enforce the provisions of the First Priority Debt Documents and exercise remedies thereunder, all in such order, without notice (except as required by applicable law (including all provisions of the UCC applicable thereto)) to any Second Priority Secured Creditor and in such manner as they may determine in their sole discretion (*provided* that, without limiting the foregoing, the First Priority Agent shall use its commercially reasonable efforts to provide Supplier with subsequent notice thereof). Such exercise and enforcement shall include the rights of an agent appointed by them to Dispose of Collateral upon foreclosure, to incur expenses in connection with any such Disposition and to exercise all the rights and remedies of a secured creditor under and in accordance with the Uniform Commercial Code, the Bankruptcy Code or any other Bankruptcy Law.

(c) In exercising rights and remedies with respect to the Collateral, the Second Priority Secured Parties may enforce the provisions of the Second Priority Financing Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in their sole discretion, in each case, to the extent that such enforcement or exercise is not otherwise prohibited by clauses (a) through (c) of this Section 3.01. Such exercise and enforcement shall, in each case, to the extent that such enforcement or exercise is not otherwise prohibited by clauses (a) through (c) of this Section 3.01, include the rights of an agent appointed by them to Dispose of Collateral upon foreclosure, to incur expenses in connection with any such Disposition and to exercise all the rights and remedies of a secured creditor under the Uniform

Commercial Code, the Bankruptcy Code or any other Bankruptcy Law. Supplier agrees to provide at least 5 Business Days' prior written notice to the First Priority Agent of its intention to foreclose upon or Dispose of any Collateral; *provided*, *however*, that the failure to give any such notice shall not in any way limit its ability to foreclose upon or Dispose of any Collateral to the extent that such foreclosure is not otherwise prohibited by clauses (a) through (d) of this Section 3.01.

SECTION 3.02. No Interference. Supplier, for itself and on behalf of the other Second Priority Secured Parties, agrees that, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the Second Priority Secured Parties:

(a) except for Second Priority Permitted Actions, will not, so long as the Discharge of First Priority Claims has not occurred, (A) enforce or exercise, or seek to enforce or exercise, any rights or remedies with respect to any Collateral (including the enforcement of any right under any account control agreement, landlord waiver or bailee's letter or any similar agreement or arrangement to which any Second Priority Secured Party is a party) or (B) commence or join with any Person (other than the First Priority Agent) in commencing, or petition for or vote in favor of any resolution for, any action or proceeding with respect to such rights or remedies (including any foreclosure action); *provided*, *however*, that none of the Second Priority Secured Parties may enforce or exercise any or all such rights and remedies, or commence, join with any Person in commencing, or petition for or vote in favor of any resolution for, any such action or proceeding, after a period of 90 days has elapsed (which period shall be tolled during any period in which the First Priority Agent shall not be entitled to enforce or exercise any rights or remedies with respect to any Collateral as a result of (x) any injunction issued by a court of competent jurisdiction or (y) the automatic stay or any other stay in any Insolvency or Liquidation Proceeding) since the date on which Supplier has delivered to the First Priority Agent written notice of an uncured default under the Prime Vending Agreement (the "***Standstill Period***"); *provided further*, *however*, that (1) notwithstanding the expiration of the Standstill Period or anything herein to the contrary, in no event shall Supplier or any other Second Priority Secured Party enforce or exercise any rights or remedies with respect to any Collateral, or commence, join with any Person at any time in commencing, or petition for or vote in favor of any resolution for, any such action or proceeding, if the First Priority Agent or any other First Priority Secured Party shall have commenced, and shall be diligently pursuing (or shall have sought or requested relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding to enable the commencement and pursuit thereof), the enforcement or exercise of any rights or remedies with respect to any Collateral or any such action or proceeding (prompt written notice thereof to be given to the Second Priority Agent by the First Priority Agent) and (2) after the expiration of the Standstill Period, so long as neither the First Priority Agent nor the First Priority Secured Parties have commenced any action to enforce their Lien on any material portion of the Collateral, in the event that and for so long as the Second Priority Secured Parties (or Supplier on their behalf) have commenced any actions to enforce their Lien with respect to any Collateral to the extent permitted hereunder and are diligently pursuing such actions, neither the First Priority Secured Parties nor the First Priority Agent shall take any action of a similar nature with respect to such Collateral; *provided* that all other provisions of this Agreement (including the turnover provisions of Article IV) are complied with;

(b) will not contest, protest or object to any foreclosure action or proceeding brought by the First Priority Agent or any other First Priority Secured Party, or any other enforcement or exercise by any First Priority Secured Party of any rights or remedies relating to the Collateral under the First Priority Debt Documents or an Insolvency or Liquidation

Proceeding or in connection with a Liquidation Sale or otherwise, so long as Second Priority Liens attach to the proceeds thereof subject to the relative priorities set forth in Section 2.01(a), and will not contest, protest or object to the forbearance by the First Priority Agent or any other First Priority Secured Party from commencing or pursuing any foreclosure action or proceeding or any other enforcement or exercise of any rights or remedies with respect to the Collateral.

In furtherance of the foregoing, Supplier, for itself and on behalf of the other Second Priority Secured Parties, agrees that, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the Second Priority Secured Parties will not, except for Second Priority Permitted Actions, (w) take or receive any Collateral, or any proceeds thereof or payment with respect thereto, in connection with the exercise of any right or enforcement of any remedy with respect to any Collateral or in connection with any insurance policy award under a policy of insurance relating to any Collateral or any condemnation award (or deed in lieu of condemnation) relating to any Collateral, (x) take any action that would, or could reasonably be expected to, hinder, in any manner, any exercise of remedies under the First Priority Debt Documents, including any Disposition of any Collateral, whether by foreclosure or otherwise and (y) object to the manner in which the First Priority Agent or any other First Priority Secured Party may seek to enforce or collect the First Priority Claims or the First Priority Liens, regardless of whether any action or failure to act by or on behalf of the First Priority Agent or any other First Priority Secured Party is, or could be, adverse to the interests of the Second Priority Secured Parties, and will not assert, and hereby waive, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or other similar right that may be available under applicable law with respect to the Collateral or any similar rights a junior secured creditor may have under applicable law, and (z) will not attempt, directly or indirectly, whether by judicial proceeding or otherwise, to challenge or question the validity or enforceability of any First Priority Claim or any First Priority Security Document, including this Agreement, or the validity or enforceability of the priorities, rights or obligations established by this Agreement.

SECTION 3.03. Rights as Unsecured Creditors. The Second Priority Secured Parties may, in accordance with the terms of the Second Priority Financing Documents and applicable law, enforce rights and exercise remedies against any Grantor as unsecured creditors; *provided* that no such action is otherwise inconsistent with the terms of this Agreement. Without limiting the generality of the foregoing sentence, the Second Priority Secured Parties shall be entitled to prosecute litigation against any Grantor or any other Person liable in respect of the Second Priority Claims but shall be prohibited from taking any action to enforce any judgment relating to, or applicable to, any of the Second Priority Collateral until the Discharge of the First Priority Claims. Nothing in this Agreement shall prohibit the receipt by any Second Priority Secured Party of the required payments of any amounts due under the Second Priority Financing Documents so long as such receipt is not the direct or indirect result of the enforcement of Second Priority Liens or exercise in contravention of this Agreement by any Second Priority Secured Party of rights or remedies as a secured creditor against Collateral or enforcement in contravention of this Agreement of any Second Priority Lien against Collateral (including any judgment lien resulting from the exercise of remedies available to an unsecured creditor to the extent relating to, or applicable to, any of the Second Priority Collateral).

SECTION 3.04. Automatic Release of Second Priority Liens. If, in connection with (i) any Disposition of any Collateral permitted under the terms of the First Priority Debt Documents or (ii) the enforcement or exercise of any rights or remedies with respect to the Collateral, including any Disposition of Collateral, the First Priority Agent, for

itself and on behalf of the other First Priority Secured Parties, (x) releases any of the First Priority Liens, or (y) releases any Guarantor from its obligations under its guarantee of the First Priority Claims (in each case, a "***Release***"), other than any such Release granted following (and not as a condition to) the Discharge of First Priority Claims, then the Second Priority Liens on such Collateral (to the extent, and only to the extent, subject to the release pursuant to preceding clause (x)), and the obligations of such Guarantor under its guarantee of the Second Priority Claims (to the extent, and only to the extent, to the release of the applicable Guarantor pursuant to preceding clause (y)), shall be automatically, unconditionally and simultaneously released (subject to the receipt by the First Priority Agent of any applicable cash proceeds of any such Disposition or sums realized in enforcement or exercise of any rights or remedies with respect to the Second Priority Collateral and the application thereof in accordance with the terms of this Agreement), and Supplier shall, for itself and on behalf of the other Second Priority Secured Parties, promptly execute and deliver to the First Priority Agent, the relevant Grantor or such Guarantor such termination statements, releases and other documents as the First Priority Agent or the relevant Grantor or Guarantor may reasonably request and provide to effectively confirm such Release. For the avoidance of doubt, all proceeds of any Disposition of Collateral or other enforcement or exercise of any rights or remedies with respect to the Collateral received by any Secured Party shall be subject the to application of proceeds requirements of Section 4.01 and, until application in accordance therewith, each Secured Party agrees, subject to applicable law, to hold the same in express trust for such Secured Party (or Secured Parties) as are entitled thereto in accordance with the terms hereof. Until the Discharge of First Priority Claims occurs, any Supplier, for itself and on behalf of any other Second Priority Secured Party, hereby appoints the First Priority Agent, and any officer or agent of the First Priority Agent, with full power of substitution, as the attorney-in-fact of each Second Priority Secured Party for the purpose of carrying out the provisions of this Section 3.04 and taking any action and executing any instrument that the First Priority Agent may deem necessary or advisable to accomplish the purposes of this Section 3.04 (including any endorsements or other instruments of transfer or release), which appointment is irrevocable and coupled with an interest.

SECTION 3.05. Insurance and Condemnation Awards. So long as the Discharge of First Priority Claims has not occurred, the First Priority Agent and the other First Priority Secured Parties shall have the exclusive right, subject to the rights of the Grantors under the First Priority Debt Documents, to settle and adjust claims in respect of Collateral under policies of insurance covering Collateral and to approve any award granted in any condemnation or similar proceeding, or any deed in lieu of condemnation, in respect of the Collateral, provided that all the other provisions of this Agreement are complied with in regard thereto. All proceeds of any such policy and any such award, or any payments with respect to a deed in lieu of condemnation, shall (a) first, prior to the Discharge of First Priority Claims and subject to the rights of the Grantors under the First Priority Debt Documents, be paid to the First Priority Agent for the benefit of First Priority Secured Parties pursuant to the terms of the First Priority Debt Documents, (b) second, after the Discharge of First Priority Claims and subject to the rights of the Grantors under the Second Priority Financing Documents, be paid to the Second Priority Secured Parties pursuant to the terms of the Second Priority Financing Documents, and (c) third, be paid to the owner of the subject property or as a court of competent jurisdiction may otherwise direct. Until the Discharge of First Priority Claims has occurred, if any Second Priority Secured Party shall, at any time, receive any proceeds of any such insurance policy or any such award or payment, it shall transfer and pay over such proceeds to the First Priority Agent in accordance with Section 4.02.

SECTION 3.06. Notification of Release of Collateral. Each of the First Priority Agent and Supplier shall give the other prompt written notice of the Disposition by it of,

and Release by it of the Lien on, any Collateral. Such notice shall describe in reasonable detail the subject Collateral, the parties involved in such Disposition or Release, the place, time manner and method thereof, and the consideration, if any, received therefor; *provided*, *however*, that the failure to give any such notice shall not in and of itself in any way impair the effectiveness of any such Disposition or Release.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds. Any Collateral or proceeds thereof received by any Secured Party in connection with any Disposition of, or collection on, such Collateral upon the enforcement or exercise of any right or remedy shall be applied as follows:

first, to the payment in full of the First Priority Claims and the costs and reasonable out-of-pocket expenses of the First Priority Agent in connection with such enforcement or exercise, and

second, after all such costs and expenses have been paid in full and the Discharge of First Priority Claims has occurred, to the payment of the Second Priority Claims.

After all such costs and expenses have been paid in full, the Discharge of First Priority Claims has occurred and the Discharge of Second Priority Claims has occurred, any surplus Collateral or proceeds then remaining shall be returned to the applicable Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 4.02. Payment Over. So long as the Discharge of First Priority Claims has not occurred, any Collateral or any proceeds thereof (together with assets or proceeds subject to Liens referred to in the final sentence of Section 2.03) received by any Second Priority Secured Party in connection with any Disposition of, or collection on, such Collateral upon the enforcement or the exercise of any right or remedy with respect to the Collateral, or in connection with any insurance policy claim or any condemnation award (or deed in lieu of condemnation), shall be segregated and held in trust and forthwith transferred or paid over to the First Priority Agent for the benefit of the First Priority Secured Parties in the same form as received, together with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. Until the Discharge of First Priority Claims occurs, Supplier, for itself and on behalf of each other Second Priority Secured Party, hereby appoints the First Priority Agent, and any officer or agent of the First Priority Agent, with full power of substitution, the attorney-in-fact of each Second Priority Secured Party for the purpose of carrying out the provisions of this Section 4.02 and taking any action and executing any instrument that the First Priority Agent may deem necessary or advisable to accomplish the purposes of this Section 4.02, which appointment is irrevocable and coupled with an interest. Nothing herein contained shall be deemed to prohibit any Second Priority Secured Party from receiving and retaining the purchase price paid to such Second Priority Secured Party in the ordinary course of business for Goods sold to any Grantor in the ordinary course of business.

ARTICLE V

Insolvency or Liquidation Proceedings

SECTION 5.01. Bankruptcy Finance and Section 363 Matters. (a) In furtherance of this Agreement, until the Discharge of First Priority Claims has occurred, the Supplier, on behalf of itself and each of the Second Priority Secured Parties, agrees that, in the event of any Insolvency or Liquidation Proceeding, the Second Priority Secured Parties: (i) will not oppose or object to the use of any Collateral constituting cash collateral under Section 363 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, unless the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall oppose or object to such use of cash collateral; (ii) (A) will not oppose or object to any post-petition financing provided to any Grantor, whether provided by the First Priority Secured Parties or any other Person, under Section 364 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law (a "***DIP Financing***"), or the Liens securing any DIP Financing ("***DIP Financing Liens***"), unless the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall then oppose or object to such DIP Financing or such DIP Financing Liens, (B) to the extent that (x) such DIP Financing Liens are senior to, or rank *pari passu* with, the First Priority Liens on the Collateral, and/or (y) the First Priority Claims are included as obligations under such DIP Financing or are repaid with proceeds of the DIP Financing, the Second Priority Secured Parties will subordinate the Second Priority Liens on the Collateral to the First Priority Liens on the Collateral, if applicable, and the DIP Financing Liens (including if the First Priority Claims are (x) included as obligations under such DIP Financing and/or (y) are repaid with proceeds of the DIP Financing) on the terms of this Agreement; and (C) will not propose or support any DIP Financing to any Grantor; (iii) not propose, vote in favor of, or otherwise support any plan of reorganization that is inconsistent with the priorities or other provisions of this Agreement; (iv) except to the extent permitted by paragraph (b) of this Section 5.01, in connection with the use of cash collateral as described in clause (i) above or a DIP Financing, will not request adequate protection with respect to any Collateral or any other relief in connection with such use of cash collateral, DIP Financing or DIP Financing Liens; and (v) will not oppose or object to any Disposition of any Collateral free and clear of the Second Priority Liens or other claims under Section 363 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, if the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall consent to such Disposition.

(b) The Second Secured Parties agree that they shall not, and shall not support any other Person in contesting, (i) any request by the First Priority Agent or any other First Priority Secured Party for adequate protection in respect of any First Priority Claims or (ii) any objection, based on a claim of a lack of adequate protection with respect of any First Priority Claims, by the First Priority Agent or any other First Priority Secured Party to any motion, relief, action or proceeding.

SECTION 5.02. Additional Bankruptcy Matters. The Second Priority Secured Parties agree that, so long as the Discharge of First Priority Claims has not occurred, no Second Priority Secured Party shall, without the prior written consent of the First Priority Agent, seek or request relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any part of the Collateral, any proceeds thereof or any Second Priority Lien on the Collateral. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive

restructuring plan, on account of the First Priority Claims and the Second Priority Claims, then, to the extent the debt obligations distributed on account of the First Priority Claims and on account of the Second Priority Claims are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations. In addition, Supplier, for itself and on behalf of the other Second Priority Secured Parties, (x) agrees that no Second Priority Secured Party shall oppose or seek to challenge any claim by the First Priority Agent or any other First Priority Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Priority Claims consisting of post-petition interest, fees or expenses to the extent of the value of the First Priority Liens (it being understood and agreed that such value shall be determined without regard to the existence of the Second Priority Liens on the Collateral), (y) waives any claim any Second Priority Secured Party may hereafter have against any First Priority Secured Party arising out of (a) the election by any First Priority Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, or (b) any use of cash collateral or financing arrangement, or any grant of a security interest in the Collateral, in any Insolvency or Liquidation Proceeding and (z) agrees that, without the written consent of First Priority Agent, it will not seek to vote with the First Priority Agent (or any other First Priority Secured Party) as a single class in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding. In addition, other than with respect to the Second Priority Permitted Actions, nothing contained herein shall prohibit or in any way limit the First Priority Agent or any other First Priority Secured Party from opposing, challenging or objecting to, in any Insolvency or Liquidation Proceeding or otherwise, any action taken, or any claim made, by any Second Priority Secured Party with respect to the Collateral, including any request by any Second Priority Secured Party for adequate protection or any exercise by any Second Priority Secured Party of any of its rights and remedies under the Second Priority Financing Documents with respect to the Collateral or otherwise with respect to the Collateral.

ARTICLE VI

Other Agreements

SECTION 6.01. Effect of Refinancing of Indebtedness under First Priority Debt Documents. If, substantially contemporaneously with the Discharge of First Priority Claims, the Grantors Refinance Indebtedness outstanding under the First Priority Debt Documents and provided that the Company or the First Priority Agent gives to Supplier or any of the other Second Priority Secured Parties written notice (the "***Refinancing Notice***") electing the application of the provisions of this Section 6.01 to such Refinancing Indebtedness, then (i) such Discharge of First Priority Claims shall automatically be deemed not to have occurred for all purposes of this Agreement, (ii) such Refinancing Indebtedness and all other obligations under the documents evidencing such Indebtedness (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000) (the "***New First Priority Claims***") shall automatically be treated as First Priority Claims for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, (iii) the Debt Agreement and the other documents evidencing such Refinancing Indebtedness (the "***New First Priority Debt Documents***") shall automatically be treated as the First Priority Debt Agreement and the First Priority Debt Documents and, in the case of New First Priority Debt Documents that are security documents pursuant to which any Grantor has granted a Lien to secure any New First Priority Claim, as the First Priority Security Documents for all purposes of this Agreement, (iv) the collateral agent under the New First Priority Debt Documents (the "***New First Priority Agent***") shall be deemed to be the First Priority Agent for all purposes of this Agreement and (v)

the lenders and other creditors under the New First Priority Debt Documents shall be deemed to be the First Priority Creditors for all purposes of this Agreement. Upon receipt of a Refinancing Notice, which notice shall include the identity of the New First Priority Agent, the Second Priority Secured Parties shall promptly enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New First Priority Agent may reasonably request in order to provide to the New First Priority Agent the rights and powers contemplated hereby, in each case consistent in all material respects with the terms of this Agreement. The Company shall cause the agreement, document or instrument pursuant to which the New First Priority Agent is appointed to provide that the New First Priority Agent agrees to be bound by the terms of this Agreement.

SECTION 6.02. Reinstatement. If, in any Insolvency or Liquidation Proceeding or otherwise, all or part of any payment with respect to the First Priority Claims previously made shall be rescinded for any reason whatsoever, then the First Priority Claims shall be reinstated to the extent of the amount so rescinded and, if theretofore terminated, this Agreement shall be reinstated in full force and effect and such prior termination shall not diminish, release, discharge, impair or otherwise affect the Lien priorities and the relative rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties provided for herein.

SECTION 6.03. Authorization of First Priority Collateral Agent and Supplier. By accepting the benefits of this Agreement and the other First Priority Security Documents, each First Priority Secured Party hereby authorizes the First Priority Agent to enter into this Agreement and to act on its behalf as collateral agent hereunder and in connection herewith. By accepting the benefits of this Agreement and the other Second Priority Financing Documents, each Second Priority Secured Party authorizes Supplier to enter into this agreement and to act on its behalf as agent hereunder and in connection therewith.

SECTION 6.04. Bailment for Perfection of Certain Security Interests. The First Priority Agent agrees that if it shall at any time hold a First Priority Lien on any Collateral that can be perfected or the priority of which can be enhanced by the possession or control of such Collateral or of any account in which such Collateral is held, and if such Collateral or any such account is in fact in the possession or under the control of the First Priority Agent, or of agents or bailees of the First Priority Agent (such Collateral being referred to herein as the "***Pledged or Controlled Collateral***"), the First Priority Agent shall, solely for the purpose of perfecting the Second Priority Liens granted under the Second Priority Financing Documents and subject to the terms and conditions of this Section 6.04, also (i) hold and/or maintain control of such Pledged or Controlled Collateral as gratuitous bailee for and representative (as defined in Section 1-201(35) of the Uniform Commercial Code as in effect in the State of New York) of, or as agent for, the Second Priority Secured Parties, (ii) with respect to any securities accounts included in the Collateral, have "control" (within the meaning of Section 8-106(d)(3) of the UCC) of such securities accounts on behalf of the Second Priority Secured Parties and (iii) with respect to any deposit accounts included in the Collateral, act as agent for the Second Priority Secured Parties and any assignee. So long as the Discharge of First Priority Claims has not occurred, the First Priority Agent shall be entitled to deal with the Pledged or Controlled Collateral in accordance with the terms of this Agreement and the other First Priority Debt Documents as if the Second Priority Liens did not exist. The obligations and responsibilities of the First Priority Agent to the Second Priority Secured Parties under this Section 6.04 shall be limited solely to holding or controlling the Pledged or Controlled Collateral as gratuitous bailee and representative (as defined in Section 1-201(35) of the Uniform Commercial Code as in effect in the State of New York) in accordance with this Section 6.04. Without limiting the foregoing, the First

Priority Agent shall have no obligation or responsibility to ensure that any Pledged or Controlled Collateral is genuine or owned by any of the Grantors. The First Priority Agent acting pursuant to this Section 6.04 shall not, by reason of this Agreement, any other Security Document or any other document, have a fiduciary relationship in respect of any other First Priority Secured Party or any Second Priority Secured Party. Upon the Discharge of First Priority Claims, the First Priority Agent shall transfer the possession and control of the Pledged or Controlled Collateral, together with any necessary endorsements but without recourse or warranty, (i) if the Second Priority Claims are outstanding at such time, to the Second Priority Secured Parties, if no Second Priority Claims are outstanding at such time, to the applicable Grantor, in each case so as to allow such Person to obtain possession and control of such Pledged or Controlled Collateral. In connection with any transfer under clause (i) of the immediately preceding sentence, the First Priority Agent agrees, at the expense of the Grantors, to take all actions in its power as shall be reasonably requested by the Second Priority Secured Parties to obtain a first priority security interest in the Pledged or Controlled Collateral.

SECTION 6.05. Further Assurances. Each of the First Priority Agent, for itself and on behalf of the other First Priority Secured Parties and the Second Priority Secured Parties, and each Grantor party hereto, for itself and on behalf of its subsidiaries, agrees that it will execute, or will cause to be executed, any and all further documents, agreements and instruments, and take all such further actions, as may be required under any applicable law, or which the First Priority Agent or the Second Priority Secured Parties may reasonably request, to effectuate the terms of this Agreement, including the relative Lien priorities provided for herein.

ARTICLE VII

Representations and Warranties

SECTION 7.01. Representations and Warranties of Each Party. Each party hereto represents and warrants to the other parties hereto as follows:

(a) such party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(b) this Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable in accordance with its terms.

(c) the execution, delivery and performance by such party of this Agreement (i) do not require any consent or approval of, registration or filing with or any other action by any governmental authority (except as contemplated hereby) and (ii) will not violate any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of such party or any order of any governmental authority or any provision of any indenture, agreement or other instrument applicable to or binding upon such party.

SECTION 7.02. Representations and Warranties of Each of the First Priority Agent and Supplier. Each of the First Priority Agent and Supplier represents and warrants to the other parties hereto that it has been duly authorized in writing by the First Priority Secured Parties or Second Priority Secured Parties, as the case may be, to enter into this Agreement.

ARTICLE VIII

No Reliance; No Liability; Obligations Absolute

SECTION 8.01. No Reliance; Information. The First Priority Secured Parties and the Second Priority Secured Parties shall have no duty to disclose to any Second Priority Secured Party or to any First Priority Secured Party, respectively, any information relating to the Company or any of the Grantors, or any other circumstance bearing upon the risk of nonpayment of any of the First Priority Claims or the Second Priority Claims, as the case may be, that is known or becomes known to any of them or any of their Affiliates. In the event any First Priority Secured Party or any Second Priority Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to,respectively, any Second Priority Secured Party or any First Priority Secured Party, it shall be under no obligation (i) to make, and shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of the information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion or (iii) to undertake any investigation.

SECTION 8.02. No Warranties or Liability. (a) The First Priority Agent, for itself and on behalf of the other First Priority Secured Parties, acknowledges and agrees that, except for the representations and warranties set forth in Article VII, no Second Priority Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Second Priority Financing Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Supplier, for itself and on behalf of the other Second Priority Secured Parties, acknowledges and agrees that, except for the representations and warranties set forth in Article VII, neither the First Priority Agent nor any other First Priority Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the First Priority Debt Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon.

(b) The Second Priority Secured Parties shall have no express or implied duty to the First Priority Agent or any other First Priority Secured Party, and the First Priority Agent and the other First Priority Secured Parties shall have no express or implied duty to the Second Priority Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of a default or an event of default under any First Priority Debt Document and any Second Priority Financing Document (other than, in each case, this Agreement), regardless of any knowledge thereof which they may have or be charged with.

(c) Supplier, for itself and on behalf of the other Second Priority Secured Parties, agrees that no First Priority Secured Party shall have any liability to the Second Priority Secured Parties and hereby waive any claim against any First Priority Secured Party, arising out of any and all actions which the First Priority Agent or the other First Priority Secured Parties may take or permit or omit to take with respect to (i) the First Priority Debt Documents (other than this Agreement), (ii) the collection of the First Priority Claims or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Collateral.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Notices and other communications provided for herein shall be in writing in the English language (or accompanied by a certified translation) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

if to the First Priority Agent:

Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: General Counsel – Investment Banking
Facsimile No.: (212) 284-3444

with a copy to:

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
Attention: Joshua W. Thompson
Facsimile No.: (212) 969-2900

if to Supplier or any of the Second Priority Secured Parties;

[_____]

[_____]

[_____]

Attention: [_____]

Facsimile No.: [_____]

with a copy to:

[_____]

[_____]

[_____]

Attention: [_____]

Facsimile No.: [_____]

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to between the Company and any Collateral Agent from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person. In addition, Supplier agrees to use diligent efforts to provide

any notices of default or acceleration or similar notices which they give to any Grantor under any Second Priority Financing Documents.

SECTION 9.02. Conflicts. **IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THIS AGREEMENT AND THE PROVISIONS OF THE OTHER DEBT DOCUMENTS, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL.**

SECTION 9.03. Effectiveness; Survival; Termination. This Agreement shall become effective when executed and delivered by the parties hereto. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Supplier, for itself and on behalf of the other Second Priority Secured Parties, hereby waive any and all rights the Second Priority Secured Parties may now or hereafter have under applicable law to revoke this Agreement or any of the provisions of this Agreement. This Agreement shall terminate and be of no further force and effect, (i) subject to compliance with its obligations to take certain actions upon Discharge of the Second Priority Claims pursuant to Article V and Section 3.01(d), with respect to the Second Priority Secured Parties and the Second Priority Claims, upon the later of (1) the date upon which the obligations under the Second Priority Financing Documents terminate if there are no other Second Priority Claims outstanding on such date and (2) if there are other Second Priority Claims outstanding on such date, the date upon which such Second Priority Claims terminate, subject to the rights of the Second Priority Claims and Supplier under Section 6.01 and (ii) subject to Section 6.01 and compliance with its obligations to take certain actions upon Discharge of the First Priority Claims pursuant to Article V, with respect to the First Priority Agent, the First Priority Secured Parties and the First Priority Claims, the date of Discharge of First Priority Claims, subject to the rights of the First Priority Secured Parties under Section 6.01. In addition, for the avoidance of doubt, the Lien priorities provided for herein and the respective rights, interests, agreements and obligations hereunder of the First Priority Agent and the other First Priority Secured Parties and the Second Priority Secured Parties shall remain in full force and effect irrespective of: (a) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Claims, it being specifically acknowledged that a portion of the First Priority Claims consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000); (b) any change in the time, place or manner of payment of, or any other term of, all or any portion of the First Priority Claims; (c) any amendment, waiver or other modification, whether by course of conduct or otherwise, of any Debt Document (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000); (d) the securing of any First Priority Claims or Second Priority Claims with any additional collateral or guarantees, or any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral or any release of any guarantee securing any First Priority Claims or Second Priority Claims; (e) the commencement of any Insolvency or Liquidation Proceeding or Liquidation Sale in respect of the Company or any other Grantor; or (f) any other circumstances that otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the First Priority Claims or this Agreement, or any of the Second Priority Secured Parties in respect of this Agreement ..

SECTION 9.04. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.05. Amendments; Waivers . (a) No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 9.05, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the First Priority Agent and Supplier.

SECTION 9.06. Postponement of Subrogation. The Second Priority Secured Parties agrees that no payment or distribution to any First Priority Secured Party pursuant to the provisions of this Agreement shall entitle any Second Priority Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of First Priority Claims shall have occurred. Following the Discharge of First Priority Claims, each First Priority Secured Party agrees to execute such documents, agreements, and instruments as any Second Priority Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the First Priority Claims resulting from payments or distributions to such First Priority Secured Party by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by such First Priority Secured Party are paid by such Person upon request for payment thereof.

SECTION 9.07. Applicable Law; Jurisdiction; Consent to Service of Process. (a) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any Supreme Court for New York County, New York or in The United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined only in such New York court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action

or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York court or in any such Federal court. Each party hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.08. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.08.

SECTION 9.09. Parties in Interest. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other First Priority Secured Parties and Second Priority Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement. No other Person shall have or be entitled to assert rights or benefits hereunder.

SECTION 9.10. Specific Performance. Each of the First Priority Agent and Supplier may demand specific performance of this Agreement and, on behalf of itself and the respective other Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action which may be brought by the respective Secured Parties.

SECTION 9.11. Headings. Article and Section headings used herein and the Table of Contents hereto are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.13. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Priority Secured Parties, on the one hand, and the Second Priority Secured Parties, on the other hand. None of the Company, any other Grantor, any Guarantor or any other creditor thereof shall have any rights or obligations, except as expressly provided in this Agreement hereunder and none of the Company, any other Grantor or any Guarantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair the obligations of the Company or any other Grantor or any Guarantor, which are absolute and unconditional, to pay the First Priority Claims and the Second Priority Claims as and when the same shall become due and payable in accordance with their terms.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JEFFERIES FINANCE LLC, as First Priority Agent

By: _____
Name:
Title:

[*INSERT NAME OF SUPPLIER*], for itself and on behalf of the Second Priority Secured Parties

By: _____
Name:
Title:

ACKNOWLEDGMENT

The Company and each of the Company's undersigned Subsidiaries each hereby acknowledge that they have received a copy of the foregoing Agreement and consent thereto, agree to recognize all rights granted thereby to the First Priority Agent and the Second Priority Secured Parties and to Supplier and the Second Priority Secured Parties, and will not do any act or perform any obligation which is not in accordance with the agreements set forth therein. The Company and each of the Company's undersigned Subsidiaries each further acknowledge and agree that they are not an intended beneficiary or third party beneficiary under the foregoing Agreement.

ACKNOWLEDGED AS OF THE DATE FIRST WRITTEN ABOVE:

BIOSCRIP, INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, INC.

By: _____
Name:
Title:

CHRONIMED, LLC

By: _____
Name:
Title:

LOS FELIZ DRUGS INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY, INC.

By: _____
Name:
Title:

BRADHURST SPECIALTY PHARMACY, INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY (NY), INC.

By: _____
Name:
Title:

BIOSCRIP PBM SERVICES, LLC

By: _____
Name:
Title:

NATURAL LIVING INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, LLC

By: _____
Name:
Title:

BIOSCRIP NURSING SERVICES, LLC

By: _____
Name:
Title:

BIOSCRIP INFUSION MANAGEMENT, LLC

By: _____
Name:
Title:

BIOSCRIP PHARMACY SERVICES, INC.

By: _____
Name:
Title:

CRITICAL HOMECARE SOLUTIONS HOLDINGS, INC.,

By: _____
Name:
Title:

CRITICAL HOMECARE SOLUTIONS, INC.

By: _____
Name:
Title:

APPLIED HEALTH CARE, LLC

By: _____
Name:
Title:

CEDAR CREEK HOME HEALTH CARE AGENCY, INC.

By: _____
Name:
Title:

DEACONESS ENTERPRISES, LLC

By: _____
Name:
Title:

DEACONESS HOMECARE, LLC

By: _____
Name:
Title:

EAST GOSHEN PHARMACY, INC.

By: _____
Name:
Title:

ELK VALLEY HEALTH SERVICES, INC.

By: _____
Name:
Title:

ELK VALLEY HOME HEALTH CARE AGENCY, INC.

By: _____
Name:
Title:

ELK VALLEY PROFESSIONAL AFFILIATES, INC.

By: _____
Name:
Title:

GERICARE, INC.

By: _____
Name:
Title:

INFUSION PARTNERS, LLC

By: _____
Name:
Title:

INFUSION PARTNERS OF BRUNSWICK, LLC

By: _____
Name:
Title:

INFUSION PARTNERS OF MELBOURNE, LLC

By: _____
Name:
Title:

INFUSION SOLUTIONS, INC.

By: _____
Name:
Title:

KNOXVILLE HOME THERAPIES, LLC

By: _____
Name:
Title:

NATIONAL HEALTH INFUSION, INC.

By: _____
Name:
Title:

NEW ENGLAND HOME THERAPIES, INC.

By: _____
Name:
Title:

OPTION HEALTH, LTD.

By: _____
Name:
Title:

PROFESSIONAL HOMECARE SERVICES, INC.

By: _____
Name:
Title:

REGIONAL AMBULATORY DIAGNOSTICS, INC.

By: _____
Name:
Title:

SCOTT-WILSON, INC.

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC.

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION I

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION II

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION III

By: _____
Name:
Title:

SPECIALTY PHARMA, INC.

By: _____
Name:
Title:

WILCOX MEDICAL, INC.

By: _____
Name:
Title:

[*UPDATE LIST OF SUBSIDIARY GUARANTORS*]

[Form of]
COLLATERAL MANAGEMENT AGREEMENT

COLLATERAL MANAGEMENT AGREEMENT

By

BIOSCRIP, INC.,
as Borrower,

and

THE LOAN PARTIES PARTY HERETO

and

HEALTHCARE FINANCE GROUP LLC
as Collateral Manager

and

JEFFERIES FINANCE LLC,
as Administrative Agent and Collateral Agent,

Dated as of March 25, 2010

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

COLLATERAL MANAGEMENT AGREEMENT, dated as of March _, 2010 (as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Collateral Management Agreement"), among BIOSCRIP INC., a Delaware corporation (the "Borrower"), the other Loan Parties from time to time party hereto by execution of this Agreement or otherwise by execution of a Joinder Agreement, JEFFERIES FINANCE LLC ("Jefferies"), in its capacity as administrative agent and collateral agent for the Secured Parties (in such capacities, the "Agent"), and HEALTHCARE FINANCE GROUP LLC, as collateral manager for the Secured Parties (in such capacity, the "Collateral Manager").

R E C I T A L S:

A. Borrower, the subsidiary guarantors party thereto, the Agent and the lending institutions and other entities party thereto (the "Lenders") have entered into that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement or, if not defined therein, in the Security Agreement.

B. The Guarantors have, pursuant to the Credit Agreement, unconditionally guaranteed the Secured Obligations.

C. Borrower and the other Loan Parties will receive substantial benefits from the execution, delivery and performance of the Secured Obligations under the Credit Agreement and the other Loan Documents and are, therefore, willing to enter into this Agreement.

D. This Agreement is given by each Loan Party in favor of the Collateral Agent and Collateral Manager for the benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations and each of the Collateral Agent and the Collateral Manager agrees to act, on the terms and conditions set forth herein and in the other Loan Documents, for the benefit of the Secured Parties.

E. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to the Issuing Bank issuing Letters of Credit under the Credit Agreement that the Borrower, each other Loan Party, the Collateral Manager and the Agent execute and deliver the applicable Loan Documents, including this Agreement.

Accordingly, the Borrower, each other Loan Party, the Agent and the Collateral Manager each agrees as follows:

ARTICLE I.
COLLATERAL MANAGER FEES, INDEMNITIES AND AUTHORIZATIONS

Section 1.01 Collateral Tracking Fee. The Borrower shall pay to the Collateral Manager on the first Business Day of each calendar month a monthly collateral monitoring fee in the amount of $20,000.

Section 1.02 Indemnities. Each of the Loan Parties hereby agrees to indemnify and hold harmless the Collateral Manager and its respective Affiliates (together with their respective

directors, officers, agents, representatives, shareholders, lenders, counsel and employees, each an "Indemnified Party"), from and against any and all losses, claims, damages, costs, expenses (including reasonable counsel fees and disbursements) and liabilities which are actually incurred by such Indemnified Party arising out of this Collateral Management Agreement, or the financings contemplated under the Loan Documents, the Collateral (including, without limitation, the use thereof by any of such Persons or any other Person, the exercise by the Collateral Manager of rights and remedies or any power of attorney hereunder, and any action or inaction of the Collateral Manager hereunder and in accordance with any Loan Document), the use of proceeds of any financial accommodations provided hereunder, any investigation, litigation or other proceeding (brought or threatened) relating thereto, or the role of any such Person or Persons in connection with the foregoing, whether or not any Indemnified Party is named as a party to any legal action or proceeding ("Claims"). No Loan Party will be responsible to any Indemnified Party hereunder for any Claims to the extent that a court having jurisdiction shall have determined by a final nonappealable judgment that any such Claim shall have arisen out of or resulted directly and principally from (i)(1) actions taken or omitted to be taken by such Indemnified Party by reason of the bad faith, willful misconduct or gross negligence of any Indemnified Party, or (2) in violation of any law or regulation applicable to such Indemnified Party (except to the extent that such violation is attributable to any breach of any representation, warranty or agreement by or on behalf of the Loan Parties or any of their designees, in each case, as determined by a final nonappealable decision of a court of competent jurisdiction), or (ii) a successful claim by any Loan Party against such Indemnified Party ("Excluded Claims"). The Indemnified Party shall give the Borrower prompt written notice of any Claim setting forth a description of those elements of the Claim of which such Indemnified Party has knowledge. The Collateral Manager, as an Indemnified Party, shall be permitted hereunder to select counsel to defend such Claim with the consent of the Borrower, such consent not to be unreasonably withheld, at the expense of the Borrower and, if such Indemnified Party shall decide to do so, then all such Indemnified Parties shall select the same counsel to defend such Indemnified Parties with respect to such Claim; *provided*, however, that if any such Indemnified Party shall in its reasonable opinion consider that the retention of one *joint* counsel as aforesaid shall result in a conflict of interest, such Indemnified Party may, at the expense of the Borrower, select its own counsel to defend such Indemnified Party with respect to such Claim. The Indemnified Parties and the Borrower and their respective counsel shall cooperate with each other in all reasonable respects in any investigation, trial and defense of any such Claim and any appeal arising therefrom.

Section 1.03 Telephonic Notice. Without in any way limiting the Borrower's obligation to confirm in writing any telephonic notice, the Collateral Manager may act without liability upon the basis of telephonic notice believed by the Collateral Manager in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation.

ARTICLE II.
GENERAL PAYMENT MECHANICS; GOVERNMENTAL ENTITIES PAYMENT MECHANICS; MISDIRECTED PAYMENTS

Section 2.01 General Payment Mechanics. (a) On or prior to the Closing Date, each of the Borrower, each Subsidiary Guarantor, the Administrative Agent, the Collateral Manager (for the benefit of the Secured Parties) and each Lockbox Bank shall have entered into the Depositary

Agreements and shall have caused the Lockbox Banks to establish the Lender Lockboxes and the Lender Lockbox Accounts.

(b) Each Loan Party shall prepare, execute and deliver to each non-Governmental Entity who is or is proposed to be a payor of Receivables and that has not previously received such Notice or is not sending payments to a Lender Lockbox or Lender Lockbox Account in the manner required hereunder, with copies to the Collateral Manager, on or prior to the Closing Date, a Notice to Obligors addressed to each such non-Governmental Entity, which Notice to Obligors shall state that all present and future Receivables owing to such Loan Party are subject to a Lien in favor of the Collateral Agent (for the benefit of the Secured Parties) and that all checks from such non-Governmental Entity on account of Receivables shall be sent to a Lender Lockbox and all wire transfers from such non-Governmental Entity on account of Receivables shall be wired directly into a Lender Lockbox Account.

(c) Each Loan Party covenants and agrees that, on and after the Closing Date, all invoices (and, if provided by a Loan Party, return envelopes) to be sent to non-Governmental Entities shall set forth only the address of a Lender Lockbox as a return address for payment of Receivables, and only a Lender Lockbox Account with respect to wire transfers for payment of Receivables. Each Loan Party hereby further covenants and agrees to instruct and notify each of the members of its accounting and collections staff to provide identical information in communications with non-Governmental Entities with respect to Collections.

Section 2.02 Governmental Entities Payment Mechanics. (a) On or prior to the Closing Date, Date, each Loan Party, the Administrative Agent, the Collateral Manager (for the benefit of the Secured Parties) and each Lockbox Bank shall have entered into the Depositary Agreements, and Loan Party shall have caused the Lockbox Banks to establish the Borrower Lockboxes and the Borrower Lockbox Accounts. Each Loan Party shall prepare, execute and deliver to each Governmental Entity or its fiscal intermediary who is or is proposed to be an Obligor of Receivables and that has not previously received such Notice or is not sending payments to a Borrower Lockboxes or a Borrower Lockbox Account in the manner required hereunder, with copies to the Collateral Manager, on or prior to the Closing Date, Notices to Governmental Entities, which Notices to Governmental Entities shall provide that all checks from Governmental Entities on account of Receivables shall be sent to a Borrower Lockbox and all wire transfers on account of Receivables shall be wired directly into a Borrower Lockbox Account.

(b) Each Loan Party covenants and agrees that, on and after the Closing Date, all invoices to be sent to Governmental Entities (and, if provided by a Loan Party, return envelopes) shall set forth only the address of a Borrower Lockbox as a return address for payment of Receivables, and only a Borrower Lockbox Account with respect to wire transfers for payment of Receivables. Each Loan Party further covenants and agrees to instruct and notify each of the members of its accounting and collections staff to provide identical information in communications with Governmental Entities with respect to Collections.

(c) Each Loan Party shall maintain its Borrower Lockbox Accounts exclusively for the receipt of payments on account of Receivables from Governmental Entities.

Each Loan Party shall take all actions necessary to ensure that no payments from any Person other than a Governmental Entity shall be deposited in the Borrower Lockbox Accounts.

Section 2.03 Misdirected Payments; EOB's. (a) In the event that any Loan Party receives a Misdirected Payment in the form of a check, such Loan Party shall immediately send such Misdirected Payment, in the form received by such Loan Party, by overnight delivery service to the appropriate Lender Lockbox or Borrower Lockbox, as the case may be, together with the envelope in which such payment was received. In the event a Loan Party receives a Misdirected Payment in the form of cash or wire transfer, such Loan Party shall immediately wire transfer the amount of such Misdirected Payment directly to a Lender Lockbox Account. All Misdirected Payments shall be sent promptly upon receipt thereof, and in no event later than the close of business, on the first Business Day after receipt thereof.

(b) Each Loan Party hereby agrees and consents to the Agent and/or the Collateral Manager taking such actions, solely during the continuation of an Event of Default, as are reasonably necessary to ensure that future payments from the Obligor of a Misdirected Payment shall be made in accordance with the Notice previously delivered to such Obligor, including, without limitation, to the maximum extent permitted by law, (i) the Agent, the Collateral Manager, their respective assigns or designees executing on such Loan Party's behalf and delivering to such Obligor a new Notice, and (ii) Agent, the Collateral Manager, their respective assigns or designees contacting such Obligor by telephone to confirm the instructions previously set forth in the Notice to such Obligor. At any time, upon the Collateral Manager's request, a Borrower shall promptly (and in any event, within two Business Days from such request) take such similar actions as the Collateral Manager may request.

Section 2.04 No Rights of Withdrawal. No member of the Loan Parties shall have any rights of direction or withdrawal with respect to amounts held in the Lender Lockbox Accounts.

ARTICLE III.
COLLECTION AND DISTRIBUTION

Section 3.01 Collections on the Receivables. The Collateral Agent and Collateral Manager (in each case, for the benefit of the Secured Parties) shall be entitled with respect to all Receivables, (i) to receive and to hold as collateral all Receivables and all Collections on Receivables in accordance with the terms of the Depositary Agreements, and (ii) to have and to exercise any and all rights to collect, record, track and, during the continuance of an Event of Default, take all actions to obtain Collections with respect to all Receivables.

Section 3.02 Distribution of Funds. On each date of any Credit Extension (including the initial Credit Extension) (each such date, a "Funding Date"), and provided, that (i) no Event of Default has occurred and is then continuing and the Final Maturity Date has not occurred, and (ii) the Collateral Manager shall have received all Receivable Information for the period since the immediately prior Funding Date, the Collateral Agent and Collateral Manager shall distribute any and all Collections received in the Collection Account prior to 12:00 p.m. (New York City time) on the immediately prior Funding Date as follows: *first*, to the Administrative Agent for distribution to the applicable Secured Parties, an amount in cash equal to the amount, if any, of fees or interest that is due and payable and has not otherwise been paid in full by the Borrower

and the other Loan Parties under the Loan Documents, until such amount has been paid in full; *second*, to the Administrative Agent for distribution to the applicable Lenders, an amount in cash equal to the Borrowing Base Deficiency, if any, until such amount is paid in full, in accordance with Section 2.10(b) of the Credit Agreement; *third*, to the Administrative Agent for distribution, on a pro rata basis, (x) to the applicable Lenders, an amount in cash equal to the payment, if any, of principal on the Loans due and payable on such Funding Date, (y) to the Issuing Bank, any reimbursements due on Section 2.18(e), and (z) to the Swingline Lender, any amounts due in repayment of the Swingline Loan pursuant to Section 2.04(b)(iii), until such amount has been paid in full; *fourth*, to the Administrative Agent for distribution to the applicable Secured Parties, an amount in cash equal to the payment of any other Obligations due and payable on such Funding Date, if any, until such amount has been paid in full, and fifth, to the Borrower on behalf of the Borrower and Subsidiary Guarantors, all remaining amounts of Collections, as requested.

Section 3.03 Distribution of Funds at the Maturity Date or Upon an Event of Default. At the Final Maturity Date or upon the occurrence and during the continuance of an Event of Default, subject to the rights and remedies of the Agent and Collateral Manager pursuant to Section 4.02 hereof, the Collateral Agent and Collateral Manager (for the benefit of the Secured Parties) shall distribute any and all Collections in accordance with the Credit Agreement.

Section 3.04 Allocation of Servicing Responsibilities. (a) Tracking of Collections and other transactions pertaining to the Receivables shall be administered by the Collateral Manager (for the benefit of Secured Parties) in a manner consistent with the terms of this Collateral Management Agreement. The responsibilities of the Loan Parties to the Collateral Manager have been set forth in Exhibit V attached hereto. The Loan Parties shall cooperate fully with the Collateral Manager in establishing and maintaining the Transmission of the Receivable Information, including, without limitation, the matters described in Exhibit V, and shall provide promptly to the Collateral Manager such other information necessary or desirable for the administration of Collections on the Receivables as may be reasonably requested from time to time.

(b) The Borrower hereby agrees to perform the administration and servicing obligations set forth in Exhibit V hereto with respect to its Receivables (the "Servicing Responsibilities"). The Collateral Manager may, at any time following the occurrence of an Event of Default (and shall, without requirement of notice to any party, upon an Event of Default resulting from the events described in paragraphs (g) or (h) of Section 8.01 of the Credit Agreement) appoint another Person, for the benefit of the Secured Parties, to succeed the Borrower in the performance of the Servicing Responsibilities (which replacement shall be effectuated through the outplacement to a third-party collection firm obligated to use commercially reasonable efforts to maximize collections in accordance with the provisions of Article 9 of the UCC).

Section 3.05 Distributions to the Loan Parties Generally. Distributions to the Loan Parties on each Business Day shall be deposited in the Borrower Account.

Section 3.06 Collateral Manager. The Collateral Manager has been appointed as Collateral Manager pursuant to the Credit Agreement and this Agreement. The actions of the

Collateral Manager hereunder are subject to the provisions of the Credit Agreement and the other Loan Documents. The Collateral Manager shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action, in accordance with this Agreement and the Credit Agreement, for the benefit of the Secured Parties. The Collateral Manager may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith, excepting therefrom, however, their gross negligence or willful misconduct. Without limiting the foregoing, the Collateral Manager shall be deemed an agent of the Collateral Agent for the purposes of giving effect to the Security Documents (including this Agreement) and the other Loan Documents and the Collateral Agent shall not be liable for the negligence or misconduct of the Collateral Manager.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES; COVENANTS; REMEDIES

Section 4.01 Representations and Warranties; Covenants. Each Loan Party makes on the Closing Date and on each subsequent Funding Date, the representations and warranties set forth in Exhibit III hereto, and hereby agrees to perform and observe the covenants set forth in Exhibit IV hereto.

Section 4.02 Remedies; Right of Set-Off. Each Loan Party hereby irrevocably authorizes and instructs the Agent and the Collateral Manager to set-off the full amount of any Obligations due and payable against (i) any Collections, or (ii) the principal amount of any Loans requested on or after such due date. No further notification, act or consent of any nature whatsoever is required prior to the right of the Agent or the Collateral Manager to exercise such right of set-off; *provided*, *however*, the Collateral Manager shall promptly notify the Borrower (with a copy to the Agent): (1) a set-off pursuant to this Section 4.02 occurred, (2) the amount of such set-off and (3) a description of the Obligations that was due and payable.

Section 4.03 Attorney-in-Fact. Each Loan Party hereby irrevocably designates and appoints the Collateral Manager (for the benefit of the Secured Parties), to the extent permitted by applicable law and regulation, as each Loan Party's attorneys-in-fact, which irrevocable power of attorney is coupled with an interest, with authority, upon the continuance of an Event of Default (and to the extent not prohibited under applicable law and regulations) to (i) endorse or sign such Loan Party's name to financing statements, remittances, invoices, assignments, checks, drafts, or other instruments or documents in respect of the Collateral, including the Receivables, (ii) notify Obligors to make payments on the Receivables directly to the Agent or Collateral Manager, and (iii) bring suit in such Loan Party's name and settle or compromise such Receivables as the Collateral Manager may, in its discretion, deem appropriate.

ARTICLE V.
MISCELLANEOUS

Section 5.01 Amendments, etc. No amendment, supplement, modification or waiver of any provision of this Collateral Management Agreement or consent to any departure therefrom by a party hereto shall be effective unless in a writing signed by the Agent, the Collateral

Manager and the Borrower and then such amendment, supplement, modification 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 Agent or the Collateral Manager 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 right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 5.02 Notices, etc. All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which may include facsimile and email communication) and shall be faxed or delivered or sent by email, (i) to the Collateral Manager at its address set forth under its name on Schedule I hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto, (ii) to the Agent at its address set forth at the address set forth in Section 11.01 of the Credit Agreement or at such other address as shall be designated by such party in a Written Notice to the other parties hereto, and (iii) to the Borrower on behalf of itself and any other member of the Loan Parties (and each Loan Party hereby agrees that notices to or for their benefit may be delivered to the Borrower and such delivery to the Borrower shall be deemed received by such Loan Party) at the address set forth in Section 11.01 of the Credit Agreement or at such other address as shall be designated by such party in a Written Notice to the other parties hereto. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

Section 5.03 Assignability. This Collateral Management Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

Section 5.04 Further Assurances. Each Loan Party shall, at its cost and expense, upon the reasonable request of the Collateral Manager, duly execute and deliver, or cause to be duly executed and delivered, to the Collateral Manager such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Collateral Manager to carry out more effectively the provisions and purposes of this Collateral Management Agreement.

Section 5.05 Costs and Expenses; Collection Costs. (a) Each of the Loan Parties, jointly and severally, agrees to pay (i) on the Closing Date and (ii) with respect to costs and expenses incurred thereafter, within seven days of invoicing therefor and after reasonable verification by the Borrower of such costs and expenses, which shall in no event exceed such seven-day period, all reasonable costs and expenses in connection with the preparation, execution and delivery of this Collateral Management Agreement and any waiver, modification, supplement or amendment hereto, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Collateral Manager and all costs and expenses, if any (including reasonable counsel fees and expenses), of the Collateral Manager and its Affiliates in connection with the waiver, supplement, modification, amendment and enforcement of this Collateral Management Agreement.

(b) Each of the Loan Parties, jointly and severally, further agree to pay on the Closing Date (and with respect to costs and expenses incurred following the Closing Date, within

seven days of invoicing therefor) (i) all reasonable costs and expenses incurred by the Collateral Manager in connection with (x) semi-annual audits of the Receivables, (y) all audits conducted in connection with any material change in the Receivables or a change in the Credit and Collection Policy (z) and all audits conducted during the continuance of an Event of Default, (ii) all reasonable costs and expenses incurred by the Collateral Manager to accommodate any significant coding or data system changes necessitated by the Loan Parties that would affect the transmission or interpretation of data received through the interface, and (iii) all reasonable costs and expenses incurred by the Collateral Manager for additional time and material expenses of the Collateral Manager resulting from a lack of either cooperation or responsiveness of any Loan Party to agreed-upon protocol and schedules with the Collateral Manager; *provided*, that the Borrower has been informed of the alleged lack of cooperation or responsiveness and has been provided the opportunity to correct such problems.

(c) In the event that the Agent or the Collateral Manager shall retain an attorney or attorneys to collect, enforce, protect, maintain, preserve or foreclose its interests with respect to this Collateral Management Agreement, any other Documents, any Obligations, any Receivable or the Lien on any Collateral or any other security for the Obligations or under any instrument or document delivered pursuant to this Collateral Management Agreement, or in connection with any Obligations, the Loan Parties shall jointly and severally pay all of the reasonable costs and expenses of such collection, enforcement, protection, maintenance, preservation or foreclosure, including reasonable attorneys' fees, which amounts shall be part of the Obligations, and the Agent and the Collateral Manager may take judgment for all such amounts. The attorneys' fees arising from such services, including those of any appellate proceedings, and all reasonable out-of-pocket expenses, charges, costs and other fees incurred by such counsel in any way or with respect to or arising out of or in connection with or relating to any of the events or actions described in this Section 5.05 shall be payable by the Loan Parties, on an a joint and several basis, to the Agent and/or the Collateral Manager, as the case may be, on demand (with interest accruing from the eighth day following the date of such demand, and shall be additional obligations under this Collateral Management Agreement). Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: recording costs, appraisal costs, paralegal fees, costs and expenses; accountants' fees, costs and expenses; court costs and expenses; photocopying and duplicating expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram charges; telecopier charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal services; *provided* that, as between the Agent and the Collateral Manager, the Collateral Manager agrees that it will only take legal action in the enforcement of this Collateral Management Agreement at the direction of the Agent.

Section 5.06 Term. (a) This Collateral Management Agreement shall remain in full force and effect during the term (including any renewal term) of the Credit Agreement.

(b) The termination of this Collateral Management Agreement shall not affect any rights of the Agent or Collateral Manager or any obligations of the Loan Parties arising on or prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all Obligations incurred on or prior to such termination has been paid and performed in full.

Section 5.07 Joint and Several Liability. Each Loan Party agrees that (i) they shall be jointly and severally liable for the obligations, duties and covenants of each other under this Collateral Management Agreement and the acts and omissions of each other, and (ii) they jointly and severally makes each representation and warranty for itself and each other under this Collateral Management Agreement. Notwithstanding the foregoing, if, in any action to enforce the Obligations against any Loan Party or any proceeding to allow or adjudicate a claim hereunder, a court of competent jurisdiction determines that enforcement of the joint and several obligations of the Loan Parties against a Borrower for the full amount of the Obligations is not lawful under, or would be subject to avoidance under Section 548 of the United States Bankruptcy Code or any applicable provision of Federal or state law, the liability of such Loan Party hereunder shall be limited to the maximum amount lawful and not subject to avoidance under such law.

Section 5.08 Entire Agreement; Severability. (a) This Collateral Management Agreement, including all exhibits and schedules hereto and the documents referred to herein, embody the entire agreement and understanding of the parties concerning the subject matter contained herein.

(b) If any provision of this Collateral Management Agreement shall be declared invalid or unenforceable, the parties hereto agree that the remaining provisions of this Collateral Management Agreement shall continue in full force and effect.

Section 5.09 GOVERNING LAW. THIS COLLATERAL MANAGEMENT AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST GRANTED HEREUNDER, OR REMEDIES RELATED THERETO, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 5.10 WAIVER OF JURY TRIAL, JURISDICTION AND VENUE. EACH OF THE PARTIES HERETO HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN THE EVENT OF ANY LITIGATION WITH RESPECT TO ANY MATTER RELATED TO THIS COLLATERAL MANAGEMENT AGREEMENT, AND HEREBY IRREVOCABLY CONSENTS TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN NEW YORK COUNTY, NEW YORK CITY, NEW YORK IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS COLLATERAL MANAGEMENT AGREEMENT. IN ANY SUCH LITIGATION, EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO THE PARTIES HERETO AT THEIR ADDRESSES SET FORTH ON THE SIGNATURE PAGE HEREOF.

Section 5.11 Execution in Counterparts. This Collateral Management Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

Section 5.12 Survival of Termination. All indemnities contained herein shall survive the termination hereof unless otherwise provided.

Section 5.13 Joinder of Additional Loan Parties. The Borrower shall cause each Subsidiary Guarantor which, from time to time, after the date hereof shall be required to pledge any assets to the Collateral Agent for the benefit of the Secured Parties pursuant to the Credit Agreement and the other Loan Documents, to execute and deliver to the Collateral Agent a Joinder Agreement within five Business Days after the date on which it was acquired or created, and become a Restricted Subsidiary and, in each case, upon such execution and delivery, such Subsidiary shall constitute a "Loan Party" for all purposes hereunder with the same force and effect as if originally named as a Loan Party herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement or any other Loan Document.

[*remainder of page intentionally blank; signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or other authorized signatories as of the day and year first above written.

BIOSCRIP, INC., as Borrower

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

CHRONIMED LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

LOS FELIZ DRUGS INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP PHARMACY, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

BRADHURST SPECIALTY PHARMACY, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP PHARMACY (NY), INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP PBM SERVICES, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

NATURAL LIVING INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP NURSING SERVICES, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP INFUSION MANAGEMENT, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

BIOSCRIP PHARMACY SERVICES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

CRITICAL HOMECARE SOLUTIONS HOLDINGS, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

CRITICAL HOMECARE SOLUTIONS, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

APPLIED HEALTH CARE, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

CEDAR CREEK HOME HEALTH CARE AGENCY, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

DEACONESS ENTERPRISES, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

DEACONESS HOMECARE, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

EAST GOSHEN PHARMACY, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

ELK VALLEY HEALTH SERVICES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

ELK VALLEY HOME HEALTH CARE AGENCY, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

ELK VALLEY PROFESSIONAL AFFILIATES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

GERICARE, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

INFUSION PARTNERS, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

INFUSION PARTNERS OF BRUNSWICK, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

INFUSION PARTNERS OF MELBOURNE, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

INFUSION SOLUTIONS, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

KNOXVILLE HOME THERAPIES, LLC, as a Subsidiary Guarantor

By: _____
Name:
Title:

NATIONAL HEALTH INFUSION, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

NEW ENGLAND HOME THERAPIES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

OPTION HEALTH, LTD., as a Subsidiary Guarantor

By: _____
Name:
Title:

PROFESSIONAL HOMECARE SERVICES, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

REGIONAL AMBULATORY DIAGNOSTICS, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

SCOTT-WILSON, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION I, as a Subsidiary Guarantor

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION II, as a Subsidiary Guarantor

By: _____
Name:
Title:

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION III, as a Subsidiary Guarantor

By: _____
Name:
Title:

SPECIALTY PHARMA, INC., as a Subsidiary Guarantor
By: _____
Name:
Title:

WILCOX MEDICAL, INC., as a Subsidiary Guarantor

By: _____
Name:
Title:

JEFFERIES FINANCE LLC, as Agent

By: _____
Name:
Title:

HEALTHCARE FINANCE GROUP, LLC, as Collateral Manager

By: _____
Name:
Title:

EXHIBIT I
to Collateral Management Agreement

DEFINITIONS

As used in this Collateral Management Agreement (including its Exhibits and Schedules), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Borrower Account" shall mean initially account # 000009069730 at Bank of America, N.A., ABA # 011500010, or, thereafter, such other bank account designated by the Borrower by Written Notice to the Collateral Manager from time to time.

"Borrower Lockbox" shall mean the lockboxes set forth on Schedule III hereto to receive checks with respect to Receivables payable by Governmental Entities.

"Borrower Lockbox Account" shall mean the accounts set forth on Schedule III hereto in the name of each applicable Loan Party (or Loan Parties) and associated with the Borrower Lockbox established and controlled by each applicable Loan Party (or Loan Parties) to deposit Collections from Governmental Entities, including Collections received in the Borrower Lockbox and Collections received by wire transfer directly from Governmental Entities, all as more fully set forth in the Depositary Agreement.

"Collection Account" shall mean the Collateral Manager's account maintained at The Bank of New York, ABA # 021000018, GLA 111565, For Further Credit to Account #205779, Ref: HEALTHCO-4/LCHI, Attn: Scott Tepper, or such other bank account designated by the Collateral Manager from time to time.

"Collections" shall mean all cash collections, wire transfers, electronic funds transfers and other cash proceeds of Receivables and Inventory deposited in or transferred to the Collection Account, including, without limitation, all cash proceeds thereof.

"Credit and Collection Policy" shall mean those receivables credit and collection policies and practices of the Loan Parties in effect on the date of this Collateral Management Agreement and attached as Schedule II hereto.

"Depositary Agreements" shall mean those certain Depositary Account Agreements, dated the date hereof, among the relevant members of the Loan Parties, the Collateral Agent, the Collateral Manager, and each Lockbox Bank, in a form reasonably acceptable to the Collateral Manager, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

"Governmental Entity" shall mean the United States of America, any state, any political subdivision of a state and any agency or instrumentality of the United States of America or any state or political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government. Payments from Governmental Entities shall be deemed to include payments governed under the Social Security

Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by CMS.

"Indemnified Party" has the meaning set forth in Section 1.02.

"Joinder Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit VII.

"Lender Lockbox" shall mean the lockboxes located at the address set forth on Schedule III to receive checks with respect to Receivables payable by Insurers.

"Lender Lockbox Account" shall mean the accounts at the Lockbox Bank as set forth on Schedule III as associated with the Lender Lockbox and established by the relevant members of the Loan Parties to deposit Collections, including Collections received in the Lender Lockbox and Collections received by wire transfer directly from Insurers, all as more fully set forth in the Depositary Agreement.

"Lockbox" shall mean either the Borrower Lockbox or the Lender Lockbox, as the context requires.

"Lockbox Account" shall mean either the Borrower Lockbox Account or the Lender Lockbox Account, each associated with the respective Lockbox to deposit Collections, including Collections received by wire transfer directly, all as more fully set forth in the Depositary Agreement.

"Lockbox Banks" shall mean each of [Bank of America, N.A. and UMB Bank] as lockbox bank under the applicable Depositary Agreement.

"Notice to Governmental Entities" shall mean a notice letter on a Borrower's corporate letterhead in substantially the form attached hereto as Exhibit III.

"Notice to non-Governmental Entities" shall mean a notice letter on a Borrower's corporate letterhead in substantially the form attached hereto as Exhibit IV.

"Notice to Obligors" shall mean either a Notice to Governmental Entities or a Notice to non-Governmental Entities, as the context requires.

"Obligor" shall mean each Person who is responsible for the payment of all or any portion of a Receivable.

"Servicing Responsibilities" has the meaning set forth in Section 3.04 hereto.

"Transmission" shall mean, upon establishment of computer interface between the Borrower and the Collateral Manager in accordance with the specifications established by the Collateral Manager, the transmission of Receivable Information through computer interface to the Collateral Manager in a manner satisfactory to the Collateral Manager.

EXHIBIT II
to Collateral Management Agreement

RECEIVABLE INFORMATION

The following information shall, as appropriate, be provided by each Loan Party to the Collateral Manager with respect to each Receivable, together with such other information and in such form as may reasonably be requested from time to time by the Collateral Manager and as, in accordance with applicable law, may be disclosed or released to the Collateral Manager (the "Receivable Information"):

(i) Cash Receipts Report — Cash receipt transaction data containing:

- Transaction date
- Transaction number
- Customer number
- Cash receipt amount

(ii) Invoices Report — Invoice transaction data containing:

- Transaction date
- Transaction number
- Customer number
- Invoice amount

(iii) Adjustments Report — Adjustment transaction data containing:

- Transaction date
- Transaction number
- Customer number
- Amount of adjustment

EXHIBIT III
to Collateral Management Agreement

FORM OF NOTICE TO GOVERNMENTAL ENTITIES

[Letterhead of the applicable Loan Party]

[Date]
[Name and Address
of Governmental Entity]

Re: Change of Account and Address [for Medicare Supplier No.]

To Whom it May Concern:

Please be advised that we have opened a new bank account at [Bank of America, N.A.] [UMB Bank][*specified other financial institution*] and a post-office box with respect to such bank account. Accordingly, effective immediately and until further notice, we hereby request that:

(1) All wire transfers be made directly into our account at:
[_____]

(2) All remittance advices and other forms of payment, including checks, be made to our post office box located at:
[_____]

As provided in the Medicare Carriers Manual § 3060.11, the undersigned hereby certifies that this payment arrangement will continue in effect only so long as the following requirements are met:

a) [Bank of America, N.A.] [UMB Bank][*specified other financial institution*] does not provide financing to the undersigned nor acts on behalf of another party in connection with the provision of such financing; and

b) The undersigned has sole control of the account, and [Bank of America, N.A.] [UMB Bank][*specified other financial institution*] is subject only to the instructions of the undersigned (or its agents) regarding the account.

Thank you for your cooperation in this matter.

EXHIBIT IV
to Collateral Management Agreement

FORM OF NOTICE TO NON-GOVERNMENTAL ENTITIES

[Letterhead of the Applicable Loan Party]

[Date]
[Name and Address
of Obligor]

Re: Change of Account and Address

To Whom it May Concern:

We are pleased to announce that we have entered into a new long-term financing arrangements that will allow us to continue to provide you with new and innovative services and products. As part of this arrangement, we will be granting a security interest all of our existing and future receivables payable by you to us as collateral to our lenders. Accordingly, you are hereby directed to make:

(1) All wire transfers directly to the following account:
[_____]

(2) All remittance advices and other forms of payment, including checks, to the following address:
[_____]

[Please note that this is the same remittance name, address and account to which you currently send payment.]

The foregoing directions shall apply to all existing receivables payable to us and (until further written notice) to all receivables arising in the future and may not be revoked except by a writing executed by us and Healthcare Finance Group LLC, as collateral manager under our new financing facility.

Please acknowledge your receipt of this notice by signing the enclosed copy of this letter and returning it in the enclosed envelope.

Thank you for your cooperation in this matter.

EXHIBIT V
to Collateral Management Agreement

SERVICING RESPONSIBILITIES

The Borrower on behalf of each Loan Party shall be responsible for the following administration and servicing obligations (the "Servicing Responsibilities") which shall be performed by the Borrower until such time as a successor servicer shall be designated and shall accept appointment pursuant to Section 3.04(b) of this Collateral Management Agreement:

(a) Servicing Standards and Activities. The Borrower agrees to administer and service its Receivables (i) within the parameters of services set forth in paragraph (b) of this Exhibit V, as such parameters may be modified by mutual written agreement of the Collateral Manager and the Borrower, (ii) in compliance at all times with applicable law and with this Collateral Management Agreements, covenants, objectives, policies and procedures set forth in this Collateral Management Agreement, and (iii) in accordance with industry standards for servicing healthcare receivables unless such standards conflict with the procedures set forth in paragraph (b) of this Exhibit V in which case the provisions of paragraph (b) shall control. The Borrower shall establish and maintain electronic data processing services for monitoring, administering and collecting the Receivables in accordance with the foregoing standards and shall, within three Business Days of the deposit of any checks, other forms of cash deposits, or other written matter into a Lockbox, post such information to its electronic data processing services.

(b) Parameters of Primary Servicing. The Servicing Responsibilities shall be performed within the following parameters:

(i) Subject to the review and authority of the Collateral Manager and the Agent and except as otherwise provided herein, the Borrower shall have full power and authority to take all actions that it may deem necessary or desirable, consistent in all material respects with its existing policies and procedures with respect to the administration and servicing of accounts receivable, in connection with the administration and servicing of its Receivables. Without limiting the generality of the foregoing, the Borrower shall, in the performance of its servicing obligations hereunder, act in accordance with all legal requirements and subject to the terms and conditions of this Collateral Management Agreement.

(ii) During the continuance of an Event of Default, at the Collateral Manager's request or the Agent's request, all enforcement and collection proceedings with respect to the Receivables shall, unless prohibited by applicable law, be instituted and prosecuted in the name of the Collateral Agent.

(iii) No Borrower shall change in any material respect its existing policies and procedures with respect to the administration and servicing of accounts receivable (including, without limitation, the amount and timing of write-offs) without the prior written consent of the Collateral Manager (with contemporaneous written notice thereof (in reasonable detail) to the Agent).

(iv) The Borrower will be responsible for monitoring and collecting the Receivables, including, without limitation, contacting Obligors that have not made payment on their respective Receivables within the customary time period for such Obligor, and resubmitting any claim rejected by an Obligor due to incomplete information.

(v) If the Borrower determines that a payment with respect to a Receivable has been received directly by a pharmacy or any other Person, the Borrower shall promptly advise the Collateral Manager, and the Collateral Manager shall be entitled to presume that the reason such payment was made to such pharmacy or other Person was because of a breach of representation or warranty in this Collateral Management Agreement with respect to such Receivable (such as, by way of example, the forms related to such Receivable not being properly completed so as to provide for direct payment by the Obligor to the applicable Borrower), unless such Borrower shall demonstrate that such is not the case. In the case of any such Receivable which is determined not to be a Denied Receivable, the Borrower shall promptly demand that such pharmacy or other Person remit and return such funds. If such funds are not promptly received by the applicable Borrower, the Borrower shall take all reasonable steps to obtain such funds.

(vi) Notwithstanding anything to the contrary contained herein, no Borrower may amend, waive or otherwise permit or agree to any deviation from the terms or conditions of any Receivable in any material respect without the prior consent of the Collateral Manager.

(c) Termination of Servicing Responsibilities; Cooperation. Upon the occurrence of an Event of Default the Collateral Manager or Collateral Agent or the Agent may, by written notice, terminate the performance of the Servicing Responsibilities by the Borrower, in which event such Borrower shall immediately transfer to a successor servicer designated by the Collateral Manager or the Agent, as the case may be, all records, computer access and other information as shall be necessary or desirable, in the reasonable judgment of such successor servicer, to perform such responsibilities. The Borrower shall otherwise cooperate fully with such successor servicer.

EXHIBIT VI
to Collateral Management Agreement

INTERFACE WITH COLLATERAL MANAGER

1. The Collateral Manager will convey appropriate data requirements and instructions to the Borrower to establish a computer interface between each Loan Party's systems and the Collateral Manager's receivables monitoring system. The interface will permit the Collateral Manager to receive electronically teach Loan Party's accounts receivable data, including the Receivable Information, billing data and collection and other transaction data relating to the Receivables.

2. The Loan Parties shall give the Collateral Manager at least ten Business Days' notice of any coding changes or electronic data processing system modifications made by such Borrower which could affect the Collateral Manager's processing or interpretation of data received through the interface.

3. The Collateral Manager shall have no responsibility to return to the Loan Parties any information which the Collateral Manager receives pursuant to the computer interface.

4. The Borrower, on behalf of the Loan Parties, will prepare weekly accounts receivable data files of all transaction types for such Borrower's sites that are included in the program. The weekly cutoff will occur at a predetermined time each week, and the weekly cutoff date for all of the sites must occur at exactly the same time. The cutoff date that will be selected will be at the end of business for a specific day of the week, or in other words, at the end of such Borrower's transaction posting process for that day. The Borrower will temporarily maintain a copy of the accounts data files in the event that the data is degraded or corrupted during transmission, and needs to be re-transmitted.

5. The Collateral Manager will be responsible for the management of the hardware, communications and software used in the program.

6. The Collateral Manager's data center will receive the Receivable files, and immediately confirm that the files have been passed without degradation or corruption of data by balancing the detailed items to the control totals that accompany the files. Any problems in this process will be immediately reported to the Borrower so that the Receivable file can be re-transmitted, if necessary.

7. Once the receipt of the Receivable data has been confirmed, the Collateral Manager will perform certain tests and edits to ensure that each Receivable meets the specified eligibility criteria. Compliance with concentration limits will be verified and the Collateral Manager will notify the Collateral Manager that the Eligible Receivables have been determined.

8. Each Loan Party's sites will continue to post daily transactions to their respective Receivable files. Each Loan Party's Receivable files for each of the eligible sites will include all transactions posted through that day. The Borrower will create a transaction report and a Receivable file for each of the eligible sites. The transaction report will contain all transactions posted to the respective site Receivable file for the specified period (and will indicate the

respective site and the number of items and total dollars on each transaction report for control purposes). The Receivable file will contain balances that reflect the transactions posted on the Loan Parties's systems through the end of business of the specified period.

9. The Borrower will transmit the billing, transaction, and the most current Receivable data files to the Collateral Manager's data center according to the established schedule. The Borrower should, again, maintain the backup of each of these files in the event that a re-transmission is necessary.

10. The Collateral Manager's data center will confirm that the files have been received intact, and will immediately communicate any problems to the Borrower in order to initiate a re-transmission. The Collateral Manager will then post the transaction files to the accounts receivable for accounts that the Collateral Manager is maintaining, and consequently update the affected balances. Upon completion of the posting process, the Collateral Manager will generate summary reports of the posting process that the Collateral Manager will use to complete various funding activities. The Collateral Manager summary reports will reference the Loan Parties's transaction codes and activity to codes that are common to the funding program.

11. The Collateral Manager will then compare the updated accounts balances on the Collateral Manager's system to the corresponding account balances reflected on the Receivable file. The Collateral Manager expects that the balances for the funded Receivables will be congruent, and any discrepancies will be immediately examined and resolved through the cooperative effort of the Collateral Manager and the Loan Parties. The Collateral Manager shall produce discrepancy reports (e.g., "Funding Only" or "Out of Balance" reports) and the Borrower shall respond promptly to such reports.

12. Once the reconciliation process has been completed and any discrepancies between the Collateral Manager and the Loan Parties's Receivable files resolved through the discrepancy report process described in paragraph 9 above, the Collateral Manager will then process the Receivable file and advise the Collateral Manager. The Collateral Manager will then proceed through exactly the same process described in paragraph 6 above.

EXHIBIT VII
to Collateral Management Agreement

[Form of]

JOINDER AGREEMENT

[Name of New Loan Party]
[Address of New Loan Party]

[Date]

_____

_____

_____

_____

Ladies and Gentlemen:

Reference is made to that certain Collateral Management Agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Collateral Management Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Collateral Management Agreement), made by BioScrip, Inc., a Delaware corporation, the other Loan Parties party thereto, JEFFERIES FINANCE LLC, as collateral agent and administrative agent (in such capacities and together with any successors in such capacity, the "Agent") and HEALTHCARE FINANCE GROUP LLC, as collateral manager for the Secured Parties (in such capacity, the "Collateral Manager").

This joinder agreement supplements the Collateral Management Agreement and is delivered by the undersigned, [_____] (the "New Loan Party"), pursuant to Section 5.13 of the Collateral Management Agreement. The New Loan Party hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Collateral Management Agreement to the same extent that it would have been bound if it had been a signatory to the Collateral Management Agreement on the execution date of the Collateral Management Agreement. The New Loan Party hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Loan Parties contained in the Collateral Management Agreement .

Annexed hereto are supplements to each of the Schedules to the Collateral Management Agreement, as applicable, with respect to the New Loan Party. Such supplements shall be deemed to be part of the Collateral Management Agreement.

This joinder agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate

counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CHOICE OF LAW THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

IN WITNESS WHEREOF, the New Loan Party has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW LOAN PARTY]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

HEALTHCARE FINANCE GROUP, LLC,
as Collateral Manager

By: _____
Name:
Title:

[*Schedules to be attached*]

Exhibit 10.2

EXECUTION VERSION

SECURITY AGREEMENT

By

BIOSCRIP, INC.,
as Borrower

and

THE GUARANTORS PARTY HERETO

and

JEFFERIES FINANCE LLC,
as Collateral Agent

Dated as of March 25, 2010

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement"), made by BioScrip, Inc., a Delaware corporation ("Borrower") and the other guarantors from time to time party hereto by execution of this Agreement or otherwise by execution of a Joinder Agreement (the "Guarantors"), as pledgors, assignors and debtors (Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of Jefferies Finance LLC, in its capacity as collateral agent pursuant to the Credit Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

R E C I T A L S:

A. Borrower, the subsidiary guarantors party thereto, the Collateral Agent and the lending institutions and other entities party thereto (the "Lenders") have entered into that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. The Guarantors have, pursuant to the Credit Agreement, unconditionally guaranteed the Secured Obligations.

C. Borrower and the Guarantors will receive substantial benefits from the execution, delivery and performance of the Secured Obligations under the Credit Agreement and the other Loan Documents and are, therefore, willing to enter into this Agreement.

D. Each Pledgor is, or as to Pledged Collateral acquired by such Pledgor after the date hereof will be, the legal and/or beneficial owner of the Pledged Collateral pledged by it hereunder.

E. This Agreement is given by each Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations.

F. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to the Issuing Bank issuing Letters of Credit under the Credit Agreement that each Pledgor execute and deliver the applicable Loan Documents, including this Agreement.

A G R E E M E N T:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC.

(b) Terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement.

(c) The following terms shall have the following meanings:

"Account Debtor" shall mean any person who may become obligated to any Pledgor under, with respect to, or on account of, an Account, Chattel Paper or any General Intangible (including a payment intangible).

"Accounts" shall mean all "accounts," as such term is defined in the UCC, now owned or hereafter acquired by any Pledgor, including (i) all accounts receivable, including accounts receivable pursuant to Reimbursement Approvals, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper or Instruments) (including any such obligations that may be characterized as an account or contract right under the UCC), (ii) all of each Pledgor's rights in, to and under all purchase orders or receipts for goods or services, (iii) all of each Pledgor's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (iv) all rights to payment due to any Pledgor for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by any Pledgor or in connection with any other transaction (whether or not yet earned by performance on the part of any Pledgor) and (v) all collateral security of any kind, now or hereafter in existence, given by any Account Debtor or other person with respect to any of the foregoing.

"Acquisition Document Rights" shall mean, with respect to each Pledgor, collectively, all of such Pledgor's rights, title and interest in, to and under the Acquisition Documents, including (i) all rights and remedies relating to monetary damages, including indemnification rights and remedies, and claims for damages or other relief pursuant to or in respect of the Acquisition Documents, (ii) all rights and remedies relating to monetary damages, including indemnification rights and remedies, and claims for monetary damages under or in respect of the agreements, documents and instruments referred to in the Acquisition Documents or related thereto and (iii) all proceeds, collections, recoveries and rights of subrogation with respect to the foregoing.

"Additional Pledged Interests" shall mean, collectively, with respect to each Pledgor, (i) all options, warrants, rights, agreements, additional membership, partnership or other equity interests of whatever class of any issuer of Initial Pledged Interests or any interest in any such issuer, together with all rights, privileges, authority and powers of such Pledgor relating to such interests in each such issuer or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such membership, partnership or other interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such membership, partnership or other equity interests from time to time acquired by such Pledgor in any manner and (ii) all membership,

partnership or other equity interests, as applicable, of each limited liability company, partnership or other entity (other than a corporation) hereafter acquired or formed by such Pledgor and all options, warrants, rights, agreements, additional membership, partnership or other equity interests of whatever class of such limited liability company, partnership or other entity, together with all rights, privileges, authority and powers of such Pledgor relating to such interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such membership, partnership or other equity interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such membership, partnership or other interests, from time to time acquired by such Pledgor in any manner.

"Additional Pledged Shares" shall mean, collectively, with respect to each Pledgor, (i) all options, warrants, rights, Equity Interests, agreements, additional shares of capital stock of whatever class of any issuer of the Initial Pledged Shares or any other equity interest in any such issuer, together with all rights, privileges, authority and powers of such Pledgor relating to such interests issued by any such issuer under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such interests, from time to time acquired by such Pledgor in any manner and (ii) all the issued and outstanding shares of capital stock of each corporation hereafter acquired or formed by such Pledgor and all options, warrants, rights, agreements or additional shares of capital stock of whatever class of such corporation, together with all rights, privileges, authority and powers of such Pledgor relating to such shares or under any Organizational Document of such corporation, and the certificates, instruments and agreements representing such shares and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such shares, from time to time acquired by such Pledgor in any manner.

"Agreement" shall have the meaning assigned to such term in the preamble hereof.

"Bailee Letter" shall have the meaning assigned to such term in Section 3.4(i).

"Borrower" shall have the meaning assigned to such term in the preamble hereof.

"Charges" shall mean any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including any landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other charges arising by operation of law) against, all or any portion of the Pledged Collateral.

"Collateral Account" shall mean a collateral account or sub-account established and maintained in accordance with the provisions of Section 9.01 of the Credit Agreement and all property from time to time on deposit in the Collateral Account.

"Commercial Motor Vehicles" shall mean motor vehicles used primarily for commercial purposes.

"Commodity Account Control Agreement" shall mean a commodity account control agreement in a form that is reasonably satisfactory to the Collateral Agent.

"Contracts" shall mean, collectively, with respect to each Pledgor, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), to which such Pledgor is a party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control" shall mean (i) in the case of each Deposit Account, "control," as such term is defined in Section 9-104 of the UCC, and (ii) in the case of any Security Entitlement, "control," as such term is defined in Section 8-106 of the UCC and (iii) in the case of any Commodity Contract, "control," as such term is defined in Section 9-106 of the UCC.

"Control Agreements" shall mean, collectively, the Deposit Account Control Agreement(s), the Lockbox Agreements, the Securities Account Control Agreement(s) and the Commodity Account Control Agreement(s).

"Copyright Security Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 6.

"Copyrights" shall mean, collectively, with respect to each Pledgor, all works of authorship (whether protected by statutory or common law copyright, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished), and all copyright registrations and applications made by such Pledgor, in each case, whether now owned or hereafter created or acquired by such Pledgor, including the copyrights, registrations and applications listed on Schedule 14(c) to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Legal Requirements with respect to such Pledgor's use of such copyrights, (ii) renewals and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereof.

"Deposit Account Control Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 5 or such other form that is reasonably satisfactory to the Collateral Agent.

"Deposit Accounts" shall mean, collectively, with respect to each Pledgor, (i) all "deposit accounts" as such term is defined in the UCC and in any event shall include the Collateral Account, each Lockbox Account and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Distributions" shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

"Excluded Property" shall mean (A) any lease, license, contract, property rights or agreement to which any Pledgor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Pledgor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Legal Requirement or principles of equity), *provided*, *however*, that such security interest shall attach immediately and automatically at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and, to the extent severable, shall attach immediately to any portion of

such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) including any Proceeds of such lease, license, contract, property rights or agreement; (B) to the extent applicable, Pledged Interests, Pledged Shares and Successor Interests to the extent such Pledged Interests, Pledged Securities and Successor Interests are not required to be pledged as Pledged Collateral pursuant to Section 5.12(a) or (b) of the Credit Agreement; (C) the Deposit Accounts described in Section 3.4(c) as being excluded from the operation thereof; or (D) to the extent provided in Section 5.11(b) of the Credit Agreement in respect of Equity Interests in certain Foreign Subsidiaries.

"General Intangibles" shall mean, collectively, with respect to each Pledgor, all "general intangibles," as such term is defined in the UCC, now owned or hereafter acquired by such Pledgor and, in any event, shall include (i) all of such Pledgor's rights, title and interest in, to and under all insurance policies and coverages and Contracts, (ii) all know-how and warranties relating to any of the Pledged Collateral or any of the Mortgaged Property (if any), (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other person and the benefits of any and all collateral or other security given by any other person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Pledged Collateral or any of the Mortgaged Property (if any), (v) all lists, books, records, correspondence, ledgers, printouts, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral or any of the Mortgaged Property (if any), including all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like, field repair data, accounting information pertaining to such Pledgor's operations or any of the Pledged Collateral or any of the Mortgaged Property (if any) and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vi) to the extent such Pledgor's rights, title and interests therein may be assigned pursuant hereto, all Accreditations, Permits, Reimbursement Approvals, Licenses, and all other licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, of any Governmental Authority (or any person acting on behalf of a Governmental Authority) now or hereafter acquired or held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or any of the Pledged Collateral or any of the Mortgaged Property (if any) including building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation, and (vii) all rights to reserves, payment intangibles, deferred payments, deposits, refunds or indemnification claims to the extent the foregoing relate to any Pledged Collateral or any Mortgaged Property (if any) and claims for tax or other refunds against any Governmental Authority relating to any Pledged Collateral or any of the Mortgaged Property (if any).

"Goodwill" shall mean, collectively, with respect to each Pledgor, the goodwill connected with such Pledgor's business including (i) all goodwill connected with the use of and symbolized by any Intellectual Property Collateral in which such Pledgor has any interest, (ii) all know-how, trade secrets, customer and supplier lists, proprietary information, inventions, methods, plans, policies, procedures, formulae, descriptions, compositions, technical data, drawings, specifications, name plates, catalogs, confidential information and the right to limit the use or disclosure thereof by any person, pricing and cost information, business and marketing plans and proposals, consulting agreements, engineering contracts and such other assets which relate to such goodwill and (iii) all product lines of such Pledgor's business.

"Guarantors" shall have the meaning assigned to such term in the preamble hereof.

"Initial Pledged Interests" shall mean, with respect to each Pledgor, all membership, partnership or other Equity Interests (other than in a corporation), as applicable, of each issuer described in Schedule 11 to the Perfection Certificate, together with all rights, privileges, authority and powers of

such Pledgor in and to each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such membership, partnership or other interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such membership, partnership or other interests.

"Initial Pledged Shares" shall mean, collectively, with respect to each Pledgor, the issued and outstanding shares of capital stock of each issuer that is a corporation described in Schedule 11 to the Perfection Certificate, together with all rights, privileges, authority and powers of such Pledgor relating to such interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such shares of capital stock and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to the Initial Pledged Shares.

"Instruments" shall mean, collectively, with respect to each Pledgor, all "instruments," as such term is defined in Article 9, rather than Article 3, of the UCC, and shall include all promissory notes, drafts, bills of exchange or acceptances.

"Intellectual Property Collateral" shall mean, collectively, the Patents, Trademarks, Copyrights, Licenses and Goodwill.

"Intercompany Notes" shall mean, with respect to each Pledgor, the Intercompany Note and all intercompany notes hereafter acquired by such Pledgor and all certificates, instruments or agreements evidencing the Intercompany Note and such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"Investment Property" shall mean a security, whether certificated or uncertificated, Security Entitlement, Securities Account, Commodity Contract or Commodity Account, excluding, however, the Securities Collateral.

"Joinder Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 3.

"Lenders" shall have the meaning assigned to such term in the recitals hereto.

"Licenses" shall mean, collectively, with respect to each Pledgor, all license and distribution agreements with, and covenants not to sue, any other party with respect to any Patent, Trademark or Copyright or any other patent, trademark or copyright, whether such Pledgor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights or any other patent, trademark or copyright.

"Lockbox Accounts" shall mean, collectively, with respect to each Pledgor, (i) each lockbox or other collection account or any other Deposit Account and all accounts and sub-accounts relating to any of the foregoing accounts, in each case into which any Accounts payable by Medicare/Medicaid Account Debtors are held or have been deposited and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Lockbox Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 9 or such other form that is reasonably satisfactory to the Collateral Agent.

"Medicaid/Medicare Account Debtor" shall mean any Account Debtor which is (i) the United States of America acting under the Medicaid or Medicare program adopted pursuant to Title XVIII or Title XIX of the Social Security Act or any other federal healthcare program, including TRICARE/CHAMPUS and the Veteran's Administration, (ii) any state or the District of Columbia acting pursuant to a Medicaid program adopted pursuant to Title XIX of the Social Security Act or any other state health care program or (iii) any agent, carrier, administrator or intermediary for any of the foregoing.

"Mortgaged Property" shall have the meaning assigned to such term in any Mortgages (if any).

"Organizational Documents" shall mean, with respect to any person, (i) in the case of any corporation, the certificate or articles of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person, (v) in any other case, the functional equivalent of the foregoing and (vi) any shareholder, voting trust or similar agreement between or among any holder of Equity Interests of such person.

"Patent Security Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 7.

"Patents" shall mean, collectively, with respect to each Pledgor, all patents owned by, and all patent applications and registrations made by, such Pledgor (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), including those listed on Schedule 14(a) to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Legal Requirements with respect to such Pledgor's use of any patents, (ii) inventions and improvements described and charged therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations in part thereof, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"Payroll Account" shall mean any Deposit Account of a Pledgor that is used by such Pledgor solely as a payroll account for the employees of such Pledgor; *provided* that, at no time, shall the aggregate amount contained in any such account exceed the total amount of payroll payable to such employees by such Pledgor within the immediately succeeding 30 days.

"Perfection Certificate" shall mean that certain perfection certificate dated the date hereof, executed and delivered by each Pledgor (or Pledgors) party thereto in favor of the Collateral Agent for the benefit of the Secured Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Collateral Agent) executed and delivered by the applicable Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with Section 3.5, in each case, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time by a Perfection Certificate Supplement or otherwise in accordance with the Credit Agreement.

"Pledged Collateral" shall have the meaning assigned to such term in Section 2.1.

"Pledged Interests" shall mean, collectively, the Initial Pledged Interests and the Additional Pledged Interests.

"Pledged Securities" shall mean, collectively, the Pledged Interests, the Pledged Shares and the Successor Interests.

"Pledged Shares" shall mean, collectively, the Initial Pledged Shares and the Additional Pledged Shares.

"Pledgor" shall have the meaning assigned to such term in the preamble hereof.

"Secured Obligations" shall mean (i) in the case of Borrower, the Obligations (as defined in the Credit Agreement) and (ii) in the case of any Pledgor (other than Borrower), the Guaranteed Obligations.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders and each party to a Hedging Agreement relating to the Loans if at the date of entering into such Hedging Agreement such person was an Agent or a Lender or an Affiliate of an Agent or a Lender and such person executes and delivers to the Collateral Agent a letter agreement in form and substance reasonably acceptable to the Collateral Agent pursuant to which such person (i) appoints the Collateral Agent, Collateral Manager and the Administrative Agent as its agents under the applicable Loan Documents and (ii) agrees to be bound by the provisions of Sections 10.03 and 10.09 of the Credit Agreement.

"Securities Account Control Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 4 or such other form that is reasonably satisfactory to the Collateral Agent.

"Securities Collateral" shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

"Securities Pledge Amendment" shall mean an agreement substantially in the form annexed hereto as Exhibit 2.

"Successor Interests" shall mean, collectively, with respect to each Pledgor, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company, partnership or other entity owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from any consolidation or merger in which any person listed on Schedule 1(a) to the Perfection Certificate is not the surviving entity.

"Trademark Security Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 8.

"Trademarks" shall mean, collectively, with respect to each Pledgor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URL's), domain names, corporate names and trade names, whether registered or unregistered, owned by such Pledgor and all registrations and applications for the foregoing (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), including those listed on Schedule 14(b) to the Perfection Certificate together with any and all (i) rights and privileges arising under applicable Legal Requirements with respect to such Pledgor's use of any trademarks, (ii) goodwill associated therewith, (iii) renewals thereof, (iv) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (v) rights

corresponding thereto throughout the world and (vi) rights to sue for past, present and future infringements thereof.

"UCC" shall mean the Uniform Commercial Code as in effect on the date hereof in the State of New York; *provided*, *however*, that if by reason of mandatory provisions of applicable Legal Requirements, any or all of the attachment, perfection or priority of the Collateral Agent's and the other Secured Parties' security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions relating to such provisions.

SECTION 1.2 Interpretation. The rules of interpretation specified in the Credit Agreement (including Section 1.03 thereof) shall be applicable to this Agreement.

SECTION 1.3 Resolution of Drafting Ambiguities. Each Pledgor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery hereof, that it and its counsel reviewed and participated in the preparation and negotiation hereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Collateral Agent) shall not be employed in the interpretation hereof.

SECTION 1.4 Perfection Certificate. The Perfection Certificate and all descriptions of Pledged Collateral, schedules, amendments and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1 Grant of Security Interest. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties, a lien on and security interest in and to all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral"):

(i) all Accounts;

(ii) all Equipment (including Commercial Motor Vehicles), Goods, Inventory and Fixtures;

(iii) all Documents, Instruments and Chattel Paper;

(iv) all Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing);

(v) all Securities Collateral;

(vi) all Investment Property;

(vii) all Intellectual Property Collateral;

(viii) the Commercial Tort Claims described on Schedule 15 to the Perfection Certificate;

(ix) all General Intangibles;

(x) all Deposit Accounts;

(xi) all Money;

(xii) all Acquisition Documents and Acquisition Document Rights;

(xiii) all Supporting Obligations;

(xiv) all books and records pertaining to the Pledged Collateral;

(xv) to the extent not covered by clauses (i) through (xiv) of this sentence, choses in action and all other personal property of such Pledgor, whether tangible or intangible; and

(xvi) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xvi) above, the security interest created by this Agreement shall not extend to, and the term "Pledged Collateral" shall not include, any Excluded Property. In addition, (i) the Pledgors shall from time to time at the reasonable request of the Collateral Agent give written notice to the Collateral Agent identifying in reasonable detail the Excluded Property and shall provide to the Collateral Agent such other information regarding the Excluded Property as the Collateral Agent may reasonably request, and (ii) from and after the Closing Date, no Pledgor shall permit to become effective in any document creating, governing or providing for any permit, lease or license, a provision that would prohibit the creation of a Lien on such permit, lease or license in favor of the Collateral Agent unless (x) no Event of Default has occurred and is continuing and (y) such Pledgor believes, in its reasonable judgment, that such prohibition is usual and customary in transactions of such type.

SECTION 2.2 Filings.

(a) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings), continuation statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement, continuation statement or amendment relating to the Pledged Collateral, including (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, and (ii) in the case of a financing statement filed as a fixture filing or covering Pledged Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Pledged Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request. Such financing statements may describe the collateral in the same manner as described herein or may contain a description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole but reasonable discretion, is necessary, advisable or prudent to ensure the perfection or priority of the security interest in the collateral granted to the Collateral Agent in connection herewith, including, describing such

property as “all assets whether now owned or hereafter acquired” or “all personal property whether now owned or hereafter acquired” (regardless of whether any particular asset comprised in the Pledged Collateral falls within the scope of Article 9 of the UCC).

(b) Each Pledgor hereby ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto relating to the Pledged Collateral if filed prior to the date hereof.

(c) Each Pledgor hereby further authorizes the Collateral Agent to file filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country), including this Agreement, the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement, or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the pledge and security interest granted by such Pledgor hereunder, without the signature of such Pledgor, and naming such Pledgor, as debtor, and the Collateral Agent, as secured party.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF PLEDGED COLLATERAL

SECTION 3.1 Delivery of Certificated Securities Collateral. Each Pledgor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that the Collateral Agent has a valid, enforceable, perfected first priority security interest therein (subject to Permitted Liens). Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral acquired by such Pledgor after the date hereof shall promptly (and in any event within 5 Business Days) upon receipt thereof by such Pledgor be delivered to and held by or on behalf of the Collateral Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, the Collateral Agent shall have the right at any time in its reasonable discretion to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2 Perfection of Uncertificated Securities Collateral. Each Pledgor represents and warrants that the Collateral Agent has a valid, enforceable, perfected first priority security interest (subject to Permitted Liens) in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof. Each Pledgor hereby agrees that if any issuer of Pledged Securities is organized in a jurisdiction that does not permit the use of certificates to evidence equity ownership or any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, (i) if necessary to perfect a first priority security interest (subject to Permitted Liens) in such Pledged Securities, cause such pledge to be recorded on the equityholder register or the books of the issuer, cause the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 annexed hereto, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Collateral

Agent the right to transfer such Pledged Securities under the terms hereof and, upon the Collateral Agent's reasonable request, provide to the Collateral Agent an opinion of counsel, in form and substance reasonably satisfactory to the Collateral Agent, confirming such pledge and perfection thereof and (ii) to the extent permitted by applicable Legal Requirements, cause such Pledged Securities to become certificated and delivered to the Collateral Agent in accordance with the provisions of Section 3.1.

SECTION 3.3 Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Pledgor represents and warrants that the only filings, registrations and recordings necessary to perfect the security interest granted by each Pledgor to the Collateral Agent in respect of the Pledged Collateral (to the extent that a security interest therein may be perfected by filing a financing statement or filing the Security Agreement or a short form thereof with the United States Copyright Office or the United States Patent and Trademark Office) are listed on Schedule 1 hereto. All such filings, registrations and recordings have been delivered to the Collateral Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each applicable governmental, municipal or other office specified in Schedule 1 hereto. Each Pledgor agrees that at the sole cost and expense of the Pledgors, (i) such Pledgor will maintain the security interest created by this Agreement in the Pledged Collateral as a valid, enforceable, perfected first priority security interest (subject to Permitted Liens) and shall defend such security interest against the claims and demands of all persons, (ii) such Pledgor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Pledged Collateral and such other reports in connection with the Pledged Collateral as the Collateral Agent may reasonably request, all in reasonable detail and (iii) at any time and from time to time, upon the written request of the Collateral Agent, such Pledgor shall promptly and duly execute and deliver, and file and have recorded, such further instruments and documents and take such further action as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the rights and powers herein granted, including (x) the filing of any financing statements and amendments thereof, continuation statements and other documents (including this Agreement) under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and (y) the execution and delivery of Control Agreements, all in form reasonably satisfactory to the Collateral Agent and in such offices (including the United States Patent and Trademark Office and the United States Copyright Office) wherever required by applicable Legal Requirements to perfect (to the extent a security interest in such Pledged Collateral may be so perfected under applicable Legal Requirements), continue and maintain a valid, enforceable, first priority security interest (subject to Permitted Liens) in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties, with respect to the Pledged Collateral.

SECTION 3.4 Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Pledged Collateral, each Pledgor represents and warrants and covenants as follows, in each case at such Pledgor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) Instruments and Tangible Chattel Paper. As of the date hereof, each Pledgor hereby represents and warrants that (i) no amounts individually or in the aggregate in excess of $250,000 payable under or in connection with any of the Pledged Collateral are evidenced by any Instrument or Tangible Chattel Paper other than the Intercompany Note and the Instruments and Tangible Chattel Paper listed on Schedule 12 to the Perfection Certificate, (ii) the Intercompany Note has been properly assigned and delivered to the Collateral Agent, accompanied by an endorsement to the Intercompany Note in the form attached thereto duly executed in blank by each Pledgor and (iii) each such Instrument and each such item of Tangible Chattel Paper individually or in the aggregate in excess of $250,000 has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount, individually or in the aggregate, in excess of $250,000 then payable under or in connection with any of the Pledged Collateral shall be evidenced by any

Instrument or Tangible Chattel Paper, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall promptly (and in any event within 5 Business Days) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request; *provided*, *however*, that so long as no Event of Default has occurred and is continuing, upon written request by such Pledgor, the Collateral Agent shall promptly (and in any event within 5 Business Days) return such Instrument (other than the Intercompany Note) or Tangible Chattel Paper to such Pledgor from time to time, to the extent necessary for collection in the ordinary course of such Pledgor's business.

(b) Deposit Accounts. Each Pledgor hereby represents and warrants that (i) as of the date hereof, each Pledgor has neither opened nor maintains any Deposit Accounts (x) in which the Pledgors customarily maintain in excess of $100,000, individually or in the aggregate, other than the Deposit Accounts listed on Schedule 16(a) to the Perfection Certificate, or (y) into which Accounts payable by Medicare/Medicaid Account Debtors are held or have been deposited, other than the Deposit Accounts listed on Schedule 16(b) to the Perfection Certificate, (ii) within the time period specified in Section 5.15(a) of the Credit Agreement, each applicable Pledgor and the relevant Bank(s) shall execute and deliver, with respect to Deposit Accounts other than Lockbox Accounts and Payroll Accounts, a Deposit Account Control Agreement with respect to each of the Deposit Accounts listed on Schedule 16(a) to the Perfection Certificate or the Pledgors shall close such accounts, (iii) within the time period specified in Section 5.15(a) of the Credit Agreement, the Collateral Agent shall have a valid, enforceable, perfected first priority security interest (subject to Permitted Liens) in such Deposit Accounts by Control, (iv) within the time period specified in Section 5.15(c) of the Credit Agreement, each applicable Pledgor and the relevant Banks shall execute and deliver a Lockbox Agreement with respect to each of the Lockbox Accounts listed on Schedule 16(b) to the Perfection Certificate or the Pledgors shall close such accounts, (v) within the time period specified in Section 5.15(c) of the Credit Agreement, the Collateral Agent shall have a valid, perfected first priority security interest in such Lockbox Accounts by dominion and control (subject only to non-consensual Permitted Liens arising by operation of applicable Legal Requirements and which are entitled, by operation of such Legal Requirements, to priority over the Collateral Agent's security interest therein), (vi) within the time period specified in Section 5.15(c) of the Credit Agreement, the Collateral Agent's security interest in such Lockbox Accounts shall become and shall remain enforceable, subject only to the Collateral Agent obtaining the consent of the applicable Medicare/Medicaid Account Debtor, compliance with applicable Health Care Laws, or obtaining an Order from a court of competent jurisdiction recognizing and permitting the enforcement of such security interest and (vii) as of the date hereof, the funds contained in each Lockbox Account are either required under the terms of a lockbox agreement to be, or in fact are, transferred to a Deposit Account maintained by a Pledgor within one Business Day following receipt of such funds in the Lockbox Account subject to such lockbox agreement.

(c) No Pledgor shall hereafter establish and maintain any Deposit Account (including any Lockbox Account) unless (1) the applicable Pledgor shall have given the Collateral Agent five Business Days' prior written notice of its intention to establish such new Deposit Account with a bank or other financial institution, (2) such Bank shall be reasonably acceptable to the Collateral Agent and (3) such Bank and such Pledgor shall have duly executed and delivered to the Collateral Agent a Deposit Account Control Agreement (or an amendment to an existing Deposit Account Control Agreement) with respect to such Deposit Account or, in the case of a Lockbox Account, a Lockbox Agreement (or an amendment to any existing Lockbox Agreement) with respect to such Lockbox Account. The Collateral Agent shall not give any instructions directing the disposition of funds from time to time credited to any Deposit Account or withhold any withdrawal rights from such Pledgor with respect to funds from time to time credited to any Deposit Account unless an Event of Default has occurred and is continuing or, after giving effect to any withdrawal, would occur. The provisions of this Section 3.4(c) shall not apply to (i) the Collateral Account, to any Payroll Accounts or to any other Deposit Accounts for which the Collateral Agent is the

Bank or (ii) any other Deposit Account in which the Pledgors customarily maintain less than $25,000, individually or in the aggregate (with respect to any Financial Institution) (other than any Lockbox Account). Notwithstanding the foregoing, instructions directing the disposition of funds from time to time in a Lockbox Account shall be provided by the applicable Pledgor or Borrower as, and to the extent, permitted pursuant to the applicable Lockbox Agreement. No Pledgor has granted or shall grant Control of any Deposit Account (including any Payroll Account) to any person other than the Collateral Agent.

(d) Special Provisions Regarding Accounts Payable by Medicare/Medicaid Account Debtors; Lockbox Accounts; Lockbox Agreements. Each Pledgor shall maintain, in its name and at its expense, one or more Lockbox Accounts with one or more Banks reasonably acceptable to the Collateral Agent (each, a "Lockbox Bank"), and shall execute with each Lockbox Bank one or more Lockbox Agreements reasonably acceptable to the Collateral Agent, and such other agreements related thereto as the Collateral Agent may reasonably require. Each Pledgor shall ensure that all collections of its respective Accounts payable by Medicare/Medicaid Account Debtors are paid and delivered directly from Medicare/Medicaid Account Debtors into the appropriate Lockbox Account in accordance with the applicable Lockbox Agreement, and shall complete and submit to the applicable Medicare/Medicaid Account Debtors all necessary Form CMS-588 or other forms or instructions required in order to accomplish the foregoing (the "Electronic Funds Transfer Instruction"). The Lockbox Agreements shall provide that the Lockbox Banks shall, and the Pledgors shall cause the Lockbox Banks to, transfer all funds paid into the Lockbox Accounts into one or more Deposit Accounts, at such Bank or Banks as the Collateral Agent may communicate to Borrower from time to time (each, a "Concentration Account"), as instructed by the applicable Pledgor to whom such Accounts are payable as, and to the extent, permitted or required pursuant to the applicable Lockbox Agreement. To the extent that any Accounts payable by Medicare/Medicaid Account Debtors are collected by any Pledgor are not sent directly to the appropriate Lockbox Account but are received by any Pledgor or any of its Affiliates, such collections and proceeds shall be held in trust for the benefit of the Collateral Agent and immediately remitted, in the form received, to the appropriate Lockbox Account for immediate transfer to the applicable Concentration Account. No Pledgor shall instruct or authorize any Medicare/Medicaid Account Debtor to deposit amounts payable by such Medicare/Medicaid Account Debtor into any account other than the appropriate Lockbox Account, which shall at all times be subject to an effective Lockbox Agreement. Each Pledgor shall notify the Collateral Agent in writing promptly (and in any event within 5 Business Days) immediately of any revocation, suspension, termination, restriction, limitation, denial or nonrenewal affecting any Electronic Funds Transfer Instruction.

(e) Securities Accounts and Commodity Accounts. (i) Each Pledgor hereby represents and warrants that (1) as of the date hereof, it has neither opened nor maintains any Securities Accounts or Commodity Accounts in which the amount and/or fair market value, individually or in the aggregate, of the financial assets and/or commodity contracts, as the case may be, held from time to time in all such accounts does not exceed $100,000, other than those listed on Schedule 16(c) to the Perfection Certificate, (2) as of the date hereof, each applicable Pledgor and the relevant Securities Intermediary or Commodity Intermediary have executed and delivered a Securities Account Control Agreement or Commodity Account Control Agreement, as applicable, for each Securities Account or Commodity Account listed on Schedule 16(c) to the Perfection Certificate, or the Pledgors have closed such accounts, (3) the Collateral Agent has a valid, enforceable, perfected first priority security interest (other than Permitted Liens) in such Securities Accounts and Commodity Accounts by Control, and (4) it does not hold, own or have any interest in any certificated securities or uncertificated securities other than those constituting Pledged Securities and those maintained in Securities Accounts or Commodity Accounts listed on Schedule 16(c) to the Perfection Certificate or in respect of which the Collateral Agent has Control. If any Pledgor shall at any time hold or acquire any certificated securities constituting Investment Property and having a fair market value, individually or in the aggregate, in excess of $100,000, such Pledgor shall promptly (and in any event within 5 Business Days of acquiring such security) (a) endorse, assign and deliver the same to

the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance reasonably satisfactory to the Collateral Agent or (b) deliver such securities into a Securities Account with respect to which a Control Agreement is in effect in favor of the Collateral Agent. If any securities now or hereafter acquired by any Pledgor constituting Investment Property and having a fair market value, individually or in the aggregate, in excess of $100,000 are uncertificated and are issued to such Pledgor or its nominee directly by the issuer thereof, such Pledgor shall promptly (and in any event within 5 Business Days of acquiring such security) notify the Collateral Agent thereof and pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (a) cause the issuer to agree to comply with Entitlement Orders or other instructions from the Collateral Agent as to such securities, without further consent of any Pledgor or such nominee, (b) cause a Security Entitlement with respect to such uncertificated security to be held in a Securities Account with respect to which the Collateral Agent has Control or (c) arrange for the Collateral Agent to become the registered owner of the securities. The Pledgors shall not hereafter establish and maintain any Securities Account or Commodity Account with any Securities Intermediary or Commodity Intermediary unless (1) the applicable Pledgor shall have given the Collateral Agent 30 days' prior written notice of its intention to establish such new Securities Account or Commodity Account with such Securities Intermediary or Commodity Intermediary, (2) such Securities Intermediary or Commodity Intermediary shall be reasonably acceptable to the Collateral Agent and (3) such Securities Intermediary or Commodity Intermediary, as the case may be, and such Pledgor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account, as the case may be. The Collateral Agent shall not give any Entitlement Orders or instructions or directions to any issuer of uncertificated securities, Securities Intermediary or Commodity Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Pledgor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights, would occur. The provisions of this Section 3.4(e) shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary. No Pledgor shall grant Control over any Investment Property to any person other than the Collateral Agent.

(ii) As between the Collateral Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a security entitlement or deposit by, or subject to the control of, the Collateral Agent, a Securities Intermediary, Commodity Intermediary, any Pledgor or any other person; *provided*, *however*, that nothing contained in this Section 3.4(e) shall release or relieve any Securities Intermediary or Commodity Intermediary of its duties and obligations to the Pledgors or any other person under any Control Agreement or under applicable Legal Requirements. Each Pledgor shall promptly pay all Charges and fees of whatever kind or nature with respect to the Investment Property and Pledged Securities pledged by it under this Agreement. In the event any Pledgor shall fail to make such payment contemplated in the immediately preceding sentence, the Collateral Agent may do so for the account of such Pledgor and the Pledgors shall promptly reimburse and indemnify the Collateral Agent from all reasonable costs and expenses incurred by the Collateral Agent under this Section 3.4(e) in accordance with Section 11.03 of the Credit Agreement.

(f) Electronic Chattel Paper and Transferable Records. If any amount, individually or in the aggregate, in excess of $100,000 or payable under or in connection with any of the Pledged Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction), the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly (and in any event within 10 days of the acquisition thereof) notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under Section 9-105 of the UCC of

such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(g) Letter-of-Credit Rights. If any Pledgor is at any time a beneficiary under a Letter of Credit now or hereafter issued in favor of such Pledgor, other than a Letter of Credit issued pursuant to the Credit Agreement or a Letter of Credit that is a "supporting obligation" (as defined in Section 9-102 of the UCC) with respect to other Pledged Collateral, in an amount individually or in the aggregate in excess of $250,000, such Pledgor shall promptly (and in any event within 5 Business Days of becoming a beneficiary thereunder) notify the Collateral Agent thereof and such Pledgor shall, at the reasonable request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer or other nominated person of such Letter of Credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the Letter of Credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such Letter of Credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the Letter of Credit are to be applied as provided in the Credit Agreement.

(h) Commercial Tort Claims. As of the date hereof, each Pledgor hereby represents and warrants that it holds no Commercial Tort Claims having a value reasonably believed by the Pledgors to be, individually or in the aggregate, in excess of $250,000, other than those (if any) listed on Schedule 15 to the Perfection Certificate. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim having a value reasonably believed by the Pledgors to be, individually or in the aggregate, in excess of $50,000, such Pledgor shall promptly (and in any event within 5 Business Days of acquiring such Commercial Tort Claim) notify the Collateral Agent in a writing signed by such Pledgor of the brief details thereof and grant to the Collateral Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

(i) Pledged Collateral in the Possession of a Third Party. If any Equipment or Inventory (other than Equipment or Inventory leased to a customer in the ordinary course of business) is in possession or control of any third party, including any warehouseman, landlord, lessor, bailee or agent, or any Key Location, the Pledgors shall notify the Collateral Agent thereof and notify the third party of the Collateral Agent's security interest therein and obtain an acknowledgment (a "Bailee Letter") from such third party that (i) it is holding the Equipment and Inventory for the benefit of the Collateral Agent and (ii) such party will comply with instructions from the Collateral Agent with respect to such Pledged Collateral, without further consent of any Pledgors.

SECTION 3.5 Joinder of Additional Guarantors. The Pledgors shall cause each Subsidiary Guarantor which, from time to time, after the date hereof shall be required to pledge any assets to the Collateral Agent for the benefit of the Secured Parties pursuant to the Credit Agreement, (a) to execute and deliver to the Collateral Agent (i) a Joinder Agreement within 30 days after the date on which it was acquired or created (unless such Subsidiary shall have been designated an Unrestricted Subsidiary in accordance with Section 6.14 of the Credit Agreement) and (ii) a Perfection Certificate, in each case,

within 30 days after the date on which it was acquired or created (unless such Subsidiary shall have been designated an Unrestricted Subsidiary in accordance with Section 6.14 of the Credit Agreement) and/or (b) in the case of a Subsidiary organized outside of the United States required to pledge any assets to the Collateral Agent, to execute and deliver such documentation as the Collateral Agent shall reasonably request and, in each case, upon such execution and delivery, such Subsidiary shall constitute a "Guarantor" and a "Pledgor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Pledgor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Pledgor as a party to this Agreement or any other Loan Document.

SECTION 3.6 Supplements; Further Assurances. Each Pledgor shall take such further actions, and execute and deliver to the Collateral Agent such additional assignments, agreements, supplements, powers and instruments, as the Collateral Agent may in its reasonable judgment deem necessary, wherever required by applicable Legal Requirements, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm unto the Collateral Agent the Pledged Collateral or permit the Collateral Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Collateral Agent from time to time upon reasonable request such lists, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Collateral Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Collateral Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Collateral Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in the Pledged Collateral or the perfection or priority thereof. If (x) an Event of Default has occurred and is continuing or (y) a landlord of any Pledgor shall provide notice of default under or termination of any lease to which a Pledgor is a party, if directed by the Collateral Agent, such Pledgor shall use commercially reasonable efforts to cause such landlord to agree (in a writing addressed to the Collateral Agent) to extend the time period provided by such landlord for the removal of Pledged Collateral from the leased premises for a period, and otherwise on terms and conditions, reasonably satisfactory to the Collateral Agent; *provided* that, in connection therewith, no Pledgor shall agree, directly or indirectly, with any landlord to abandon any Pledged Collateral or waive or limit such Pledgor's rights in any Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1 Title. Except for the security interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and Permitted Liens, such Pledgor owns (or either owns or has a License to, in the case of Intellectual Property) and, as to Pledged Collateral acquired by it from time to time after the date hereof, will either own or hold a License to the rights in each item of Pledged Collateral pledged by it hereunder free and clear of any and all Liens or claims of others (except Permitted Liens). Such Pledgor has not filed, nor authorized any third party to file a

financing statement or other public notice with respect to all or any part of the Pledged Collateral on file or of record in any public office, except such as have been filed in favor of the Collateral Agent pursuant to this Agreement or as are permitted by the Credit Agreement or otherwise relate to Permitted Liens or financing statements or public notices relating to the termination statements listed on Schedule 9(a) to the Perfection Certificate. No person other than any Pledgor or the Collateral Agent has, or will have, control or possession of all or any part of the Pledged Collateral, except as expressly permitted by the Loan Documents.

SECTION 4.2 Validity of Security Interest. The security interest in and Lien on the Pledged Collateral granted to the Collateral Agent for the ratable benefit of the Secured Parties hereunder constitutes (a) a legal and valid security interest in all the Pledged Collateral securing the payment and performance of the Secured Obligations, and (b) subject to the filings and other actions described in Schedule 1 hereto, a valid, enforceable, and except to the extent otherwise expressly permitted under Article III, perfected first priority security interest (other than Permitted Liens) in all the Pledged Collateral. The security interest and Lien granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement in and on the Pledged Collateral will at all times constitute a valid, enforceable, and except to the extent otherwise expressly permitted under Article III, perfected, continuing first priority security interest therein, subject only to Permitted Liens.

SECTION 4.3 Defense of Claims; Transferability of Pledged Collateral. Each Pledgor shall, at its own cost and expense, use commercially reasonable efforts to defend title to the Pledged Collateral pledged by it hereunder and the security interest therein granted to the Collateral Agent and the priority thereof (subject to Permitted Liens) required hereunder against all claims and demands of all persons, at its own cost and expense, at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party. There is no agreement that restricts the transferability of any material portion of the Pledged Collateral or otherwise materially impairs or conflicts with any Pledgor's obligations or the rights of the Collateral Agent hereunder, and the Pledgors shall not enter into any agreement or take any other action that would restrict the transferability of any material portion of the Pledged Collateral or otherwise materially impair or conflict with any Pledgor's obligations or the rights of the Collateral Agent hereunder.

SECTION 4.4 Other Financing Statements. No Pledgor has filed, nor authorized any third party to file (nor will there be) any valid or effective financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral other than financing statements and other statements and instruments relating to Permitted Liens. So long as any of the Secured Obligations remain unpaid and unperformed, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) relating to any Pledged Collateral, except financing statements and other statements and instruments filed or to be filed in respect of and covering the security interests granted by such Pledgor to the holder(s) of Permitted Liens.

SECTION 4.5 Chief Executive Office; Change of Name; Jurisdiction of Organization, etc. Such Pledgor shall (i) unless it shall have given the Collateral Agent not less than 30 days' prior written notice (in the form of an Officers' Certificate), not change its name, identity, legal structure (whether by merger, consolidation, change in corporate form or otherwise), type of organization or jurisdiction of organization or organizational identification number if it has one and (ii) take all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority (subject to Permitted Liens) of the Collateral Agent's security interest in the Pledged Collateral granted or intended to be granted hereunder, which in the case of any merger or other change in organizational structure shall include delivering a written notice (in the form of an Officers' Certificate) upon completion of such merger or other change in organizational structure confirming the grant of the security interest under this

Agreement. Unless it shall have given the Collateral Agent prior written notice (in the form of an Officers' Certificate), such Pledgor shall not change its chief executive office, place of business or its mailing address. If such Pledgor does not have an organizational identification number and later obtains one, such Pledgor shall forthwith notify the Collateral Agent of such organizational identification number. The Collateral Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in this Section 4.5. If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party for any failure to maintain a valid, enforceable, perfected security interest with the priority required hereunder in such Pledgor's property constituting Pledged Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 4.6 Location of Inventory and Equipment. As of the date hereof, all Equipment and Inventory of such Pledgor, individually or in the aggregate with a fair market value in excess of $250,000, is located at the chief executive office or such other location listed on Schedule 2(a), 2(b), 2(c) or 2(d) to the Perfection Certificate. Such Pledgor shall not move any Equipment or Inventory, with a fair market value individually or in the aggregate in excess of $250,000, to any location other than (x) the chief executive office, (y) any other location listed on Schedule 2(a), 2(b), 2(c) or 2(d) to the Perfection Certificate or (z) any other location within the continental United States provided that, in each case, the requirements of Section 3.4(i) are satisfied with respect to such location, until it shall have given the Collateral Agent not less than 30 days' prior written notice, or such shorter period within which the requirements set forth in this Section 4.6 are satisfied, but in any event, not less than 10 days' prior written notice, (in the form of an Officers' Certificate) of its intention so to do, clearly describing such new location within the continental United States and providing such other information in connection therewith as the Collateral Agent may reasonably request. Notwithstanding the foregoing, with respect to any location at which Equipment or Inventory, with a fair market value individually or in the aggregate in excess of $250,000, such Pledgor shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority (subject to Permitted Liens) of the security interest of the Collateral Agent in the Pledged Collateral intended to be granted hereby, including, to the extent required under Section 3.4(i), obtaining waivers of landlord's or warehousemen's and/or bailee's liens with respect to such new location, if applicable, and if reasonably requested by the Collateral Agent. Such Pledgor agrees to provide the Collateral Agent with prompt notice following the movement of any Equipment or Inventory, individually or in the aggregate with a fair market value in excess of $250,000, to any location other than one that is listed in Schedule 2(a), 2(b), 2(c) or 2(d) to the Perfection Certificate or a location within the continental United States in respect of which the requirements of Section 3.4(i) have been satisfied.

SECTION 4.7 Corporate Names; Prior Transactions. Except as set forth in Schedules 1(a) and (b) to the Perfection Certificate, such Pledgor has not, during the past five years, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any person.

SECTION 4.8 Due Authorization and Issuance. All of the Initial Pledged Shares have been, and to the extent any Pledged Shares are hereafter issued, such Pledged Shares will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable. All of the Initial Pledged Interests have been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Initial Pledged Interests in exchange for or in connection with the issuance of the Initial

Pledged Interests or any Pledgor's status as a partner or a member of any issuer of the Initial Pledged Interests.

SECTION 4.9 Consents, etc. No consent of any party (including equityholders or creditors of such Pledgor) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other person is required (A) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or (B) for the exercise by the Collateral Agent of the remedies in respect of the Pledged Collateral pursuant to this Agreement. In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or regulatory body or any other person therefor, then, upon the reasonable request of the Collateral Agent, each Pledgor agrees to use commercially reasonable efforts assist and aid the Collateral Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.10 Pledged Collateral. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party, including the Perfection Certificate and the schedules thereto, in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects.

SECTION 4.11 Insurance. In the event that the proceeds of any insurance claim are paid after the Collateral Agent has exercised its right to foreclose after an Event of Default, such Net Cash Proceeds shall be paid to the Collateral Agent to satisfy any deficiency remaining after such foreclosure. The Collateral Agent shall retain its interest in the insurance policies and coverages required to be maintained pursuant to the Credit Agreement during any redemption period.

SECTION 4.12 Payment of Taxes; Compliance with Legal Requirements; Contesting Liens; Charges. Each Pledgor may at its own expense contest the validity, amount or applicability of any Charges so long as the contest thereof shall be conducted in accordance with, and permitted pursuant to the provisions of, the Credit Agreement. Notwithstanding the foregoing sentence, (i) no contest of any such obligation may be pursued by such Pledgor if such contest would expose the Collateral Agent or any other Secured Party to (A) any possible criminal liability or (B) any civil liability for failure to comply with such obligations unless such Pledgor shall have furnished, if reasonably requested by the Collateral Agent or any Lender, a bond or other security therefor reasonably satisfactory to the Collateral Agent, or such Secured Party, as the case may be, and (ii) if at any time payment or performance of any obligation contested by such Pledgor pursuant to this Section 4.12 shall become necessary to prevent the imposition of remedies because of non-payment, such Pledgor shall pay or perform the same in sufficient time to prevent the imposition of remedies in respect of such default or prospective default.

SECTION 4.13 Access to Pledged Collateral, Books and Records; Other Information. Each Pledgor shall permit representatives of the Collateral Agent upon reasonable notice to visit and inspect any of its assets or properties, including to conduct any environmental assessments, sampling, testing or monitoring of the Mortgaged Property, and examine and make abstracts from any of its books and records (including insurance policies) at any reasonable time and upon reasonable notice. Such Pledgor shall, at any and all times, within a reasonable time after written request by the Collateral Agent, furnish or cause to be furnished to the Collateral Agent, in such manner and in such detail as may be reasonably requested by the Collateral Agent, additional information with respect to the Pledged Collateral. If a Default occurs and is continuing, the Collateral Agent shall have the right, but not the obligation, to access any Mortgaged Property to undertake any Response that the Collateral Agent in its reasonable discretion deems appropriate at the reasonable cost and expense of the Pledgors.

ARTICLE V

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 5.1 Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Pledged Securities or intercompany notes of any person (other than Excluded Property), accept the same in trust for the benefit of the Collateral Agent and promptly (and in any event within 3 Business Days thereafter) deliver to the Collateral Agent a Securities Pledge Amendment, duly executed by such Pledgor, and the certificates and other documents required under Section 3.1 and Section 3.2 hereof in respect of the additional Pledged Securities or intercompany notes that are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or intercompany notes. Each Pledgor hereby authorizes the Collateral Agent to attach each Securities Pledge Amendment to this Agreement and agrees that all Pledged Securities or intercompany notes listed on any Securities Pledge Amendment delivered to the Collateral Agent shall for all purposes hereunder be considered Pledged Collateral.

SECTION 5.2 Voting Rights; Distributions; etc..

(i) So long as no Event of Default shall have occurred and be continuing:

(A) each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes of this Agreement, any other Loan Document or any other document evidencing the Secured Obligations; *provided, however,* that no Pledgor shall in any event exercise such rights in any manner that is disadvantageous to any Agent or Lender in any material respect; and

(B) each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Credit Agreement; *provided, however*, that any and all such Distributions consisting of rights or interests in the form of Pledged Securities or Intercompany Notes shall promptly (and in any event within 5 Business Days after receipt thereof) be delivered to the Collateral Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary or reasonably requested endorsement).

(ii) Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may implement either or both of the following remedies, effective 5 Business Days after written notice of such implementation is provided to the Pledgors:

(A) all rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.2(i)(A) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights until the applicable Event of Default is no longer continuing, in which case the Collateral Agent's rights under this Section 5.2(ii)(A) shall cease to be effective, subject to revesting in the event of a subsequent Event of Default that is continuing; and

(B) all rights of each Pledgor to receive Distributions that it would otherwise be authorized to receive and retain pursuant to Section 5.2(i)(B) without further action shall cease

and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions until the applicable Event of Default is no longer continuing, in which case the Collateral Agent's rights under this Section 5.2(ii)(B) shall cease to be effective, subject to revesting in the event of a subsequent Event of Default that is continuing.

(iii) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may reasonably request in order to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.2(ii)(A) and to receive all Distributions which it may be entitled to receive under Section 5.2(ii)(B).

(iv) All Distributions that are received by any Pledgor contrary to the provisions of Section 5.2(ii)(B) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from the other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary or reasonably requested endorsement).

SECTION 5.3 Default. As of the date hereof, such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. As of the date hereof, no Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organizational Documents of such Pledgor and certificates, if any, delivered to the Collateral Agent) which evidence any Pledged Securities of such Pledgor.

SECTION 5.4 Certain Agreements of Pledgors as Issuers and Holders of Equity Interests.

(i) In the case of each Pledgor that is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Pledgor that is a partner, member or holder of any Equity Interests in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Organizational Documents of such Pledgor to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Interests in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Interests to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner, member or holder of Equity Interests in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, a limited partner, member or holder of Equity Interests, as the case may be.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING INTELLECTUAL
PROPERTY COLLATERAL

SECTION 6.1 Representations and Warranties. The representations and warranties set forth in Section 3.06 of the Credit Agreement are hereby incorporated herein by reference and made a part hereof.

SECTION 6.2 Grant of License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article VIII hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent, to the extent licensable, exercisable solely upon the occurrence and during the continuance of any Event of Default, an irrevocable, non-exclusive worldwide license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license sublicense or otherwise dispose of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor (excluding, for the avoidance of doubt, any License that by its terms is prohibited from being so licensed to the extent constituting Excluded Property), wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 6.3 Registration. Except pursuant to material licenses and other user agreement entered into by any Pledgor in the ordinary course of business, on and as of the date hereof (i) each Pledgor owns and/or possesses the right to use, and has done nothing to authorize or enable any other person to use, any Copyright, Patent or Trademark listed on Schedules 14(a)-(c) to the Perfection Certificate, and (ii) all registrations listed on Schedules 14(a)-(c) to the Perfection Certificate are valid and in full force and effect.

SECTION 6.4 No Violations or Proceedings. On and as of the date hereof, (i) there is no material violation by others of any right of such Pledgor with respect to any Copyright, Patent or Trademark listed on Schedules 14(a)-(c) to the Perfection Certificate, respectively, pledged by it under the name of such Pledgor, (ii) such Pledgor is not infringing upon any Copyright, Patent or Trademark of any other person other than such infringement that, individually or in the aggregate, would not (and could not reasonably be expected to) result in a material adverse effect on the value or utility of the Intellectual Property Collateral or any portion thereof material to the use and operation of the Pledged Collateral or the Mortgaged Property and (iii) no proceedings have been instituted or are pending against such Pledgor or, to such Pledgor's knowledge, threatened, and no such claim against such Pledgor has been received by such Pledgor since December 31, 2009 alleging any such violation.

SECTION 6.5 Protection of Collateral Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Collateral Agent of (A) any materially adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any material Patent, Trademark or Copyright material to be use and operation of the Pledged Collateral or any Mortgage Property (if any) or (B) the institution of any proceeding or any adverse determination in any federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of such Intellectual Property Collateral, its right to register such Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect such Intellectual Property Collateral as presently used and operated and as contemplated by the Credit Agreement, (iii) not permit to lapse or become abandoned any such Intellectual Property Collateral as presently used and operated and as contemplated by the Credit Agreement, and not settle or compromise any pending or

future litigation or administrative proceeding with respect to such Intellectual Property Collateral without the prior written consent of the Collateral Agent, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event that may be reasonably expected to materially and adversely affect the value or utility of such Intellectual Property Collateral, the ability of such Pledgor or the Collateral Agent to dispose of such Intellectual Property Collateral or any portion thereof or the rights and remedies of the Collateral Agent in relation thereto including a levy or written threat of levy or any legal process against such Intellectual Property Collateral owned or licensed by such Pledgor or any portion thereof, (v) not license such Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that materially and adversely affects the right to receive payments thereunder, or in any manner that would materially impair the value of such Intellectual Property Collateral or the Lien on and security interest in such Intellectual Property Collateral intended to be granted to the Collateral Agent for the ratable benefit of the Secured Parties, without the consent of the Collateral Agent, (vi) diligently keep adequate records respecting such Intellectual Property Collateral and (vii) furnish to the Collateral Agent from time to time upon the Collateral Agent's request therefor reasonably detailed statements and amended schedules further identifying and describing such Intellectual Property Collateral and such other materials evidencing or reports pertaining to such Intellectual Property Collateral as the Collateral Agent may from time to time request.

SECTION 6.6 After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid and performed in full (other than contingent indemnification obligations that, pursuant to the provisions of the Credit Agreement or the Security Documents, survive the termination thereof), (i) obtain any rights to any additional Intellectual Property Collateral material to the use and operation of the Pledged Collateral or any Mortgaged Property, or (ii) become entitled to the benefit of any such additional Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any such Intellectual Property Collateral, or any improvement on any such Intellectual Property Collateral, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this sentence with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party (excluding any Intellectual Property Collateral that constitutes Excluded Property). Each Pledgor shall promptly (i) provide to the Collateral Agent written notice of any of the foregoing and (ii) confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (i) and (ii) of the immediately preceding sentence of this Section 6.6 by execution of an instrument in form reasonably acceptable to the Collateral Agent and the filing of any instruments or statements as shall be reasonably necessary or reasonably requested by the Collateral Agent to preserve, protect or perfect the Collateral Agent's security interest in such Intellectual Property Collateral to the extent such security interest in such Intellectual Property Collateral may be perfected under applicable Legal Requirements. Further, each Pledgor authorizes the Collateral Agent to modify this Agreement by amending Schedules 14(a)-(c) to the Perfection Certificate to include any Intellectual Property Collateral acquired or arising after the date hereof of such Pledgor.

SECTION 6.7 Litigation. Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, the

Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the reasonable request of the Collateral Agent, do any and all lawful acts and execute any and all documents reasonably requested by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly reimburse and indemnify the Collateral Agent for all reasonable costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 6.7 in accordance with Section 11.03 of the Credit Agreement. In the event that the Collateral Agent shall elect not to bring such suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the reasonable request of the Collateral Agent, to take all actions necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any person so infringing necessary to prevent such infringement.

SECTION 6.8 Intent-to-Use Trademark and Service Mark Applications. In connection with any intent-to-use trademark or service mark applications whether listed on Schedule 14(b) to the Perfection Certificate or otherwise, the Pledgors shall file a bona fide statement of use and shall take such other actions or steps as shall be required by the United States Patent and Trademark Office, to entitle such application to registration within 10 Business Days following the date of first use in commerce of the mark that is the subject of such application. Upon acceptance of such bona fide statement of use by the United States Patent and Trademark Office, such application shall automatically become subject to the security interest granted herein. The Pledgors shall execute any further documents and instruments as the Collateral Agent reasonably may deem necessary or appropriate to confirm, implement, or enforce the Collateral Agent's security interest in such applications. If the Pledgors fail to execute such further documents and instruments within 5 Business Days of presentment, the Collateral Agent may, in the name of, and on behalf of, the Pledgors, execute such documents and instruments and make appropriate disposition of same, and the Pledgors hereby irrevocably appoint the Collateral Agent as their lawful attorney-in-fact with full power to do so. The foregoing power of attorney is coupled with an interest and such appointment shall be irrevocable for the term hereof.

ARTICLE VII

CERTAIN PROVISIONS CONCERNING ACCOUNTS

SECTION 7.1 Special Representation and Warranties. As of the time when each of its Accounts arises, each Pledgor shall be deemed to have represented and warranted that such Account and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, subject to ordinary course accounts receivable adjustments and refunds, (ii) to the Pledgor's knowledge, represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale, lease, license, assignment or other disposition and delivery of the goods or other property listed therein or out of an advance or a loan, (iii) will, in the case of an Account, except for the original or duplicate original invoice sent to purchase evidencing such purchaser's account, be the only original writing evidencing and embodying such obligation of the account debtor named therein and (iv) are in all material respects in compliance and conform with all applicable material Legal Requirements.

SECTION 7.2 Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Account, in a manner consistent with its customary business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense,

upon the Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Accounts, including all documents evidencing Accounts and any books and records relating thereto to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Accounts to and for the use by any person that has acquired or is contemplating acquisition of an interest in the Accounts or the Collateral Agent's security interest therein without the consent of any Pledgor, but subject at all times to Section 11.12 of the Credit Agreement.

SECTION 7.3 Legend. At the reasonable request of the Collateral Agent and in form and manner reasonably satisfactory to the Collateral Agent, at any time after the occurrence and during the continuance of any Event of Default, each Pledgor shall legend the Accounts to the extent represented or evidenced by a written instrument and the other books, records and documents of such Pledgor evidencing or pertaining to the Accounts with an appropriate reference to the fact that (i) the Accounts have been assigned for collateral purposes to the Collateral Agent for the ratable benefit of the Secured Parties and that the Collateral Agent has a security interest therein and (ii) with respect to Medicare/Medicaid Account Debtors, each Pledgor has waived any and all defenses and counterclaims it may have or could interpose in any such action or procedure brought by the Collateral Agent or any Lender to obtain a court order recognizing the collateral assignment or security interest and Lien of the Collateral Agent pursuant to the Security Documents in and to any Account or other Pledged Collateral and that the Collateral Agent and/or the Lenders may seek to obtain (x) the consent of the applicable Medicare/Medicaid Account Debtor(s) to recognize, or (y) a court order recognizing, the collateral assignment or security interest and Lien of the Collateral Agent in and to all Accounts and other Pledged Collateral payable by Medicare/Medicaid Account Debtors.

SECTION 7.4 Modification of Terms, etc. No Pledgor shall rescind or cancel any obligations evidenced by any Account or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business, or extend or renew any such obligations except in the ordinary course of business or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Account or interest therein except in the ordinary course of business; in each case, without the prior written consent of the Collateral Agent.

SECTION 7.5 Collection. Each Pledgor shall cause to be collected from the account debtor of each of the Accounts, as and when due in the ordinary course of business and consistent with its customary business practice (including Accounts that are delinquent, such Accounts to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that any Pledgor may, with respect to an Account, allow in the ordinary course of business (i) accounts receivable adjustments or refunds and (ii) such extensions of time to pay amounts due in respect of Accounts and such other modifications of payment terms or settlements in respect of Accounts as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time and in compliance with applicable Legal Requirements. The costs and expenses (including attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Collateral Agent or any Secured Party, shall be paid by the Pledgors. Nothing in this Agreement shall prohibit any Pledgor from writing off bad debt in the ordinary course of business, consistent with its customary business practice.

ARTICLE VIII

REMEDIES

SECTION 8.1 Remedies. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may from time to time exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, the following remedies:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other person who then has possession of any part thereof with or without notice or process of law (other than Pledged Collateral consisting of Accounts owed or owing by Medicare/Medicaid Account Debtors to any Pledgor, absent a court order or compliance with applicable Legal Requirements), and for that purpose, subject to Section 5.07 of the Credit Agreement, may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral including instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Pledged Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent (other than Pledged Collateral consisting of Accounts owed or owing by Medicare/Medicaid Account Debtors to any Pledgor, absent a court order or compliance with applicable Legal Requirements), and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; *provided*, *however*, that in the event that any such payments are made directly to any Pledgor, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall promptly (but in no event later than one Business Day after receipt thereof) pay such amounts to the Collateral Agent;

(iii) Subject to clause (ix) below, Section 8.2 and Section 8.4, sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Collateral Agent at any place or places so designated by the Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and therewith delivered to the Collateral Agent, (B) store and keep any Pledged Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral as contemplated in this Section 8.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Pledged Collateral (other than

Pledged Collateral consisting of Accounts owed or owing by Medicare/Medicaid Account Debtors to any Pledgor, absent a court order or compliance with applicable Legal Requirements);

(vi) To the extent permitted under Section 5.2(ii)(B), retain and apply the Distributions to the Secured Obligations as provided in Article IX hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral (other than Pledged Collateral consisting of Accounts owed or owing by Medicare/Medicaid Account Debtors to any Pledgor, absent a court order or compliance with applicable Legal Requirements);

(viii) (i) Seek to obtain the consent of the applicable Medicare/Medicaid Account Debtor(s) to recognize and permit the enforcement of, (ii) comply with applicable Health Care Laws necessary for the recognition and enforcement of, or (iii) seek to obtain an Order from a court of competent jurisdiction recognizing and permitting the enforcement of, the collateral assignment or security interest and Lien of the Collateral Agent pursuant to the Security Documents in and to all Accounts and other Pledged Collateral payable by Medicaid/Medicare Account Debtors; and

(ix) All the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Pledged Collateral) (other than with respect to any Pledged Collateral consisting of Accounts owed or owing by Medicare/Medicaid Account Debtors to any Pledgor, absent a court order or compliance with applicable Legal Requirements), and the Collateral Agent may also in its sole discretion, without notice except as specified in Section 8.2, sell, assign, transfer or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Pledged Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such person as a credit on account of the purchase price of any Pledged Collateral payable by such person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by applicable Legal Requirements, all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any Legal Requirement now existing or hereafter enacted. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent 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. Each Pledgor hereby waives, to the fullest extent permitted by applicable Legal Requirements, any claims against the Collateral Agent arising by reason of the fact that the price at which any Pledged Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

SECTION 8.2 Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of Pledged Collateral shall be required by any Legal Requirement, 10 days prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of

such matters unless the Pledged Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market (in which case no such prior notice shall be required). No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

SECTION 8.3 Waiver of Notice and Claims; Other Waivers; Marshalling.

(i) Each Pledgor hereby waives, to the fullest extent permitted by applicable Legal Requirements, notice of judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Pledged Collateral, including any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under any Legal Requirement, and each Pledgor hereby further waives, to the fullest extent permitted by applicable Legal Requirements (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable Legal Requirements. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article VIII except to the extent resulting solely from the Collateral Agent's gross negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity or otherwise against such Pledgor and against any and all persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

(ii) To the maximum extent permitted by applicable Legal Requirements, each Pledgor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of Credit Extensions, Pledged Collateral received or delivered or any other action taken in reliance hereon and all other demands and notices of any description.

(iii) The Collateral Agent shall not be required to marshal any present or future collateral security (including the Pledged Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order. To the maximum extent permitted by applicable Legal Requirements, (i) each Pledgor hereby agrees that it will not invoke any Legal Requirement relating to the marshalling of collateral and (ii) hereby irrevocably waives the benefits of all such Legal Requirements.

(iv) To the maximum extent permitted by applicable Legal Requirements, each Pledgor hereby waives any and all defenses and counterclaims it may have or could interpose in any such action or procedure brought by the Collateral Agent or any Lender to obtain an Order recognizing, and permitting the enforcement of, the collateral assignment or security interest and Lien of the Collateral Agent pursuant to the Security Documents in and to any Account or other Pledged Collateral and acknowledges that the Collateral Agent and/or the Lenders may (i) seek to obtain the consent of the applicable Medicare/Medicaid Account Debtor(s) to recognize, (ii) comply with any Legal Requirements necessary for the recognition of, or (iii) seek to obtain an Order recognizing, the collateral assignment or security interest and Lien of the Collateral Agent pursuant to the Security Documents in and to all Accounts and other Pledged Collateral payable by Medicare/Medicaid Account Debtors.

SECTION 8.4 Standards for Exercising Rights and Remedies. To the extent that applicable Legal Requirements impose duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, each Pledgor acknowledges and agrees that it is not commercially unreasonable for

the Collateral Agent, in the exercise of such remedies in accordance with all other terms hereof, (i) to fail to incur expenses reasonably deemed significant by the Collateral Agent to prepare Pledged Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Pledged Collateral to be disposed of, or to obtain or, if not required by other Legal Requirements, to fail to obtain consents for Governmental Authorities or third parties for the collection or disposition of Pledged Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors or other persons obligated on Pledged Collateral or to fail to remove liens or encumbrances on or any adverse claims against Pledged Collateral, (iv) to exercise collection remedies against account debtors and other persons obligated on Pledged Collateral directly or through the use of collection agencies and other collection specialists, subject to their compliance with applicable Legal Requirements, (v) to advertise dispositions of Pledged Collateral through publications or media of general circulation, whether or not the Pledged Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as any Pledgor, for expressions of interest in acquiring all or any portion of the Pledged Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Pledged Collateral, whether or not the collateral is of a specialized nature, (viii) to dispose of Pledged Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Pledged Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim or modify disposition warranties, (xi) to purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of Pledged Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Pledged Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any of the Pledged Collateral. The Pledgors acknowledge that the purpose of this Section 8.4 is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would fulfill the Collateral Agent's duties under the UCC or other Legal Requirement of the State or any other relevant jurisdiction in the Collateral Agent's exercise of remedies against the Pledged Collateral and that other actions or omissions by the Collateral Agent shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 8.4. Without limiting the foregoing, nothing contained in this Section 8.4 shall be construed to grant any rights to any Pledgor or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable Legal Requirements in the absence of this Section 8.4.

SECTION 8.5 Certain Sales of Pledged Collateral.

(i) Each Pledgor recognizes that, by reason of certain prohibitions contained in Legal Requirements, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of a Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable Legal Requirements, the Collateral Agent shall have no obligation to engage in public sales.

(ii) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities' laws, the Collateral Agent may be compelled, with respect to any sale or disposition of all or any part of the Securities Collateral and Investment Property, to limit purchasers to persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such

private sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(iii) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuing of any Event of Default, at the request of the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, cause any registration, qualification under or compliance with any federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will cause such registration to be effected (and be kept effective) and cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority. Each Pledgor shall cause the Collateral Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Collateral Agent such number of prospectuses, offering circulars or other documents incident thereto as the Collateral Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not materially misleading.

(iv) If the Collateral Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Pledgor shall, and shall cause each issuer of Securities Collateral and Investment Property to be sold hereunder to, from time to time furnish to the Collateral Agent all such information as the Collateral Agent may reasonably request in order to determine the number and nature or interest, of securities or other instruments included in the Securities Collateral or Investment Property which may be sold by the Collateral Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(v) Each Pledgor further agrees that a breach of any of the covenants contained in this Section 8.5 will cause irreparable injury to the Collateral Agent and other Secured Parties, that the Collateral Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 8.5 shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants.

SECTION 8.6 No Waiver; Cumulative Remedies.

(i) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other

right, power or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by applicable Legal Requirements, in equity or otherwise.

(ii) In the event that the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case, the Pledgors, the Collateral Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of the Collateral Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

SECTION 8.7 Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred and be continuing, upon the written demand of the Collateral Agent, each Pledgor shall execute and deliver to the Collateral Agent an assignment or assignments of the registered Intellectual Property Collateral or such other documents as are necessary or appropriate to carry out the intent and purposes hereof; *provided, however,* that if the Event of Default is no longer continuing, the Collateral Agent shall promptly execute and deliver to each Pledgor such reassignments or other documents necessary to place such Pledgors in control and ownership of such Intellectual Property Collateral.

ARTICLE IX

PROCEEDS OF CASUALTY EVENTS AND COLLATERAL DISPOSITIONS; APPLICATION OF PROCEEDS

SECTION 9.1 Proceeds of Casualty Events and Collateral Dispositions. The Pledgors shall take all actions required by the Credit Agreement with respect to any Net Cash Proceeds of any Casualty Event or from the sale or disposition of any Pledged Collateral.

SECTION 9.2 Application of Proceeds. The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, in accordance with the Credit Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Concerning Collateral Agent.

(i) The Collateral Agent has been appointed as Collateral Agent pursuant to the Credit Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Credit Agreement. The Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit Agreement. Each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Pledged Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms of this Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the

negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith, excepting therefrom, however, their gross negligence or willful misconduct. The Collateral Manager shall be deemed an agent of the Collateral Agent for the purposes of giving effect to this Agreement and the other Loan Documents and the Collateral Agent shall not be liable, under any circumstances, for the negligence (including gross negligence) or misconduct (including wilful misconduct) of the Collateral Manager. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

(ii) Except for the exercise of reasonable care in the custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Pledged Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which the Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests; *provided* that neither the Collateral Agent nor any of the other Secured Parties nor any of their respective directors, officers, employees or agents shall have responsibility for (x) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters (y) failing to demand, collect or realize upon all or any part of the Pledged Collateral or for any delay in doing so or (z) failing to take any necessary steps to preserve rights against any person with respect to any Pledged Collateral.

(iii) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) If any item of Pledged Collateral also constitutes collateral granted to the Collateral Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, the Collateral Agent, in its sole discretion, shall select which provision or provisions shall control.

SECTION 10.2 Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement (including such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay Charges, (iii) make repairs or (iv) discharge Liens or pay or perform any obligations of such Pledgor under any Pledged Collateral) or if any representation or warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; *provided, however*, that the Collateral Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions of Section 4.12. Any and all

amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 11.03 of the Credit Agreement. Neither the provisions of this Section 10.2 nor any action taken by the Collateral Agent pursuant to the provisions of this Section 10.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Collateral Agent's reasonable discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement, this Agreement and the other Loan Documents which the Collateral Agent reasonably may deem necessary or advisable to accomplish the purposes hereof. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 10.3 Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other persons (including any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto (except for Permitted Liens. Without limiting the generality of the foregoing clause (ii), any Secured Party may assign or otherwise transfer any obligations held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Credit Agreement and any Hedging Agreement.

SECTION 10.4 Termination; Release. This Agreement shall terminate and the Pledged Collateral shall be released from the Lien of this Agreement when the Commitments have been terminated and the principal of and interest and premium (if any) on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full (other than contingent indemnification obligations that, pursuant to the provisions of the Credit Agreement of the Security Documents, survive the termination thereof) and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full. Upon termination hereof, the security interests granted hereby shall terminate and all rights to the Pledged Collateral shall revert to the applicable Pledgor or to such other person as may be entitled thereto pursuant to any Order or other applicable Legal Requirement. Upon termination hereof or any release of Pledged Collateral in accordance with the provisions of the Credit Agreement, the Collateral Agent shall promptly (and in any event within 10 Business Days), upon the written request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to the Pledgors, against receipt and without recourse to or warranty by the Collateral Agent except that the Collateral Agent has not assigned or otherwise transferred its security interest in the Pledged Collateral, such of the Pledged Collateral to be released (in the case of a release) as may be in possession or control of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination hereof or the release of such Pledged Collateral, as the case may be.

SECTION 10.5 Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof shall be effective only in the specific

instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 10.6 Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of Borrower set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 10.6.

SECTION 10.7 Governing Law, Consent to Jurisdiction and Service of Process; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) EACH PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR OTHERWISE SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT, ANY OTHER AGENT, THE ISSUING BANK OR ANY LENDER OR OTHER SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY PLEDGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) EACH PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN SECTION 10.7(b). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY

LOAN DOCUMENT, IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPY) IN SECTION 10.6. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LEGAL REQUIREMENTS.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, THE TRANSACTIONS OR THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.7.

SECTION 10.8 Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.9 Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.10 Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

SECTION 10.11 Waiver of Stay. Each Pledgor covenants that in the event that such Pledgor or any property or assets of such Pledgor shall hereafter become the subject of a voluntary or involuntary proceeding under the Bankruptcy Code or such Pledgor shall otherwise be a party to any federal or state bankruptcy, insolvency, moratorium or similar proceeding to which the provisions relating to the automatic stay under Section 362 of the Bankruptcy Code or any similar provision in any such Legal Requirement is applicable, then, in any such case, whether or not the Collateral Agent has commenced foreclosure proceedings under this Agreement, such Pledgor shall not, and each Pledgor hereby expressly waives its right to (to the extent it may lawfully do so) at any time insist upon, plead or in any whatsoever, claim or take the benefit or advantage of any such automatic stay or such similar provision as it relates to the exercise of any of the rights and remedies (including any foreclosure proceedings) available to the Collateral Agent as provided in this Agreement, in any other Security Document or any other document evidencing the Secured Obligations. Each Pledgor further covenants that it will not hinder, delay or impede the execution of any power granted herein to the Collateral Agent, but will suffer and permit the execution of every such power as though no law relating to any stay or similar provision had been enacted.

SECTION 10.12 No Credit for Payment of Taxes or Imposition. No Pledgor shall be entitled to any credit against the principal, premium, if any, or interest payable under the Credit Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Tax on the Pledged Collateral or any part thereof.

SECTION 10.13 No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Pledged Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.

SECTION 10.14 No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 10.14 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents (other than contingent indemnification obligations that, pursuant to the provisions of the Credit Agreement or the Security Documents, survive the termination thereof).

SECTION 10.15 Overdue Amounts. Until paid, all amounts due and payable under this Agreement shall constitute Secured Obligations and shall bear interest, whether before or after judgment, at the Default Rate. Nothing in this Section 10.15 shall affect the Default Rate or the circumstances in which the Default Rate is payable pursuant to the Credit Agreement.

SECTION 10.16 Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor;

(ii) any lack of validity or enforceability of any Loan Document, or any other agreement or instrument relating thereto against any Pledgor;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection or loss of priority of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, or any Loan Document; or

(vi) any other circumstances which might otherwise constitute a waiveable defense available to, or a discharge of, any Pledgor.

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IN WITNESS WHEREOF, the Pledgors and the Collateral Agent have caused this Security Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

BIOSCRIP, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHRONIMED LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

LOS FELIZ DRUGS INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BRADHURST SPECIALTY PHARMACY, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY (NY), INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PBM SERVICES, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATURAL LIVING, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP NURSING SERVICES, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION MANAGEMENT, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY SERVICES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHS HOLDINGS, INC.
(FORMERLY CAMELOT ACQUISITION CORP.), as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CRITICAL HOMECARE SOLUTIONS, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

APPLIED HEALTH CARE, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CEDAR CREEK HOME HEALTH CARE AGENCY, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS ENTERPRISES, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS HOMECARE, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

EAST GOSHEN PHARMACY, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HEALTH SERVICES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HOME HEALTH CARE AGENCY, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY PROFESSIONAL AFFILIATES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

GERICARE, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF BRUNSWICK, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF MELBOURNE, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION SOLUTIONS, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

KNOXVILLE HOME THERAPIES, LLC, as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATIONAL HEALTH INFUSION, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NEW ENGLAND HOME THERAPIES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

OPTION HEALTH, LTD., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

PROFESSIONAL HOME CARE SERVICES, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

REGIONAL AMBULATORY DIAGNOSTICS, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SCOTT-WILSON, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION I,
as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION II,
as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION III,
as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SPECIALTY PHARMA, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

WILCOX MEDICAL, INC., as Pledgor

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

JEFFERIES FINANCE LLC,
as Collateral Agent

By: /s/ E.J. Hess
Name: E.J. Hess
Title: Managing Director

SCHEDULE 1

FINANCING STATEMENTS AND INTELLECTUAL PROPERTY REGISTRATIONS

Type of Filings*	Entity	Jurisdictions
UCC1	BioScrip, Inc.	Delaware
UCC1	BioScrip Infusion Services, Inc.	California
UCC1	Chronimed LLC	Minnesota
UCC1	Los Feliz Inc.	California
UCC1	BioScrip Pharmacy, Inc.	Minnesota
UCC1	BioScrip Pharmacy (NY), Inc.	New York
UCC1	BioScrip PBM Services, LLC	Delaware
UCC1	Natural Living Inc.	New York
UCC1	BioScrip Infusion Services, LLC	Delaware
UCC1	BioScrip Nursing Services, LLC	New York
UCC1	BioScrip Infusion Management, LLC	Delaware
UCC1	BioScrip Pharmacy Services, Inc.	California
UCC1	Camelot Acquisition Corp.	Delaware
UCC1	Applied Health Care, LLC	Delaware
UCC1	Cedar Creek Home Health Care Agency, Inc.	Tennessee
UCC1	Critical Homecare Solutions, Inc.	Delaware
UCC1	Critical Homecare Solutions Holdings, Inc.	Delaware
UCC1	Deaconess Enterprises, LLC	Ohio
UCC1	Deaconess HomeCare, LLC	Delaware
UCC1	East Goshen Pharmacy, Inc.	Pennsylvania
UCC1	Elk Valley Health Services, Inc.	Tennessee
UCC1	Elk Valley Home Health Care Agency, Inc.	Tennessee
UCC1	Elk Valley Professional Affiliates, Inc.	Tennessee
UCC1	Gericare, Inc.	Tennessee
UCC1	Infusion Partners, LLC	Ohio

* UCC1 financing statement, fixture filing, mortgage, intellectual property filing or other necessary filing.

Type of Filings*	Entity	Jurisdictions
UCC1	Infusion Partners of Brunswick, LLC	Georgia
UCC1	Infusion Partners of Melbourne, LLC	Georgia
UCC1	Infusion Solutions, Inc.	New Hampshire
UCC1	Knoxville Home Therapies, LLC	Tennessee
UCC1	National Health Infusion, Inc.	Florida
UCC1	New England Home Therapies, Inc.	Massachusetts
UCC1	Option Health, Ltd.	Illinois
UCC1	Professional Homecare Services, Inc.	Delaware
UCC1	Regional Ambulatory Diagnostics, Inc.	Ohio
UCC1	Scott-Wilson, Inc.	Kentucky
UCC1	Scott Mississippi Home Health, Inc.	Mississippi
UCC1	South Mississippi Home Health, Inc. — Region I	Mississippi
UCC1	South Mississippi Home Health, Inc. — Region II	Mississippi
UCC1	South Mississippi Home Health, Inc. — Region II	Mississippi
UCC1	Specialty Pharma, Inc.	Delaware
UCC1	Wilcox Medical, Inc.	Vermont

EXHIBIT 1

[Form of]

ISSUER'S ACKNOWLEDGMENT

The undersigned hereby (i) acknowledges receipt of a copy of that certain security agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), made by BioScrip, Inc., a Delaware corporation, the Guarantors party thereto and Jefferies Finance LLC, as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), (ii) agrees promptly to note on its books the security interests granted to the Collateral Agent and confirmed under the Security Agreement, (iii) agrees that it will comply with instructions of the Collateral Agent or its nominee with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees that the "issuer's jurisdiction" (as defined in Section 8-110 of the UCC) is the State of New York, U.S.A., (v) agrees to notify the Collateral Agent upon obtaining knowledge of any interest in favor of any person in the applicable Securities Collateral that is adverse to the interest of the Collateral Agent therein and (vi) waives any right or requirement at any time hereafter to receive a copy of the Security Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Collateral Agent or its nominee or the exercise of voting rights by the Collateral Agent or its nominee.

Issuer's Acknowledgment

EXHIBIT 2

[Form of]

SECURITIES PLEDGE AMENDMENT

This security pledge amendment, dated as of [_____ _____, 20_____] (the "Pledge Amendment"), is delivered pursuant to Section 5.1 of that certain Security Agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), made by BioScrip, Inc., a Delaware corporation, the Guarantors party thereto and Jefferies Finance LLC, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"). The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

[_____]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE

EXHIBIT 3

[Form of]

JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

_____

_____

_____

_____

Ladies and Gentlemen:

Reference is made to that certain Security Agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), made by BioScrip, Inc., a Delaware corporation, the other Guarantors party thereto and Jefferies Finance LLC, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent").

This joinder agreement supplements the Security Agreement and is delivered by the undersigned, [_____] (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the execution date of the Security Agreement. The New Pledgor also hereby agrees to be bound as a party by all of the terms, covenants and conditions applicable to it set forth in the Credit Agreement to the same extent that it would have been bound if it had been a signatory to the Credit Agreement on the execution date of the Credit Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby grants and pledges to the Collateral Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, a Lien on and security interest in, all of its right, title and interest in, to and under the Pledged Collateral and expressly assumes all obligations and liabilities of a Guarantor under the Credit Agreement and a Pledgor under the Security Agreement. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to (i) the Pledgors contained in the Security Agreement and the other Loan Documents and (ii) the Guarantors under the Credit Agreement and the other Loan Documents.

Annexed hereto are supplements to each of the Schedules to the Security Agreement and the Credit Agreement, as applicable, with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement or the Credit Agreement, as applicable.

This joinder agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CHOICE OF LAW THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

IN WITNESS WHEREOF, the New Pledgor has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: _____
Name: _____
Title:: _____

AGREED TO AND ACCEPTED:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name: _____
Title: _____

[Schedules to be attached]

EXHIBIT 4

[Form of]

SECURITIES ACCOUNT CONTROL AGREEMENT

This SECURITIES ACCOUNT CONTROL AGREEMENT (this "Control Agreement"), dated as of [_____ ___, 20___], by and between [_____], a [_____] [_____] (the "Pledgor"), Jefferies Finance LLC (the "Collateral Agent") as collateral agent for the lenders (the "Lenders") party to that certain credit agreement dated as of March 25, 2010 among the Pledgor, certain of the Pledgor's affiliates, the Collateral Agent and the Lenders (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement") and [_____] in its capacity as a "securities intermediary" (as defined in Section 8-102 of the UCC) (the "Financial Institution"), is delivered pursuant to the Credit Agreement and the Security Agreement (as defined in the Credit Agreement). This Control Agreement is for the purpose of perfecting the security interests of the Collateral Agent granted by the Pledgor in the Designated Accounts (as defined below). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York. Terms used but not defined herein that are defined in the Credit Agreement shall have the meanings assigned to such terms in the Credit Agreement.

1. Confirmation of Establishment and Maintenance of Designated Account. The Financial Institution hereby confirms that (i) the Financial Institution has established for the Pledgor and maintains the account(s) listed on Schedule 1 attached hereto (such account(s), together with each such other account maintained by the Pledgor with the Financial Institution collectively, the "Designated Accounts" and each a "Designated Account"), and (ii) each Designated Account is a "securities account" as such term is defined in Article 8 of the UCC.

2. Control. The Collateral Agent shall at all times have "control" (as defined in Section 8-106 of the UCC) of any Designated Account; *provided* that unless and until delivery by the Collateral Agent of Notice of Sole Control pursuant to Section 7(i) hereof to the Financial Institution, the Pledgor shall have the right from time to time to write checks against and make withdrawals from and transfers of amounts in the Designated Accounts. From and after delivery by the Collateral Agent of Notice of Sole Control pursuant to Section 7(i) hereof to the Financial Institution until such time as the Collateral Agent delivers written notice to the Financial Institution rescinding such Notice of Sole Control (such period, the "Activation Period"), the Financial Institution shall comply solely with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) and instructions originated by the Collateral Agent without further consent of the Pledgor or any person or entity acting or purporting to act for the Pledgor being required, including, without limitation, directing disposition of the financial assets in each Designated Account. Prior to and after the end of any Activation Period, the Financial Institution shall be entitled to honor the Pledgor's instructions and directions with respect to any transfer or withdrawal of financial assets from the Designated Accounts.

3. Subordination of Lien; Waiver of Set-Off. In the event that the Financial Institution has or subsequently obtains by agreement, operation of law or otherwise a security interest in any Designated Account, the Financial Institution hereby agrees that such security interest shall be subordinate to that of the Secured Parties. The financial assets credited to any Designated Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person or entity other than the Secured Parties (except that the Financial Institution may set off (i) all amounts due to the Financial Institution in respect of its customary fees and expenses for the routine maintenance and operation of the Designated

1. Insert applicable Loan Party.

Accounts, including overdraft fees, and (ii) the face amount of any checks or other items which have been credited to any Designated Account but are subsequently returned unpaid because of uncollected or insufficient funds).

4. Choice of Law. Both this Control Agreement and the Designated Account(s) shall be governed by the law of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the "security intermediary's jurisdiction" (within the meaning of Section 8-110 of the UCC) and the Designated Account(s) shall be governed by the law of the State of New York.

5. Conflict with Other Agreements; Amendments. As of the date hereof, there are no other agreements entered into between the Financial Institution and the Pledgor with respect to any Designated Account or any financial assets credited thereto (other than standard and customary documentation with respect to the establishment and maintenance of such Designated Accounts). The Financial Institution and the Pledgor will not enter into any other agreement with respect to any Designated Account unless the Collateral Agent shall have received prior written notice thereof. The Financial Institution and the Pledgor will not enter into any other agreement with respect to "control" of the Designated Accounts without the prior written consent of the Collateral Agent acting in its sole discretion. In the event of any conflict with respect to "control" over any Designated Account between this Control Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into, the terms of this Control Agreement shall prevail. No amendment or modification of this Control Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all the parties hereto.

6. Notice of Adverse Claims. Except for the claims and interest of the Secured Parties and of the Pledgor in the Designated Account(s), the Financial Institution on the date hereof does not know of any claim to, or security interest in, any Designated Account or in any financial assets credited thereto and does not know of any claim that any person or entity other than the Collateral Agent has been given "control" of any Designated Account or any such financial assets. If any person or entity asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process and any claim of "control") against any financial assets credited to any Designated Account, the Financial Institution will promptly notify the Collateral Agent and the Pledgor thereof.

7. Maintenance of Designated Accounts. In addition to, and not in lieu of, the obligation of the Financial Institution agreed in Section 2 hereof, the Financial Institution agrees to maintain the Designated Accounts as follows:

(i) Notice of Sole Control. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent may deliver to the Financial Institution a notice of sole control in substantially the form set forth in Exhibit A attached hereto (the "Notice of Sole Control"*)* with respect to any Designated Account. If at any time the Collateral Agent delivers a Notice of Sole Control to the Financial Institution, the Financial Institution agrees that, after receipt of such notice, it will take all entitlement orders and other instruction with respect to such Designated Account solely from the Collateral Agent. Without limiting the generality of the first sentence of this paragraph, upon receipt of a Notice of Sole Control, the Financial Institution shall follow all instructions given by the Collateral Agent, including, without limitation, instructions for distribution or transfer of any financial assets in any Designated Account to be made to the Collateral Agent. No later than 5 Business Days after such Event of Default shall have ceased to exist in accordance with the terms of the Credit Agreement, the Collateral Agent shall deliver written notice to the Financial Institution rescinding the applicable Notice of Sole Control.

(ii) Statements and Confirmations. The Financial Institution will promptly send copies of all statements and other correspondence (excluding routine confirmations) concerning any Designated Account to each of the Pledgor and the Collateral Agent at the address set forth in Section 11 hereof. The Financial Institution will promptly provide to the Collateral Agent and to the Pledgor, upon the Collateral Agent's request therefor from time to time and, in any event as of the last Business Day of each calendar month, a statement of the cash balance and financial assets in each Designated Account.

8. Representations, Warranties and Covenants of the Financial Institution. The Financial Institution hereby makes the following representations, warranties and covenants:

(i) the Designated Accounts have been established as set forth in Section 1 hereof and each Designated Account will be maintained in the manner set forth herein until termination of this Control Agreement. The Financial Institution shall not change the name or account number of any Designated Account without the prior written consent of the Collateral Agent;

(ii) the Financial Institution is a "securities intermediary," as such term is defined in Section 8-102 of the UCC;

(iii) all property credited to any Designated Account will be treated as "financial assets," as such term is defined in Section 8-102 of the UCC;

(iv) this Control Agreement is the valid and legally binding obligation of the Financial Institution, enforceable against the Financial Institution in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(v) the Financial Institution has not entered into any agreement with any person or entity pursuant to which it has agreed to comply with any entitlement orders or instructions with respect to any Designated Account other than the Collateral Agent. Until the termination of this Control Agreement, the Financial Institution will not, without the written approval of the Collateral Agent, enter into any agreement with any person or entity pursuant to which it agrees to comply with any orders or instructions of such person with respect to any Designated Account; and

(vi) the Financial Institution has not entered into any other agreement with the Pledgor or either Agent purporting to limit or condition the obligation of the Financial Institution to comply with any orders or instructions with respect to any Designated Account as set forth in Section 2 hereof.

9. Indemnification of Financial Institution. The Pledgor and the Collateral Agent hereby agree that (a) the Financial Institution is released from any and all liabilities to the Pledgor and the Collateral Agent arising from the terms of this Control Agreement and the Financial Institution's compliance with the terms of this Control Agreement, except to the extent that such liabilities arise from the Financial Institution's gross negligence or willful misconduct, and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Financial Institution from and against any and all claims, actions and suits of others arising out of the terms of this Control Agreement or the compliance of the Financial Institution with the terms hereof, except to the extent that such arises from the Financial Institution's gross negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, claims, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Control Agreement.

10. Successors; Assignment. The terms of this Control Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assignees.

11. Notices. Any notice, request or other communication required or permitted to be given under this Control Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by facsimile transmission or other electronic means and electronic confirmation of error free receipt is received or two days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor: [_____]
Attention:
Facsimile No:
with a copy to:

[_____]
Attention:
Facsimile No:

Financial Institution: [_____]
[_____]
[_____]
[_____]
Attention:
Facsimile No:

Collateral Agent:
Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: Account Manager — BioScrip
Facsimile No: (212) 284-3444

Any party may change its address for notices in the manner set forth above.

12. Termination. The rights and powers granted herein to the Collateral Agent have been granted in order to perfect the security interests of the Secured Parties in the Designated Accounts and are powers coupled with an interest that will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Financial Institution hereunder shall continue in effect until the termination of the security interests of the Secured Parties with respect to the Designated Account(s) and the Collateral Agent has notified the Financial Institution of such termination in writing.

13. Severability. If any term or provision set forth in this Control Agreement shall be invalid or unenforceable, the remainder of this Control Agreement, other than those provisions held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

14. Counterparts. This Control Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Control

Agreement by signing and delivering one or more counterparts. Delivery of an executed counterpart of this Control Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Control Agreement.

[Signature page follows]

[_____]2

By: _____
Name:
Title:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

[_____], as Financial Institution

By: _____
Name:
Title:

2. Insert applicable Loan Party.

SCHEDULE 1

Designated Account(s)

EXHIBIT A

[Letterhead of Jefferies Finance LLC]

[Date]

[Financial Institution]
[Address]

Attention: _____

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in Section 7(i) of the Securities Account Control Agreement dated as of [_____ _____, 20___], among [applicable Pledgor][3], us and you (the "Control Agreement"; capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Control Agreement) (a copy of which is attached), we hereby give you notice of our sole control over the Designated Account(s), account number(s): _____(the "Specified Designated Accounts"). You are hereby instructed not to accept any entitlement orders or any other order, direction or instructions with respect to the Specified Designated Accounts or any financial assets credited thereto from any person or entity other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to [applicable Pledgor].

Very truly yours,

JEFFERIES FINANCE LLC, as Collateral Agent

By: _____
Name:
Title:

cc: [applicable Pledgor]

3. Insert applicable Loan Party.

EXHIBIT 5

[Form of]

DEPOSIT ACCOUNT CONTROL AGREEMENT

This DEPOSIT ACCOUNT CONTROL AGREEMENT (this "Control Agreement"), dated as of [_____ ___, 20___], by and among [_____][1], a [_____] [_____] (the "Pledgor"), Jefferies Finance LLC (the "Collateral Agent") as collateral agent for the lenders (the "Lenders") party to that certain credit agreement dated as of March 25, 2010 among the Pledgor, certain of the Pledgor's affiliates, the Collateral Agent and the Lenders (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement") and [_____] in its capacity as a "bank" as defined in Section 9-102 of the UCC (the "Financial Institution"), is delivered pursuant to the Credit Agreement and the Security Agreement (as defined in the Credit Agreement). This Control Agreement is for the purpose of perfecting the security interests of the Collateral Agent granted by the Pledgor in the Designated Accounts (as defined below). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

1. Confirmation of Establishment and Maintenance of Designated Account. The Financial Institution hereby confirms that (i) the Financial Institution has established for the Pledgor and maintains the deposit account(s) listed on Schedule 1 attached hereto (such deposit account(s), together with each such other deposit account maintained by the Pledgor with the Financial Institution collectively, the "Designated Accounts" and each a "Designated Account"), and (ii) each Designated Account is a "deposit account" as such term is defined in Article 9 of the UCC.

2. Control. The Collateral Agent shall at all times have "control" (as defined in Section 9-104 of the UCC) of any Designated Account; *provided* that unless and until delivery by the Collateral Agent of Notice of Sole Control pursuant to Section 7(i) hereof to the Financial Institution, the Pledgor shall have the right from time to time to write checks against and make withdrawals from and transfers of amounts in the Designated Accounts. From and after delivery by the Collateral Agent of Notice of Sole Control pursuant to Section 7(i) hereof to the Financial Institution until such time as the Collateral Agent delivers written notice to the Financial Institution rescinding such Notice of Sole Control (such period, the "Activation Period"), the Financial Institution shall comply solely with instructions originated by the Collateral Agent without further consent of the Pledgor or any person or entity acting or purporting to act for the Pledgor being required, including, without limitation, directing disposition of the funds in each Designated Account. Prior to and after the end of any Activation Period, the Financial Institution shall be entitled to honor the Pledgor's instructions and directions with respect to any transfer or withdrawal of funds from the Designated Accounts.

3. Subordination of Lien; Waiver of Set-Off. In the event that the Financial Institution has or subsequently obtains by agreement, operation of law or otherwise a security interest in any Designated Account, the Financial Institution hereby agrees that such security interest shall be subordinate to that of the Collateral Agent. The funds deposited into any Designated Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person or entity other than the Secured Parties (except that the Financial Institution may set off (i) all amounts due to the Financial Institution in respect of its customary fees and expenses for the routine maintenance and operation of the Designated Accounts, including overdraft fees, and (ii) the face amount of any checks or other items which have been credited

1. Insert applicable Loan Party.

to any Designated Account but are subsequently returned unpaid because of uncollected or insufficient funds).

4. Choice of Law. Both this Control Agreement and the Designated Account(s) shall be governed by the law of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the "bank's jurisdiction" (within the meaning of Section 9-304 of the UCC) and the Designated Account(s) shall be governed by the law of the State of New York.

5. Conflict with Other Agreements; Amendments. As of the date hereof, there are no other agreements entered into between the Financial Institution and the Pledgor with respect to any Designated Account or any funds credited thereto (other than standard and customary documentation with respect to the establishment and maintenance of such Designated Accounts). The Financial Institution and the Pledgor will not enter into any other agreement with respect to any Designated Account unless the Collateral Agent shall have received prior written notice thereof. The Financial Institution and the Pledgor will not enter into any other agreement with respect to "control" of the Designated Accounts without the prior written consent of the Collateral Agent acting in its sole discretion. In the event of any conflict with respect to "control" over any Designated Account between this Control Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into, the terms of this Control Agreement shall prevail. No amendment or modification of this Control Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all the parties hereto.

6. Notice of Adverse Claims. Except for the claims and interest of the Collateral Agent and of the Pledgor in the Designated Account(s), the Financial Institution on the date hereof does not know of any claim to, or security interest in, any Designated Account or in any funds credited thereto and does not know of any claim that any person or entity other than the Collateral Agent has been given "control" of any Designated Account or any such funds. If any person or entity asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process and any claim of "control") against any funds in any Designated Account, the Financial Institution will promptly notify the Collateral Agent and the Pledgor thereof.

7. Maintenance of Designated Accounts. In addition to, and not in lieu of, the obligation of the Financial Institution agreed in Section 2 hereof, the Financial Institution agrees to maintain the Designated Accounts as follows:

(i) Notice of Sole Control. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent may deliver to the Financial Institution a notice of sole control in substantially the form set forth in Exhibit A attached hereto (the "Notice of Sole Control"*)* with respect to any Designated Account. If at any time the Collateral Agent delivers a Notice of Sole Control to the Financial Institution, the Financial Institution agrees that, after receipt of such notice, it will take all instruction with respect to such Designated Account solely from the Collateral Agent. Without limiting the generality of the first sentence of this paragraph, upon receipt of a Notice of Sole Control, the Financial Institution shall follow all instructions given by the Collateral Agent, including, without limitation, instructions for distribution or transfer of any funds in any Designated Account to be made to the Collateral Agent. No later than 5 Business Days after such Event of Default shall have ceased to exist in accordance with the terms of the Credit Agreement, the Collateral Agent shall deliver written notice to the Financial Institution rescinding the applicable Notice of Sole Control.

(ii) Statements and Confirmations. The Financial Institution will promptly send copies of all statements and other correspondence (excluding routine confirmations) concerning any

Designated Account to each of the Pledgor and the Collateral Agent at the address set forth in Section 11 hereof. The Financial Institution will promptly provide to the Collateral Agent and to the Pledgor, upon the Collateral Agent's request therefor from time to time and, in any event as of the last Business Day of each calendar month, a statement of the cash balance in each Designated Account.

8. Representations, Warranties and Covenants of the Financial Institution. The Financial Institution hereby makes the following representations, warranties and covenants:

(i) The Designated Accounts have been established as set forth in Section 1 hereof and each Designated Account will be maintained in the manner set forth herein until termination of this Control Agreement. The Financial Institution shall not change the name or account number of any Designated Account without the prior written consent of the Collateral Agent.

(ii) The Financial Institution is a "bank," as such term is defined in Section 9-102(a)(8) of the UCC.

(iii) This Control Agreement is the valid and legally binding obligation of the Financial Institution enforceable against the Financial Institution in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or law .

(iv) The Financial Institution has not entered into any agreement with any person or entity pursuant to which it has agreed to comply with any orders or instructions with respect to any Designated Account other than the Collateral Agent. Until the termination of this Control Agreement, the Financial Institution will not, without the written approval of the Collateral Agent, enter into any agreement with any person or entity pursuant to which it agrees to comply with any orders or instructions of such person or entity with respect to any Designated Account.

(v) The Financial Institution has not entered into any other agreement with the Pledgor or the Collateral Agent purporting to limit or condition the obligation of the Financial Institution to comply with any orders or instructions with respect to any Designated Account as set forth in Section 2 hereof.

9. Indemnification of Financial Institution. The Pledgor and the Collateral Agent hereby agree that (a) the Financial Institution is released from any and all liabilities to the Pledgor and the Collateral Agent arising from the terms of this Control Agreement and the Financial Institution's compliance with the terms of this Control Agreement, except to the extent that such liabilities arise from the Financial Institution's gross negligence or willful misconduct, and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Financial Institution from and against any and all claims, actions and suits of others arising out of the terms of this Control Agreement or the compliance of the Financial Institution with the terms hereof, except to the extent that such arises from the Financial Institution's gross negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, claims, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Control Agreement.

10. Successors; Assignment. The terms of this Control Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assignees.

11. Notices. Any notice, request or other communication required or permitted to be given under this Control Agreement shall be in writing and deemed to have been properly given when delivered

in person, or when sent by facsimile transmission or other electronic means and electronic confirmation of error free receipt is received or two days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor: [_____]

Attention:
Facsimile No:

with a copy to:

[_____]
Attention:
Facsimile No:

Financial Institution: [_____]

[_____]
[_____]
[_____]
Attention:
Facsimile No:
Telephone:

Collateral Agent:

Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: Account Manager — BioScrip
Facsimile No: (212) 284-3444

Any party may change its address for notices in the manner set forth above.

12. Termination. The rights and powers granted herein to the Collateral Agent have been granted in order to perfect the security interests of the Secured Parties in the Designated Accounts and are powers coupled with an interest that will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Financial Institution hereunder shall continue in effect until the termination of the security interests of the Secured Parties with respect to the Designated Account(s) and the Collateral Agent has notified the Financial Institution of such termination in writing.

13. Severability. If any term or provision set forth in this Control Agreement shall be invalid or unenforceable, the remainder of this Control Agreement, other than those provisions held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

14. Counterparts. This Control Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Control Agreement by signing and delivering one or more counterparts. Delivery of an executed counterpart of this Control Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Control Agreement.

[_____][2]

By: _____
Name:
Title:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

[_____], as Financial Institution

By: _____
Name:
Title:

2. Insert applicable Loan Party.

SCHEDULE 1

Designated Account(s)

Schedule 1 to Deposit Account Control Agreement

EXHIBIT A

[Letterhead of Jefferies Finance LLC]

[Date]

[Financial Institution]
[Address]

Attention: _____

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in Section 7(i) of the Deposit Account Control Agreement, dated as of [_____ ___, 20___], among [applicable Pledgor], us and you (the "Control Agreement"; capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Control Agreement) (a copy of which is attached), we hereby give you notice of our sole control over the Designated Account(s), account number(s): _____ (the "Specified Designated Accounts"). You are hereby instructed not to accept any direction or instructions with respect to the Specified Designated Accounts or any funds credited thereto from any person or entity other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to [applicable Pledgor].

Very truly yours,

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

cc: [applicable Pledgor]

Exhibit A to Deposit Account Control Agreement

EXHIBIT 6

[Form of]

COPYRIGHT SECURITY AGREEMENT

This copyright security agreement (this "Copyright Security Agreement"), dated as of [_____ ___, 20___], by BioScrip, Inc., a Delaware corporation (the "Borrower"), and each Guarantor listed on Schedule 1 hereto (collectively, the "Original Guarantors," and, together with the Borrower, the "Pledgors"), in favor of Jefferies Finance LLC, in its capacity as collateral agent (in such capacity, the "Collateral Agent") pursuant to that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

W I T N E S S E T H:

WHEREAS, Pledgors are party to a Security Agreement of even date with the Credit Agreement (the "Security Agreement") in favor of the Collateral Agent pursuant to which the Pledgors are required to execute and deliver this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the ratable benefit of the Secured Parties, to enter into the Credit Agreement, the Pledgors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Copyright Collateral. Each Pledgor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties a lien on and security interest in and to all of its right, title and interest in, to and under all the following Pledged Collateral of such Pledgor (collectively, the "Copyright Collateral"):

(a) Copyrights of such Pledgor listed on Schedule 2[1] attached hereto; and

(b) all Proceeds of any and all of the foregoing (other than Excluded Property).

SECTION 3. Security Agreement. The security interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and the Pledgors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Copyright 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. In the event that any provision of this Copyright Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the full payment and performance of the Secured Obligations (other than contingent indemnification obligations that, pursuant to the provisions of the Credit Agreement or the Security Documents, survive the termination thereof), upon written request of the Borrower, the Collateral Agent shall execute, acknowledge, and deliver to the Pledgors an instrument in

1. List the Copyrights identified in the Perfection Certificate.

writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Copyrights under this Copyright Security Agreement.

[*Signature Page Follows*]

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

[PLEDGORS]

By: _____
Name:
Title:

[ORIGINAL GUARANTORS][2]

By: _____
Name:
Title:

2 This agreement needs to be executed only by any Guarantor that owns Copyright Collateral.

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

SCHEDULE 1
to
COPYRIGHT SECURITY AGREEMENT

ORIGINAL GUARANTORS

NAME	ADDRESS

SCHEDULE 2
to
COPYRIGHT SECURITY AGREEMENT

COPYRIGHT REGISTRATIONS AND COPYRIGHT APPLICATIONS

Copyright Registrations:

OWNER	REGISTRATION NUMBER	TITLE

Copyright Applications:

OWNER	APPLICATION NUMBER	TITLE

EXHIBIT 7

[Form of]

PATENT SECURITY AGREEMENT

This patent security agreement (this "Patent Security Agreement"), dated as of [_____ ___, 20___], by BioScrip, Inc., a Delaware corporation (the "Borrower"), and each Guarantor listed on Schedule 1 hereto (collectively, the "Original Guarantors," and, together with the Borrower, the "Pledgors"), in favor of Jefferies Finance LLC, in its capacity as collateral agent (in such capacity, the "Collateral Agent") pursuant to that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

W I T N E S S E T H:

WHEREAS, the Pledgors are party to a Security Agreement of even date with the Credit Agreement (the "Security Agreement") in favor of the Collateral Agent pursuant to which the Pledgors are required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the ratable benefit of the Secured Parties, to enter into the Credit Agreement, the Pledgors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Patent Collateral. Each Pledgor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties a lien on and security interest in and to all of its right, title and interest in, to and under all the following Pledged Collateral of such Pledgor (collectively, the "Patent Collateral"):

(a) Patents of such Pledgor listed on Schedule 2[1] attached hereto; and

(b) all Proceeds of any and all of the foregoing (other than Excluded Property)

SECTION 3. Security Agreement. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and the Pledgors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Patent 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. In the event that any provision of this Patent Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the full payment and performance of the Secured Obligations (other than contingent indemnification obligations that, pursuant to the provisions of the Credit Agreement or the Security Documents, survive the termination thereof), upon written request of the Borrower, the Collateral Agent shall execute, acknowledge, and deliver to the Pledgors an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Patents under this Patent Security Agreement.

1 List the Patents identified in the Perfection Schedule.

[*Signature Page Follows*]

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

[PLEDGORS]

By: _____
Name:
Title:

[ORIGINAL GUARANTORS][2]

By: _____
Name:
Title:

2 This agreement needs to be executed by any Guarantor that owns Patent Collateral.

Accepted and Agreed:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

SCHEDULE 1
to
PATENT SECURITY AGREEMENT

ORIGINAL GUARANTORS

NAME	ADDRESS

SCHEDULE 2
to
PATENT SECURITY AGREEMENT

ISSUED PATENTS AND APPLICATIONS

Issued Patents:

OWNER	REGISTRATION NUMBER	TITLE

Patent Applications:

OWNER	APPLICATION NUMBER	TITLE

EXHIBIT 8

[Form of]

TRADEMARK SECURITY AGREEMENT

This trademark security agreement (this "Trademark Security Agreement"), dated as of [_____ ___, 20___], by BioScrip, Inc., a Delaware corporation (the "Borrower"), and each Guarantor listed on Schedule 1 hereto (collectively, the "Original Guarantors," and, together with the Borrower, the "Pledgors"), in favor of Jefferies Finance LLC, in its capacity as collateral agent (in such capacity, the "Collateral Agent") pursuant to that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

W I T N E S S E T H:

WHEREAS, the Pledgors are party to a Security Agreement of even date with the Credit Agreement (the "Security Agreement") in favor of the Collateral Agent pursuant to which the Pledgors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the ratable benefit of the Secured Parties, to enter into the Credit Agreement, the Pledgors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Trademark Collateral. Each Pledgor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties a lien on and security interest in and to all of its right, title and interest in, to and under all the following Pledged Collateral of such Pledgor (collectively, the "Trademark Collateral"):

(a) Trademarks of such Pledgor listed on Schedule 2[1] attached hereto;

(b) all Goodwill associated with such Trademarks; and

(c) all Proceeds of any and all of the foregoing (other than Excluded Property).

SECTION 3. Security Agreement. The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and the Pledgors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest 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. In the event that any provision of this Trademark Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the full payment and performance of the Secured Obligations (other than contingent indemnification obligations that, pursuant to the provisions of the Credit

1 List the Trademarks identified in the Perfection Certificate.

Agreement or the Security Documents, survive the termination thereof)**,** upon written request of the Borrower, the Collateral Agent shall execute, acknowledge, and deliver to the Pledgors an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Trademarks under this Trademark Security Agreement.

[*Signature Page Follows*]

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

[PLEDGORS]

By: _____
Name:
Title:

[ORIGINAL GUARANTORS][2]

By: _____
Name:
Title:

2 This Agreement needs to be executed by any Guarantor that owns Trademark Collateral.

Accepted and Agreed:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

SCHEDULE 1
to
TRADEMARK SECURITY AGREEMENT

ORIGINAL GUARANTORS

NAME	ADDRESS

SCHEDULE 2
to
TRADEMARK SECURITY AGREEMENT

TRADEMARK REGISTRATIONS AND APPLICATIONS

Trademark Registrations:

OWNER	REGISTRATION NUMBER	TITLE

Trademark Applications:

OWNER	APPLICATION NUMBER	TITLE

EXHIBIT 9

[Form of]

LOCKBOX AGREEMENT

[Date]

Ladies and Gentlemen:

1. [NAME OF BANK], ("Bank") is advised that [_____][12], a [_____] [_____] (the "Pledgor") has entered into (i) that certain credit agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the Credit Agreement"), by and among BioScrip, Inc., each of the guarantors listed on the signature pages thereto, the lenders from time to time party thereto and the several agents party thereto, including Jefferies Finance LLC, as collateral agent (in such capacity, the "Collateral Agent") and (ii) that certain Security Agreement, dated as of March 25, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"), pursuant to which the Pledgor has granted to the Collateral Agent a first priority security interest in, among other things, the accounts receivable of the Pledgor and all proceeds thereof. In connection with the above-referenced financing arrangements, the Pledgor has agreed that all collections and proceeds of the Pledgor's accounts receivable and other remittances made by account debtors in payment of accounts receivable of the Pledgor be made to a lockbox and remitted in kind to the Collateral Agent. Terms used but not defined herein that are defined in the Credit Agreement shall have the meanings assigned to such terms in the Credit Agreement.

2. The Pledgor and Bank hereby confirm to the Collateral Agent that post office box number _____ under the sole dominion and control of the Pledgor (the "Lockbox") has been established by the Pledgor and that Bank will have complete access to the items deposited in the Lockbox at all times. The parties hereto agree and acknowledge that the Lockbox is established solely for the purpose of receiving all checks and other forms of payment, amounts and cash from the Medicare and Medicaid programs and other governmental healthcare payors ("Governmental Payors").[13] The Pledgor and Bank hereby represent and warrant to the Collateral Agent that a special, separate account number _____ under the sole dominion and control of the Pledgor (the "Lockbox Account") has been established solely for the purpose of (i) depositing checks and all other forms of payment, amounts and cash received in the Lockbox, and (ii) receiving electronic fund transfers from Governmental Payors. All fees, costs and expenses charged by Bank for the Lockbox and the Lockbox Account shall be in accordance with Bank's customary practices and shall be payable by the Pledgor. Except as expressly provided for elsewhere in this Lockbox Agreement (this "Agreement"), the Collateral Agent shall not bear any responsibility for such amounts.

3. The Pledgor hereby directs Bank to take the necessary steps to process for the collection and deposit into the Lockbox Account any and all checks, items and forms of payment or other cash items that are acceptable for collection through the Federal Reserve System and all items of payment received or at any time that are in the Lockbox (collectively, "Checks") on at least a daily basis on each Business Day, in accordance with Section 10 below. For purposes of this Agreement, a "Business Day" is any day other than a Saturday, Sunday or other day on which Bank is or is authorized or required by law to be closed. Bank acknowledges that the Pledgor has granted the Collateral Agent a first priority lien against and security interest in and to, and the Pledgor hereby affirms that it grants such lien and security interest

12 Insert applicable Loan Party.

13 **NOTE: Discuss post-closing items.**

to the Collateral Agent in and to, the Lockbox, Lockbox Account and all Checks, amounts, cash, funds and other items from time to time in the Lockbox and/or in Lockbox Account, and all remittances and the proceeds thereof, and Bank hereby waives any and all rights of setoff or banker's lien or other like or similar right it may now have or hereafter acquire against or with respect to the Pledgor or any of the foregoing, except with respect to (i) any returned or uncollected Checks originally deposited into the Lockbox Account to the extent that the Collateral Agent received value for such Checks, or (ii) to the Bank's customary service charges that are directly and solely related to the Lockbox and/or Lockbox Account. The Pledgor agrees that all Governmental Payors have been, or will be, instructed by the Pledgor to remit all items to be processed through the Lockbox to the P.O. Box address for the Lockbox, or, if payments are made electronically, to make such payments directly to the Lockbox Account. The Pledgor shall immediately forward all payments and amounts that it receives from Governmental Payors to the Lockbox. Each remittance will be processed pursuant to this Agreement (subject to Bank's right to forward such item to the Collateral Agent for inspection and instructions before such item is processed).

4. (a) All proceeds of Checks deposited in the Lockbox Account from time to time, together with all other funds, amounts, payments and cash received by the Bank in the Lockbox, the Lockbox Account or otherwise from Governmental Payors of the Pledgor via wire transfer, ACH or otherwise, shall be held for the benefit of and subject to the first priority lien and security interest of the Collateral Agent in such Checks and other items and proceeds of such Checks and other items, and, without limiting any other provision of this Agreement, all such proceeds shall be available for transfer to the Collateral Agent in accordance with this Agreement.

(b) The processing of Checks for collection by Bank is subject to the same terms and conditions that apply to deposits of Checks received directly from business customers for deposit in Bank's regular demand deposit accounts.

(c) Withdrawals or transfers from the Lockbox Account shall not at any time exceed the collected or available funds in the Lockbox Account, as determined by Bank's current availability schedule. If, however, there is any transfer from the Lockbox Account to the Concentration Account (as defined below) that exceeds the collected or available funds at the end of a Business Day, then Bank may reduce any following day's transfer total by the amount of any returned or uncollected Checks so long as notice of such reduction is given to the Collateral Agent and the Pledgor concurrently with such reduction. In all instances, the Pledgor shall remain liable to Bank for such returned or uncollected Checks. In no instance shall Bank reduce any day's collections to the Lockbox Account, or transfers from such account to the Concentration Account, due to any activity or returned or uncollected items arising out of or in connection with any other account of the Pledgor at Bank or obligation of the Pledgor to Bank.

(d) If the Pledgor fails to reimburse Bank for such returned or uncollected Checks and the available funds in the Lockbox Account and all other separate account(s) of the Pledgor are insufficient for such reimbursement, then (after Bank has exhausted its efforts to collect such funds from the Pledgor) the Collateral Agent will indemnify and hold Bank harmless only for the amount of any returned or uncollected Checks and only to the extent that the Collateral Agent received payment in respect of such Checks; *provided* that no such indemnification shall be required to the extent that the amounts giving rise to such indemnification claim resulted from the negligence or willful misconduct of Bank as finally judicially determined by a court of competent jurisdiction. Such indemnity shall be paid by the Collateral Agent paying to Bank the amount of the returned or uncollected Checks.

5. The Pledgor shall pay the charges in effect from time to time of Bank for the performance of the services set forth in this Agreement and for any other charges in connection with this Agreement. Bank's charges shall be billed directly to the Pledgor in accordance with its normal practice. Charges, fees or other obligations of the Pledgor due to Bank for services provided by Bank, other than those

directly and solely related to the Lockbox and/or the Lockbox Account, may not in any event be debited to the Lockbox Account or Concentration Account or items in the Lockbox.

6. Subject to applicable federal and state law, the Pledgor hereby irrevocably makes, constitutes and appoints Bank (and all persons designated by Bank for that purpose) as the Pledgor's true and lawful attorney and agent-in-fact to endorse the Pledgor's name on all Checks payable to any the Pledgor (or any reasonable variation of their names) with the endorsement "Credit to the account of within named payee without prejudice." Bank's appointment as agent to endorse such Checks is for the specific, limited and restricted purpose of endorsement for deposit as described above and at no time shall be interpreted as authorizing Bank as such agent to commit the Pledgor or the Collateral Agent to acceptance of any legend of any kind, nature or description appearing on such Checks.

7. Notwithstanding anything to the contrary herein or in the Loan Documents or otherwise, Bank shall not offset, charge, deduct or otherwise withdraw funds from the Lockbox and/or Lockbox Account, except as expressly permitted hereunder, until it has been advised in writing by the Collateral Agent that all of the Pledgor's obligations under the Credit Agreement and the other Loan Documents are indefeasibly paid in full in cash and the commitments under the Credit Agreement are terminated.

8. Bank will exercise ordinary care in the performance of its services under this Agreement, and shall be liable to the Collateral Agent or the Pledgor only for losses caused by the negligence or willful misconduct of Bank or its agents, directors, officers or employees. Each of the Pledgor and the Collateral Agent agree that Bank shall not be liable for any damage or loss to it for any delay or failure in performance arising out of the acts or omissions of any third parties, including, but not limited to, various communications services, courier services, the Federal Reserve System, any other bank or any third party that may be affected by funds transactions, fire, mechanical, computer or electrical failures or other unforeseen contingencies, strikes or any similar or dissimilar cause beyond the reasonable control of Bank.

IN ANY EVENT, BANK WILL NOT BE DEEMED TO BE OBLIGATED, LIABLE OR ACCOUNTABLE UPON OR UNDER ANY GUARANTY, REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING THE WARRANTY OF FITNESS FOR A PARTICULAR USE, IN ANY MANNER OR FORM BEYOND THE OBLIGATIONS, REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE IN THIS AGREEMENT. THE PLEDGOR AND THE COLLATERAL AGENT AGREE THAT IN NO EVENT SHALL BANK BE LIABLE FOR LOSS OF PROFITS, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF BANK IS SPECIFICALLY ADVISED OR AWARE OF SUCH POSSIBILITY.

9. It is understood that the services contemplated by this Agreement are provided as a convenience to the Pledgor. In consideration thereof, the Pledgor shall indemnify and hold each of Bank and the Collateral Agent harmless from any and all liability, claims, losses, and demands whatsoever, including, without limitation, reasonable legal fees and expenses, however arising or incurred, because of or in connection with Bank's performance of this Agreement and the transfer of funds contemplated under this Agreement, except those arising directly as a result of Bank's or the Collateral Agent's or their respective agents, directors, officers or employees', as applicable, negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction.

10. The Pledgor hereby directs Bank to, and the Pledgor and Bank hereby agree that, on each Business Day (and without requiring further consent by the Pledgor or any other person or entity) Bank shall (i) open the mail delivered to the Lockbox and deposit on a daily basis all Checks and other forms of payment, funds, cash and other items contained therein into the Lockbox Account and (ii) wire transfer to the Collateral Agent in immediately available funds all funds and amounts on deposit in the Lockbox Account as of the close of the immediately preceding Business Day, including without limitation, all

Checks and amounts transferred from the Lockbox by the Bank and all electronic payments received in the Lockbox Account from obligors of the Pledgor via wire or ACH transfer. The wire and ACH transfers shall be made to the following account of the Collateral Agent (the "Concentration Account"):

Collateral Agent: _____

_____

Attention: _____

Account: _____

ABA: _____

Reference: _____

The Pledgor may modify these written directions by written notice to Bank, provided that any modification to the directions set forth herein shall not become effective until five Business Days after Bank has delivered a copy of such written notice to the Collateral Agent by facsimile or overnight delivery service in accordance with and to the address shown in Section 13 below. Any changes to the directions set forth herein, and any other instructions with respect to the Lockbox Account or Lockbox, shall be honored by Bank only if the Pledgor and Bank each have complied with the provisions of this Section 10. Bank acknowledges all of the provisions of this Agreement and that it will follow only the directions of the Pledgor that are given in accordance with the terms and provisions of this Agreement.

11. The Pledgor authorizes Bank, and Bank agrees, to give the Collateral Agent access to view all Lockbox Account activity via on-line and web access and to mail to the Collateral Agent at least once a month (or more times per month upon the Collateral Agent's request) copies of all Lockbox Account statements.

12. This Agreement shall continue in full force and effect until terminated by Bank or the Collateral Agent upon not less than thirty calendar days' written notice thereof to each of the other parties; *provided*, *however*, upon indefeasible payment in full in cash of all Obligations under the Credit Agreement and the other Loan Documents and termination of the commitments under the Credit Agreement, this Agreement shall terminate upon written notice to Bank by the Collateral Agent. Termination of this Agreement by Bank or the Collateral Agent shall in no event affect any obligation incurred under this Agreement before such termination. This Agreement may be modified from time to time only in a writing executed by each of the Pledgor, the Collateral Agent and Bank. The notice shall be sent by facsimile or by overnight delivery service to the address set forth in Section 13 below.

13. Except as set forth in Section 10, any notice or request hereunder shall be given to any party at its respective address set forth below or at such other address as such person may hereafter specify in a notice given in the manner required under this Section 13. Any notice or request hereunder shall be given to any party at its respective address set forth below or at such other address as such person may hereafter specify in a notice given in the manner required under this Section 13. Any notice or request hereunder shall be given only by, and shall be deemed to have been received upon: (i) registered or certified mail, return receipt requested, on the date on which such received as indicated in such return receipt, (ii) delivery by a nationally recognized overnight courier, one Business Day after deposit with such courier, or (iii) facsimile transmission, upon telephone communication from the recipient acknowledging receipt (whether automatic or manual from recipient), as applicable.

(i) If to the Collateral Agent:

Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: Account Officer — BioScrip
Facsimile No.: (212) 284-3444

(ii) If to the Pledgor:

_____
_____
_____
_____
Attention:
Facsimile No.: ( )

(iii) If to Bank:

_____
_____
_____
_____
Attention:
Facsimile No.: ( )

14. This Agreement shall inure to the benefit of the Collateral Agent (which shall be intended third party beneficiaries hereof), its successors, assigns, transferees and participants (including without limitation to any of the Collateral Agent's affiliates or any Lender, funding sources and/or financing sources) and the Collateral Agent may assign this Agreement to any of the foregoing at any time without notice to or consent of Bank or the Pledgor, and this Agreement shall be binding upon the parties hereto and their respective successors, assigns transferees and participants; *provided* that, neither Bank nor the Pledgor may assign, delegate or transfer this Agreement or any of their respective rights or obligations hereunder without the prior written consent of the Collateral Agent, which may be given or withheld in its sole discretion.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to its choice of law provisions that would require the application of laws of another jurisdiction. This Agreement: (i) may be signed by facsimile and in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument; and (ii) shall become effective when counterparts hereof have been signed and delivered by the parties hereto. All parties hereby waive all rights to a trial by jury in any action or proceeding relating to the Lockbox, the Lockbox Account, the Concentration Account or this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, this Lockbox Agreement has been signed by the parties as of the date written above.

[BANK]

By: _____
Name: _____
Title: _____

[PLEDGOR]

By: _____
Name: _____
Title: _____

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name: _____
Title: _____

Exhibit 10.3

FIRST AMENDMENT, dated as of March 25, 2010 (as it may be amended, modified or supplemented from time to time, this "**First Amendment**") to the PRIME VENDOR AGREEMENT made as of July 1, 2009 (the "**Existing Prime Vendor Agreement**") between AmerisourceBergen Drug Corporation ("**ABDC**") and Bioscrip, Inc., BioScrip Infusion Services, Inc., Chonimed LLC, Los Feliz Drugs Inc., Bioscrip Pharmacy Inc. and Bradhurst Specialty Pharmacy, Inc., Bioscrip Pharmacy (NY), Inc., Bioscrip PMB Services, LLC, Natural Living Inc., Bioscrip Infusion Services, LLC, Bioscrip Nursing Services, LLC, Bioscrip Infusion Management, LLC, and Bioscrip Pharmacy Services, Inc. (severally and collectively sometimes hereinafter referred to and obligated as "**Customer**"). Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Existing Prime Vendor Agreement.

ABDC and Customer have agreed to amend the Existing Prime Vendor Agreement, confirm the liability of each of the undersigned as a "Customer" under such agreement and modify the scope of the security interest in the collateral granted therein. Accordingly, the parties hereto, intending to be legally bound, hereby further covenant and agree as follows:

1. Joinder and Assumption.

(a) Each of the undersigned hereby join in, assume and agree to be bound by all terms, covenants and conditions set forth in the Existing Prime Vendor Agreement, as hereby amended (the same, as it may be further amended, supplemented or otherwise modified from time to time, the "**PVA**"), as if each of the undersigned were originally a party to the PVA. Accordingly, effective immediately, each of the undersigned is and shall be deemed a Customer under the PVA and all related instruments, agreements and documents.

(b) Each of the undersigned agrees to (i) cause each subsidiary or affiliate of the undersigned which may from and after the date hereof be acquired or formed by any of the undersigned to likewise join in, assume and agree to be bound by all terms, covenants and conditions set forth in the PVA and thereby become a Customer under the PVA and all related instruments, agreements and documents, and (ii) execute and/or deliver such instruments, agreements and documents as ABDC may reasonably require to effectuate the intents and objects of this provision and the PVA and all related instruments, agreements and documents.

(c) Without limiting the generality of the foregoing, each other of the undersigned grant, affirm and/or reaffirm (and shall cause each subsidiary or affiliate of the undersigned which may be acquired or formed by any of the undersigned to grant) a lien on and security interest in and to the Collateral (as hereinafter defined) by joining in and agreeing to be bound by the terms, covenants and conditions set forth in the PVA.

Notwithstanding anything to the contrary set forth in this Section 1 of this PVA, the joinder of a Customer and the execution and exchange of documentation in connection therewith shall not be required with respect to any affiliate or subsidiary that is a party to a contract with a vendor of Inventory of a type which is available for purchase from ABDC until lawful termination of such contract; provided, however, that the undersigned and/or any such subsidiary or affiliate shall terminate (or cause termination of) such contract in accordance with its terms as quickly as commercially reasonable, without penalty, damages or other costs to such affiliate or subsidiary for such termination so that such affiliate or subsidiary may join in the PVA as soon after such termination as practicable.

2. Amendment to Section 9.2 of Exhibit 3. Section 9.2 of Exhibit 3 to the Existing Prime Vendor Agreement is hereby amended by (i) deleting such provision in its entirety, and (ii) substituting therefor the following new Section 9.2:

> 9.2 Security Interest. Without limiting the generality of the joinder in and to the PVA and assumption of liabilities and obligations of Customer, to secure all of Customer's existing and future debts, liabilities and obligations to ABDC, Customer hereby grants to ABDC a lien upon and security interest in all of Customer's Inventory, Accounts and Proceeds and products thereto and thereof, wherever located, now owned or hereafter acquired or arising ("**Collateral**"). All capitalized terms used herein and not defined have the meaning in the Uniform Commercial Code as in effect in any jurisdiction in which any of the Collateral may at the time be located (the "**UCC**"). Customer hereby authorizes ABDC to file UCC financing statements describing the Collateral in all such jurisdictions as ABDC deems appropriate. Customer agrees it will not make sales, leases or other dispositions of any of the Collateral except in the ordinary course of business of Customer without the prior, written consent of ABDC. Customer hereby authorizes ABDC to do such other and further things as ABDC deems reasonably necessary or appropriate to achieve the purposes of this Paragraph.

3. Governing Law. All questions concerning the validity or meaning of this First Amendment, and the Existing Prime Vendor Agreement as amended by this First Amendment or relating to the rights and obligations of the parties with respect to the performance hereunder or hereunder shall be construed and resolved under the laws of the State of New York, except to the extent that UCC provides for the application of the laws of the states of organization with respect to the perfection, priority and enforceability of the Collateral.

IN WITNESS WHEREOF, the parties have had a duly authorized officer execute this First Amendment to the Prime Vendor Agreement as of the date first listed above.

BIOSCRIP INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CHRONIMED, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

LOS FELIZ DRUGS INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

[Signatures Continue on Next Page]

BIOSCRIP PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP PHARMACY (NY), INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

NATURAL LIVING, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP NURSING SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP PHARMACY SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

AMERISOURCEBERGEN DRUG CORPORATION

By: /s/ Mitchell Blumenfeld
Name: Mitchell Blumenfeld
Title: Chief Financial Officer

BRADHURST SPECIALTY PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP PBM SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP INFUSION SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

BIOSCRIP INFUSION MANAGEMENT. LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary, and General Counsel

Exhibit 10.4

EXECUTION VERSION

This INTERCREDITOR AGREEMENT, dated as of March 25, 2010 (this "***Agreement***"), is between Jefferies Finance LLC, as agent for the First Priority Secured Parties (as defined below) (in such capacity, the "***First Priority Agent***"), and AmerisourceBergen Drug Corporation, a Delaware corporation ("***ABDC***").

PRELIMINARY STATEMENT

Reference is made to (a) the credit agreement, dated as of March 25, 2010 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "***First Priority Debt Agreement***"), among BioScrip, Inc., a Delaware corporation (the "***Company***"), the lenders from time to time party thereto (the "***First Priority Creditors***"), the subsidiary guarantors of the Company from time to time party thereto, Jefferies Finance LLC, as lead arranger, as book manager, as administrative agent for the First Priority Creditors and as collateral agent for the First Priority Secured Parties, ING Capital LLC, as syndication agent, Compass Bank, as a co-documentation agent, General Electric Capital Corporation, a co-documentation agent, Healthcare Finance Group, LLC, as collateral manager and issuing bank for the First Priority Creditors, and HFG Healthco-4, LLC, as swingline lender for the First Priority Creditors, (b) the security agreement, dated as of March 25, 2010 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "***First Priority Security Agreement***"), among the Company, the subsidiaries of the Company from time to time party thereto, and the First Priority Agent, (c) the other Loan Documents as defined, and referred to, in the First Priority Debt Agreement, and (d) the prime vendor agreement, dated as of July 1, 2009 (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, the "***Prime Vendor Agreement***"), between by ABDC and the Company and certain subsidiaries of the Company.

RECITALS

A. Pursuant to the Prime Vendor Agreement, the Grantors (as hereinafter defined) granted ABDC a lien in all of their existing and future inventory and accounts and proceeds thereof (including insurance proceeds).

B. The First Priority Creditors have agreed to make loans and other extensions of credit to the Company pursuant to the First Priority Debt Agreement (in an aggregate committed principal amount, as of the Closing Date, of $150,000,000, subject to the terms and conditions contained therein and in the other Loan Documents) on the condition, among others, that the First Priority Claims (such term and each other capitalized term used but not defined in the preliminary statement or these recitals having the meaning given it in Article I) shall be secured by first priority Liens on, and security interests in, substantially all of the assets of the Company (including the Collateral), and that the priority of the Liens securing the First Priority Claims be senior and prior to the Liens securing the Second Priority Claims.

C. ABDC has agreed to the subordination of Liens securing the Company's obligations under the Second Priority Financing Documents to the Liens securing the First Priority Claims, upon the terms and subject to the conditions set forth in this Agreement.

D. The First Priority Debt Agreement requires, among other things, that the First Priority Collateral Agent and ABDC set forth in this Agreement, among other things, their respective rights, obligations and remedies with respect to the Collateral.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Certain Defined Terms***. Capitalized terms used in this Agreement and not otherwise defined herein shall, except to the extent the context otherwise requires, have the meanings set forth in the First Priority Debt Agreement (as in effect on the date hereof) or the First Priority Security Agreement (as in effect on the date hereof), as applicable.

SECTION 1.02. ***Other Defined Terms***. As used in this Agreement, the following terms shall have the meanings specified below:

"***Agreement***" shall have the meaning assigned to such term in the preamble hereto.

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy," as now and hereinafter in effect, or any successor statute.

"***Bankruptcy Law***" shall mean the Bankruptcy Code and any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law.

"***Collateral***" shall mean, collectively, all Second Priority Collateral that is (or purports to be or, pursuant to the terms hereof or any of the First Priority Debt Documents, is required to be) part of the First Priority Collateral.

"***Company***" shall have the meaning assigned to such term in the preliminary statement to this Agreement.

"***Debt Documents***" shall mean the First Priority Debt Documents and the Second Priority Financing Documents.

"***DIP Financing***" shall have the meaning assigned to such term in Section 5.01(a).

"***DIP Financing Liens***" shall have the meaning assigned to such term in Section 5.01(a).

"***Discharge of First Priority Claims***" shall mean, subject to Sections 6.01 and 6.02, (a) payment in full in cash of the principal of and interest (including interest accruing during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under the First Priority Debt Documents to the extent constituting First Priority Claims, (b) payment in full in cash of all other First Priority Claims that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid, (c) cancellation of or the entry into collateralization arrangements satisfactory to the First Priority Agent and the Issuing Bank with respect to all Letters of Credit issued and outstanding under the First Priority Debt Agreement, and (d) the termination or expiration of all commitments to lend and all obligations to issue or extend Letters of Credit under the First Priority Debt Agreement; *provided*, *further*, that, with respect to each First Priority Creditor's First Priority Claims, the acceptance by such First Priority (in its absolute discretion) of non-cash consideration in exchange for its First Priority Claims (or applicable specified portion thereof), coupled with a written acknowledgment of discharge in form and substance satisfactory to such First Priority

Creditor, shall also constitute, subject to Section 6.02, a Discharge of First Priority Claims only with respect to such exchanged First Priority Claims relating to such First Priority Creditor.

"***Discharge of Second Priority Claims***" shall mean, subject to Section 6.02, payment in full in cash of all Indebtedness outstanding under the Second Priority Financing Documents to the extent constituting Second Priority Claims and the termination of all Second Priority Financing Documents.

"***Disposition***" shall mean any sale, lease, exchange, transfer or other disposition. "***Dispose***" shall have a correlative meaning.

"***First Priority Agent***" shall have the meaning assigned to such term in the preamble to this Agreement.

"***First Priority Claims***" shall mean (i) the due and punctual payment of (A) the principal of and interest (including interest accruing during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding) on the loans and other advances outstanding under the First Priority Debt Agreement, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) each payment required to be made by the Company under the First Priority Debt Agreement in respect of any Letter of Credit, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (C) all other monetary obligations of the Company to any of the First Priority Secured Parties under the First Priority Debt Agreement and each of the other First Priority Debt Documents, including fees (including any early termination or prepayment fees), costs, expenses (including fees and expenses of counsel) and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding), (ii) the due and punctual performance of all other obligations of the Company under or pursuant to the First Priority Debt Agreement and each of the other First Priority Debt Documents, and (iii) the due and punctual payment and performance of all the obligations of each other Grantor under or pursuant to the First Priority Debt Agreement and each of the other First Priority Debt Documents.

"***First Priority Collateral***" shall mean, collectively, all "Collateral", as defined in each of the First Priority Debt Agreement and/or in any other First Priority Debt Document, including all property of any Grantor now or at any time hereafter subject to Liens securing any First Priority Claims.

"***First Priority Creditors***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Debt Agreement***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Debt Documents***" shall mean the "Loan Documents" as defined in the First Priority Debt Agreement.

"***First Priority Liens***" shall mean all Liens on the First Priority Collateral securing the First Priority Claims, whether created under the First Priority Security Documents or acquired by possession, statute (including any judgment lien), operation of law, subrogation or otherwise.

"***First Priority Secured Parties***" shall mean, at any time, (a) the First Priority Creditors, (b) the First Priority Agent, (d) the Issuing Bank, (e) each other Person to whom any of the First Priority Claims is owed (including any Affiliate of a First Priority Creditor to whom any First Priority Claims of the type described in clause (b) of the definition thereof is owed) and (f) the successors and assigns of each of the foregoing.

"***First Priority Security Agreement***" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"***First Priority Security Documents***" shall mean the First Priority Debt Agreement, the First Priority Security Agreement and any other agreement, document or instrument pursuant to which a Lien is granted by any Grantor to secure any First Priority Claims or under which rights or remedies with respect to any such Lien are governed.

"***Grantors***" shall mean the Company and each of its Subsidiaries that shall have created or purported to create any First Priority Lien or Second Priority Lien on all or any part of its assets to secure any First Priority Claims or any Second Priority Claims, and each other Person that shall have created or purported to create any First Priority Lien or Second Priority Lien on all or any part of its assets to secure any First Priority Claims or any Second Priority Claims.

"***Guarantors***" shall mean, collectively, each Grantor that has guaranteed, or that may from time to time hereafter guarantee, the First Priority Claims or the Second Priority Claims, whether by executing and delivering the First Priority Debt Agreement, the First Priority Security Agreement, the Second Priority Financing Agreement and a supplement thereto or otherwise.

"***Indebtedness***" shall mean and includes all obligations that constitute "Indebtedness" as defined in the First Priority Debt Agreement.

"***Insolvency or Liquidation Proceeding***" shall mean (a) any voluntary or involuntary proceeding under the Bankruptcy Code or any other Bankruptcy Law with respect to any Grantor, (b) any voluntary or involuntary appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Grantor or for a substantial part of the property or assets of any Grantor, (c) any voluntary or involuntary winding-up or liquidation of any Grantor, or (d) a general assignment for the benefit of creditors by any Grantor.

"***Issuing Bank***" shall mean the "Issuing Lender" as defined in the First Priority Debt Agreement.

"***Letter of Credit***" shall mean a "Letter of Credit" as defined in the First Priority Debt Agreement.

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third Person with respect to such securities.

"***Liquidation Sale***" shall mean a so-called bulk sale, liquidation sale or "going out of business sale" conducted either by any Secured Party or a Grantor in respect to all or a substantial portion of such Grantor's Collateral following the occurrence and during the continuance of a

Default or an Event of Default under, and as defined in, either the First Priority Debt Documents or Second Priority Financing Documents.

"***New First Priority Agent***" shall have the meaning assigned to such term in Section 6.01.

"***New First Priority Claims***" shall have the meaning assigned to such term in Section 6.01.

"***New First Priority Debt Documents***" shall have the meaning assigned to such term in Section 6.01.

"***Pledged or Controlled Collateral***" shall have the meaning assigned to such term in Section 6.04.

"***Refinance***" shall mean, in respect of any Indebtedness, to refinance, extend, renew, restructure (including by the amendment and restatement of any instrument or agreement evidencing such Indebtedness) or replace or to issue other Indebtedness in exchange or replacement for, such Indebtedness, in whole or in part. "***Refinanced***" and "***Refinancing***" shall have correlative meanings.

"***Refinancing Notice***" shall have the meaning assigned to such term in Section 6.01.

"***Release***" shall have the meaning assigned to such term in Section 3.04.

"***Second Priority Financing Documents***" shall mean the Prime Vendor Agreement and any other agreement, instrument, certificate or other document pursuant to which any Grantor grants (or purports to grant) a security interest in or a Lien on any property of any Grantor now or at any time hereafter.

"***Second Priority Claims***" shall mean all Indebtedness of the Grantors under the Second Priority Financing Documents.

"***Second Priority Collateral***" shall mean, collectively, all "Collateral", as defined in the Prime Vendor Agreement, including all property of any Grantor now or at any time hereafter subject to Liens securing any Second Priority Claims; *provided*, that as of the date hereof, the "Second Priority Collateral" shall, exclusively, be comprised of all assets of Grantors described in Recital A of this Agreement, wherever located, now owned or hereafter acquired or arising.

"***Second Priority Creditors***" shall mean AmerisourceBergen Drug Corporation, a Delaware corporation, and its successors and assigns.

"***Second Priority Liens***" shall mean all Liens on the Second Priority Collateral securing the Second Priority Claims created under the Second Priority Financing Documents or acquired by assignment, and shall not include any judgment Liens acquired through the exercise by ABDC of any rights or remedies as an unsecured creditor (except to the extent, and only to the extent, that such judgment Liens relate to, or are applicable to, the Second Priority Collateral).

"***Second Priority Permitted Actions***" shall have the meaning assigned to such term in Section 3.01(a).

"***Second Priority Secured Parties***" shall mean, at any time, (a) the Second Priority Creditors, (b) each other Subsidiary or Affiliate of any Second Priority Creditor to whom any of the Second Priority Claims (including indemnification obligations) is owed and (c) the successor and assigns of each of the foregoing.

"***Secured Parties***" shall mean, as the context may require, the First Priority Secured Parties and/or the Second Priority Secured Parties.

"***Uniform Commercial Code***" or "***UCC***" shall mean the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in any applicable jurisdiction.

SECTION 1.03. ***Terms Generally***. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (b) any reference herein (i) to any Person shall be construed to include such Person's successors and assigns and (ii) to the Company or any other Grantor shall be construed to include the Company or such Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor, as the case may be, in any Insolvency or Liquidation Proceeding or Liquidation Sale, (c) the word "remedies" shall be construed to refer to all remedies (whether at law, equity or otherwise, including under contract (including netting, set-off or similar remedies), statute or regulation or otherwise, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles or Sections shall be construed to refer to Articles or Sections of this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II

Lien Priorities

SECTION 2.01. ***Relative Priorities***. Notwithstanding the date, manner or order of grant, attachment or perfection of any Second Priority Lien and any First Priority Lien, and notwithstanding any provision of the UCC or any other applicable law or the provisions of any First Priority Debt Agreement, First Priority Security Agreement or Second Priority Financing Agreement or any other circumstance whatsoever, the parties hereby agree that so long as the Discharge of First Priority Claims has not occurred, (i) any First Priority Lien (to the extent perfected) on any Collateral now or hereafter held by or for the benefit of any First Priority Secured Party shall be senior in right, priority, operation, effect and all other respects to any and all Second Priority Liens on any Collateral, and (ii) any Second Priority Lien on any Collateral now or hereafter held by or for the benefit of any Second Priority Secured Party shall be junior and subordinate in right, priority, operation, effect and all other respects to any and all First Priority Liens (to the extent perfected) on any Collateral, and the First Priority Liens (to the extent perfected) on any Collateral shall be and remain senior in right, priority, operation, effect and all other respects to any Second Priority Liens on any Collateral for all purposes, whether or

not any First Priority Liens on any Collateral are subordinated in any respect to any other Lien held by any Person (other than the Second Priority Secured Parties) securing any other obligation of the Company, any other Grantor or any other Person; *provided*, *however*, for the avoidance of doubt, nothing herein contained shall be deemed a subordination in right of payment of the Second Priority Claims to the First Priority Claims.

SECTION 2.02. ***Prohibition on Contesting Liens***. ABDC, for itself and on behalf of the other Second Priority Secured Parties, hereby agrees that it will not, and hereby waives any right to, contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity or enforceability of any First Priority Lien. First Priority Agent, for itself and on behalf of the other First Priority Secured Parties, hereby agrees that it will not, and hereby waives any right to, contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding) the priority (subject to the terms hereof governing relative priorities) validity or enforceability of any Second Priority Lien.

SECTION 2.03. ***Common Collateral***. The parties hereto acknowledge and agree that it is their intention that the Second Priority Collateral be included within the First Priority Collateral and that, without limiting the foregoing, no portion of the Second Priority Collateral shall not be a part of the First Priority Collateral. In furtherance of the foregoing, the parties hereto agree to cooperate in good faith in order to determine, upon any reasonable request by the First Priority Agent or ABDC, the specific assets included in the First Priority Collateral and the Second Priority Collateral, the steps taken to perfect the First Priority Liens and the Second Priority Liens thereon and the identity of the respective parties obligated under the First Priority Debt Documents and the Second Priority Financing Documents in respect of the First Priority Claims and the Second Priority Claims, respectively and, to the extent that any portion of the Second Priority Collateral is not included within the First Priority Collateral at any time, without limiting any other right or remedy available to the First Priority Agent or the other First Priority Secured Parties, ABDC, for itself and on behalf of the other Second Priority Secured Parties, agrees that any amounts received by or distributed to any Second Priority Secured Party pursuant to or as a result of any Lien in such Second Priority Collateral shall be subject to Section 4.02. In addition, in furtherance of the foregoing, without the prior written consent of the First Security Priority Agent, no Second Priority Financing Document may be amended, supplemented or otherwise modified, or entered into, to the extent such amendment, supplement or modification, or the terms of such new Second Priority Financing Document, would (i) contravene the provisions of this Agreement or (ii) increase, expand or otherwise add to the Second Priority Collateral.

ARTICLE III

Enforcement of Rights; Matters Relating to Collateral

SECTION 3.01. ***Exercise of Rights and Remedies***. (a) So long as the Discharge of First Priority Claims has not occurred, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the First Priority Agent and the other First Priority Secured Parties shall have the exclusive right to enforce rights and exercise remedies with respect to the Collateral (including making determinations regarding the release, Disposition or restrictions with respect to the Collateral), or to commence or seek to commence any action or proceeding with respect to such rights or remedies (including any foreclosure action or proceeding or any Insolvency or Liquidation Proceeding or Liquidation Sale), in each case,

without any consultation with or the consent of any Second Priority Secured Party except as required pursuant to applicable law; *provided* that, notwithstanding the foregoing, (i) in any Insolvency or Liquidation Proceeding, the Second Priority Secured Parties may file a proof of claim or statement of interest with respect to the Second Priority Claims; (ii) the Second Priority Secured Parties may take any action to preserve or protect the validity and enforceability of the Second Priority Liens, *provided* that no such action is, or could reasonably be expected to be, (A) materially adverse to the First Priority Liens or the rights of the First Priority Secured Parties as secured creditors or any other First Priority Secured Party to exercise remedies as secured creditors in respect thereof or (B) otherwise inconsistent with the terms of this Agreement, including the automatic release of Second Priority Liens provided in Section 3.04; (iii) the Second Priority Secured Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Second Priority Secured Parties, including any claims secured by the Collateral or otherwise make any agreements or file any motions pertaining to the Second Priority Claims, in each case, to the extent not inconsistent with the terms of this Agreement; (iv) the Second Priority Secured Parties may exercise rights and remedies as unsecured creditors, as provided in Section 3.03(a); and (v) subject to Section 3.02(a), the Second Priority Agent and the other Second Priority Secured Parties may enforce any of their rights and exercise any of their remedies with respect to the Collateral after the termination of the Standstill Period (the actions described in this proviso being referred to herein as the "***Second Priority Permitted Actions***"). Except for the Second Priority Permitted Actions, unless and until the Discharge of First Priority Claims has occurred, the sole right of the Second Priority Secured Parties with respect to the Collateral shall be to receive the proceeds of the Collateral, if any, remaining after the Discharge of First Priority Claims has occurred and in accordance with the Second Priority Financing Documents and applicable law.

(b) In exercising rights and remedies with respect to the Collateral, subject to applicable law (including all provisions of the UCC applicable thereto), the First Priority Agent and the other First Priority Secured Parties may enforce the provisions of the First Priority Debt Documents and exercise remedies thereunder, all in such order, without notice (except as required by applicable law (including all provisions of the UCC applicable thereto)) to any Second Priority Secured Creditor and in such manner as they may determine in their sole discretion (*provided* that, without limiting the foregoing, the First Priority Agent shall use its commercially reasonable efforts to provide ABDC with subsequent notice thereof). Such exercise and enforcement shall include the rights of an agent appointed by them to Dispose of Collateral upon foreclosure, to incur expenses in connection with any such Disposition and to exercise all the rights and remedies of a secured creditor under and in accordance with the Uniform Commercial Code, the Bankruptcy Code or any other Bankruptcy Law.

(c) In exercising rights and remedies with respect to the Collateral, the Second Priority Secured Parties may enforce the provisions of the Second Priority Financing Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in their sole discretion, in each case, to the extent that such enforcement or exercise is not otherwise prohibited by clauses (a) through (c) of this Section 3.01. Such exercise and enforcement shall, in each case, to the extent that such enforcement or exercise is not otherwise prohibited by clauses (a) through (c) of this Section 3.01, include the rights of an agent appointed by them to Dispose of Collateral upon foreclosure, to incur expenses in connection with any such Disposition and to exercise all the rights and remedies of a secured creditor under the Uniform Commercial Code, the Bankruptcy Code or any other Bankruptcy Law. ABDC agrees to provide at least 5 Business Days' prior written notice to the First Priority Agent of its intention to

foreclose upon or Dispose of any Collateral; *provided*, *however*, that the failure to give any such notice shall not in any way limit its ability to foreclose upon or Dispose of any Collateral to the extent that such foreclosure is not otherwise prohibited by clauses (a) through (d) of this Section 3.01.

SECTION 3.02. ***No Interference***. ABDC, for itself and on behalf of the other Second Priority Secured Parties, agrees that, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the Second Priority Secured Parties:

(a) except for Second Priority Permitted Actions, will not, so long as the Discharge of First Priority Claims has not occurred, (A) enforce or exercise, or seek to enforce or exercise, any rights or remedies with respect to any Collateral (including the enforcement of any right under any account control agreement, landlord waiver or bailee's letter or any similar agreement or arrangement to which any Second Priority Secured Party is a party) or (B) commence or join with any Person (other than the First Priority Agent) in commencing, or petition for or vote in favor of any resolution for, any action or proceeding with respect to such rights or remedies (including any foreclosure action); *provided*, *however*, that none of the Second Priority Secured Parties may enforce or exercise any or all such rights and remedies, or commence, join with any Person in commencing, or petition for or vote in favor of any resolution for, any such action or proceeding, after a period of 90 days has elapsed (which period shall be tolled during any period in which the First Priority Agent shall not be entitled to enforce or exercise any rights or remedies with respect to any Collateral as a result of (x) any injunction issued by a court of competent jurisdiction or (y) the automatic stay or any other stay in any Insolvency or Liquidation Proceeding) since the date on which ABDC has delivered to the First Priority Agent written notice of an uncured default under the Prime Vending Agreement (the "***Standstill Period***"); *provided further*, *however*, that (1) notwithstanding the expiration of the Standstill Period or anything herein to the contrary, in no event shall ABDC or any other Second Priority Secured Party enforce or exercise any rights or remedies with respect to any Collateral, or commence, join with any Person at any time in commencing, or petition for or vote in favor of any resolution for, any such action or proceeding, if the First Priority Agent or any other First Priority Secured Party shall have commenced, and shall be diligently pursuing (or shall have sought or requested relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding to enable the commencement and pursuit thereof), the enforcement or exercise of any rights or remedies with respect to any Collateral or any such action or proceeding (prompt written notice thereof to be given to the Second Priority Agent by the First Priority Agent) and (2) after the expiration of the Standstill Period, so long as neither the First Priority Agent nor the First Priority Secured Parties have commenced any action to enforce their Lien on any material portion of the Collateral, in the event that and for so long as the Second Priority Secured Parties (or ABDC on their behalf) have commenced any actions to enforce their Lien with respect to any Collateral to the extent permitted hereunder and are diligently pursuing such actions, neither the First Priority Secured Parties nor the First Priority Agent shall take any action of a similar nature with respect to such Collateral; *provided* that all other provisions of this Agreement (including the turnover provisions of Article IV) are complied with;

(b) will not contest, protest or object to any foreclosure action or proceeding brought by the First Priority Agent or any other First Priority Secured Party, or any other enforcement or exercise by any First Priority Secured Party of any rights or remedies relating to the Collateral under the First Priority Debt Documents or an Insolvency or Liquidation Proceeding or in connection with a Liquidation Sale or otherwise, so long as Second Priority Liens attach to the proceeds thereof subject to the relative priorities set forth in Section 2.01(a),

and will not contest, protest or object to the forbearance by the First Priority Agent or any other First Priority Secured Party from commencing or pursuing any foreclosure action or proceeding or any other enforcement or exercise of any rights or remedies with respect to the Collateral.

In furtherance of the foregoing, ABDC, for itself and on behalf of the other Second Priority Secured Parties, agrees that, whether or not any Insolvency or Liquidation Proceeding or Liquidation Sale has been commenced, the Second Priority Secured Parties will not, except for Second Priority Permitted Actions, (w) take or receive any Collateral, or any proceeds thereof or payment with respect thereto, in connection with the exercise of any right or enforcement of any remedy with respect to any Collateral or in connection with any insurance policy award under a policy of insurance relating to any Collateral or any condemnation award (or deed in lieu of condemnation) relating to any Collateral, (x) take any action that would, or could reasonably be expected to, hinder, in any manner, any exercise of remedies under the First Priority Debt Documents, including any Disposition of any Collateral, whether by foreclosure or otherwise and (y) object to the manner in which the First Priority Agent or any other First Priority Secured Party may seek to enforce or collect the First Priority Claims or the First Priority Liens, regardless of whether any action or failure to act by or on behalf of the First Priority Agent or any other First Priority Secured Party is, or could be, adverse to the interests of the Second Priority Secured Parties, and will not assert, and hereby waive, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or other similar right that may be available under applicable law with respect to the Collateral or any similar rights a junior secured creditor may have under applicable law, and (z) will not attempt, directly or indirectly, whether by judicial proceeding or otherwise, to challenge or question the validity or enforceability of any First Priority Claim or any First Priority Security Document, including this Agreement, or the validity or enforceability of the priorities, rights or obligations established by this Agreement.

SECTION 3.03. ***Rights as Unsecured Creditors***. The Second Priority Secured Parties may, in accordance with the terms of the Second Priority Financing Documents and applicable law, enforce rights and exercise remedies against any Grantor as unsecured creditors; *provided* that no such action is otherwise inconsistent with the terms of this Agreement. Without limiting the generality of the foregoing sentence, the Second Priority Secured Parties shall be entitled to prosecute litigation against any Grantor or any other Person liable in respect of the Second Priority Claims but shall be prohibited from taking any action to enforce any judgment relating to, or applicable to, any of the Second Priority Collateral until the Discharge of the First Priority Claims. Nothing in this Agreement shall prohibit the receipt by any Second Priority Secured Party of the required payments of any amounts due under the Second Priority Financing Documents so long as such receipt is not the direct or indirect result of the enforcement of Second Priority Liens or exercise in contravention of this Agreement by any Second Priority Secured Party of rights or remedies as a secured creditor against Collateral or enforcement in contravention of this Agreement of any Second Priority Lien against Collateral (including any judgment lien resulting from the exercise of remedies available to an unsecured creditor to the extent relating to, or applicable to, any of the Second Priority Collateral).

SECTION 3.04. ***Automatic Release of Second Priority Liens***. If, in connection with (i) any Disposition of any Collateral permitted under the terms of the First Priority Debt Documents or (ii) the enforcement or exercise of any rights or remedies with respect to the Collateral, including any Disposition of Collateral, the First Priority Agent, for itself and on behalf of the other First Priority Secured Parties, (x) releases any of the First Priority Liens, or (y) releases any Guarantor from its obligations under its guarantee of the First Priority

Claims (in each case, a "***Release***"), other than any such Release granted following (and not as a condition to) the Discharge of First Priority Claims, then the Second Priority Liens on such Collateral (to the extent, and only to the extent, subject to the release pursuant to preceding clause (x)), and the obligations of such Guarantor under its guarantee of the Second Priority Claims (to the extent, and only to the extent, to the release of the applicable Guarantor pursuant to preceding clause (y)), shall be automatically, unconditionally and simultaneously released (subject to the receipt by the First Priority Agent of any applicable cash proceeds of any such Disposition or sums realized in enforcement or exercise of any rights or remedies with respect to the Second Priority Collateral and the application thereof in accordance with the terms of this Agreement), and ABDC shall, for itself and on behalf of the other Second Priority Secured Parties, promptly execute and deliver to the First Priority Agent, the relevant Grantor or such Guarantor such termination statements, releases and other documents as the First Priority Agent or the relevant Grantor or Guarantor may reasonably request and provide to effectively confirm such Release. For the avoidance of doubt, all proceeds of any Disposition of Collateral or other enforcement or exercise of any rights or remedies with respect to the Collateral received by any Secured Party shall be subject the to application of proceeds requirements of Section 4.01 and, until application in accordance therewith, each Secured Party agrees, subject to applicable law, to hold the same in express trust for such Secured Party (or Secured Parties) as are entitled thereto in accordance with the terms hereof. Until the Discharge of First Priority Claims occurs, any ABDC, for itself and on behalf of any other Second Priority Secured Party, hereby appoints the First Priority Agent, and any officer or agent of the First Priority Agent, with full power of substitution, as the attorney-in-fact of each Second Priority Secured Party for the purpose of carrying out the provisions of this Section 3.04 and taking any action and executing any instrument that the First Priority Agent may deem necessary or advisable to accomplish the purposes of this Section 3.04 (including any endorsements or other instruments of transfer or release), which appointment is irrevocable and coupled with an interest.

SECTION 3.05. ***Insurance and Condemnation Awards***. So long as the Discharge of First Priority Claims has not occurred, the First Priority Agent and the other First Priority Secured Parties shall have the exclusive right, subject to the rights of the Grantors under the First Priority Debt Documents, to settle and adjust claims in respect of Collateral under policies of insurance covering Collateral and to approve any award granted in any condemnation or similar proceeding, or any deed in lieu of condemnation, in respect of the Collateral, provided that all the other provisions of this Agreement are complied with in regard thereto. All proceeds of any such policy and any such award, or any payments with respect to a deed in lieu of condemnation, shall (a) first, prior to the Discharge of First Priority Claims and subject to the rights of the Grantors under the First Priority Debt Documents, be paid to the First Priority Agent for the benefit of First Priority Secured Parties pursuant to the terms of the First Priority Debt Documents, (b) second, after the Discharge of First Priority Claims and subject to the rights of the Grantors under the Second Priority Financing Documents, be paid to the Second Priority Secured Parties pursuant to the terms of the Second Priority Financing Documents, and (c) third, be paid to the owner of the subject property or as a court of competent jurisdiction may otherwise direct. Until the Discharge of First Priority Claims has occurred, if any Second Priority Secured Party shall, at any time, receive any proceeds of any such insurance policy or any such award or payment, it shall transfer and pay over such proceeds to the First Priority Agent in accordance with Section 4.02.

SECTION 3.06. ***Notification of Release of Collateral***. Each of the First Priority Agent and ABDC shall give the other prompt written notice of the Disposition by it of, and Release by it of the Lien on, any Collateral. Such notice shall describe in reasonable detail the subject Collateral, the parties involved in such Disposition or Release, the place, time manner

and method thereof, and the consideration, if any, received therefor; *provided*, *however*, that the failure to give any such notice shall not in and of itself in any way impair the effectiveness of any such Disposition or Release.

ARTICLE IV

Payments

SECTION 4.01. ***Application of Proceeds***. Any Collateral or proceeds thereof received by any Secured Party in connection with any Disposition of, or collection on, such Collateral upon the enforcement or exercise of any right or remedy shall be applied as follows:

first, to the payment in full of the First Priority Claims and the costs and reasonable out-of-pocket expenses of the First Priority Agent in connection with such enforcement or exercise, and

second, after all such costs and expenses have been paid in full and the Discharge of First Priority Claims has occurred, to the payment of the Second Priority Claims.

After all such costs and expenses have been paid in full, the Discharge of First Priority Claims has occurred and the Discharge of Second Priority Claims has occurred, any surplus Collateral or proceeds then remaining shall be returned to the applicable Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 4.02. ***Payment Over***. So long as the Discharge of First Priority Claims has not occurred, any Collateral or any proceeds thereof (together with assets or proceeds subject to Liens referred to in the final sentence of Section 2.03) received by any Second Priority Secured Party in connection with any Disposition of, or collection on, such Collateral upon the enforcement or the exercise of any right or remedy with respect to the Collateral, or in connection with any insurance policy claim or any condemnation award (or deed in lieu of condemnation), shall be segregated and held in trust and forthwith transferred or paid over to the First Priority Agent for the benefit of the First Priority Secured Parties in the same form as received, together with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. Until the Discharge of First Priority Claims occurs, ABDC, for itself and on behalf of each other Second Priority Secured Party, hereby appoints the First Priority Agent, and any officer or agent of the First Priority Agent, with full power of substitution, the attorney-in-fact of each Second Priority Secured Party for the purpose of carrying out the provisions of this Section 4.02 and taking any action and executing any instrument that the First Priority Agent may deem necessary or advisable to accomplish the purposes of this Section 4.02, which appointment is irrevocable and coupled with an interest. Nothing herein contained shall be deemed to prohibit any Second Priority Secured Party from receiving and retaining the purchase price paid to such Second Priority Secured Party in the ordinary course of business for Goods sold to any Grantor in the ordinary course of business.

ARTICLE V

Insolvency or Liquidation Proceedings

SECTION 5.01. ***Bankruptcy Finance and Section 363 Matters***. (a) In furtherance of this Agreement, until the Discharge of First Priority Claims has occurred, the ABDC, on behalf of itself and each of the Second Priority Secured Parties, agrees that, in the event of any Insolvency or Liquidation Proceeding, the Second Priority Secured Parties: (i) will not oppose or object to the use of any Collateral constituting cash collateral under Section 363 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, unless the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall oppose or object to such use of cash collateral; (ii) (A) will not oppose or object to any post-petition financing provided to any Grantor, whether provided by the First Priority Secured Parties or any other Person, under Section 364 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law (a "***DIP Financing***"), or the Liens securing any DIP Financing ("***DIP Financing Liens***"), unless the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall then oppose or object to such DIP Financing or such DIP Financing Liens, (B) to the extent that (x) such DIP Financing Liens are senior to, or rank *pari passu* with, the First Priority Liens on the Collateral, and/or (y) the First Priority Claims are included as obligations under such DIP Financing or are repaid with proceeds of the DIP Financing, the Second Priority Secured Parties will subordinate the Second Priority Liens on the Collateral to the First Priority Liens on the Collateral, if applicable, and the DIP Financing Liens (including if the First Priority Claims are (x) included as obligations under such DIP Financing and/or (y) are repaid with proceeds of the DIP Financing) on the terms of this Agreement; and (C) will not propose or support any DIP Financing to any Grantor; (iii) not propose, vote in favor of, or otherwise support any plan of reorganization that is inconsistent with the priorities or other provisions of this Agreement; (iv) except to the extent permitted by paragraph (b) of this Section 5.01, in connection with the use of cash collateral as described in clause (i) above or a DIP Financing, will not request adequate protection with respect to any Collateral or any other relief in connection with such use of cash collateral, DIP Financing or DIP Financing Liens; and (v) will not oppose or object to any Disposition of any Collateral free and clear of the Second Priority Liens or other claims under Section 363 of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, if the First Priority Secured Parties, or a representative authorized by the First Priority Secured Parties, shall consent to such Disposition.

(b) The Second Secured Parties agree that they shall not, and shall not support any other Person in contesting, (i) any request by the First Priority Agent or any other First Priority Secured Party for adequate protection in respect of any First Priority Claims or (ii) any objection, based on a claim of a lack of adequate protection with respect of any First Priority Claims, by the First Priority Agent or any other First Priority Secured Party to any motion, relief, action or proceeding.

SECTION 5.02. ***Additional Bankruptcy Matters***. The Second Priority Secured Parties agree that, so long as the Discharge of First Priority Claims has not occurred, no Second Priority Secured Party shall, without the prior written consent of the First Priority Agent, seek or request relief from or modification of the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any part of the Collateral, any proceeds thereof or any Second Priority Lien on the Collateral. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive

restructuring plan, on account of the First Priority Claims and the Second Priority Claims, then, to the extent the debt obligations distributed on account of the First Priority Claims and on account of the Second Priority Claims are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations. In addition, ABDC, for itself and on behalf of the other Second Priority Secured Parties, (x) agrees that no Second Priority Secured Party shall oppose or seek to challenge any claim by the First Priority Agent or any other First Priority Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Priority Claims consisting of post-petition interest, fees or expenses to the extent of the value of the First Priority Liens (it being understood and agreed that such value shall be determined without regard to the existence of the Second Priority Liens on the Collateral), (y) waives any claim any Second Priority Secured Party may hereafter have against any First Priority Secured Party arising out of (a) the election by any First Priority Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, or any comparable provision of any other Bankruptcy Law, or (b) any use of cash collateral or financing arrangement, or any grant of a security interest in the Collateral, in any Insolvency or Liquidation Proceeding and (z) agrees that, without the written consent of First Priority Agent, it will not seek to vote with the First Priority Agent (or any other First Priority Secured Party) as a single class in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding. In addition, other than with respect to the Second Priority Permitted Actions, nothing contained herein shall prohibit or in any way limit the First Priority Agent or any other First Priority Secured Party from opposing, challenging or objecting to, in any Insolvency or Liquidation Proceeding or otherwise, any action taken, or any claim made, by any Second Priority Secured Party with respect to the Collateral, including any request by any Second Priority Secured Party for adequate protection or any exercise by any Second Priority Secured Party of any of its rights and remedies under the Second Priority Financing Documents with respect to the Collateral or otherwise with respect to the Collateral.

ARTICLE VI

Other Agreements

SECTION 6.01. ***Effect of Refinancing of Indebtedness under First Priority Debt Documents***. If, substantially contemporaneously with the Discharge of First Priority Claims, the Grantors Refinance Indebtedness outstanding under the First Priority Debt Documents and provided that the Company or the First Priority Agent gives to ABDC or any of the other Second Priority Secured Parties written notice (the "***Refinancing Notice***") electing the application of the provisions of this Section 6.01 to such Refinancing Indebtedness, then (i) such Discharge of First Priority Claims shall automatically be deemed not to have occurred for all purposes of this Agreement, (ii) such Refinancing Indebtedness and all other obligations under the documents evidencing such Indebtedness (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000) (the "***New First Priority Claims***") shall automatically be treated as First Priority Claims for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, (iii) the Debt Agreement and the other documents evidencing such Refinancing Indebtedness (the "***New First Priority Debt Documents***") shall automatically be treated as the First Priority Debt Agreement and the First Priority Debt Documents and, in the case of New First Priority Debt Documents that are security documents pursuant to which any Grantor has granted a Lien to secure any New First Priority Claim, as the First Priority Security Documents for all purposes of this Agreement, (iv) the collateral agent under the New First Priority Debt Documents (the "***New First Priority Agent***") shall be deemed to be the First Priority Agent for all purposes of this Agreement and (v)

the lenders and other creditors under the New First Priority Debt Documents shall be deemed to be the First Priority Creditors for all purposes of this Agreement. Upon receipt of a Refinancing Notice, which notice shall include the identity of the New First Priority Agent, the Second Priority Secured Parties shall promptly enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New First Priority Agent may reasonably request in order to provide to the New First Priority Agent the rights and powers contemplated hereby, in each case consistent in all material respects with the terms of this Agreement. The Company shall cause the agreement, document or instrument pursuant to which the New First Priority Agent is appointed to provide that the New First Priority Agent agrees to be bound by the terms of this Agreement.

SECTION 6.02. ***Reinstatement***. If, in any Insolvency or Liquidation Proceeding or otherwise, all or part of any payment with respect to the First Priority Claims previously made shall be rescinded for any reason whatsoever, then the First Priority Claims shall be reinstated to the extent of the amount so rescinded and, if theretofore terminated, this Agreement shall be reinstated in full force and effect and such prior termination shall not diminish, release, discharge, impair or otherwise affect the Lien priorities and the relative rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties provided for herein.

SECTION 6.03. ***Authorization of First Priority Collateral Agent and ABDC***. By accepting the benefits of this Agreement and the other First Priority Security Documents, each First Priority Secured Party hereby authorizes the First Priority Agent to enter into this Agreement and to act on its behalf as collateral agent hereunder and in connection herewith. By accepting the benefits of this Agreement and the other Second Priority Financing Documents, each Second Priority Secured Party authorizes ABDC to enter into this agreement and to act on its behalf as agent hereunder and in connection therewith.

SECTION 6.04. ***Bailment for Perfection of Certain Security Interests***. The First Priority Agent agrees that if it shall at any time hold a First Priority Lien on any Collateral that can be perfected or the priority of which can be enhanced by the possession or control of such Collateral or of any account in which such Collateral is held, and if such Collateral or any such account is in fact in the possession or under the control of the First Priority Agent, or of agents or bailees of the First Priority Agent (such Collateral being referred to herein as the "***Pledged or Controlled Collateral***"), the First Priority Agent shall, solely for the purpose of perfecting the Second Priority Liens granted under the Second Priority Financing Documents and subject to the terms and conditions of this Section 6.04, also (i) hold and/or maintain control of such Pledged or Controlled Collateral as gratuitous bailee for and representative (as defined in Section 1-201(35) of the Uniform Commercial Code as in effect in the State of New York) of, or as agent for, the Second Priority Secured Parties, (ii) with respect to any securities accounts included in the Collateral, have "control" (within the meaning of Section 8-106(d)(3) of the UCC) of such securities accounts on behalf of the Second Priority Secured Parties and (iii) with respect to any deposit accounts included in the Collateral, act as agent for the Second Priority Secured Parties and any assignee. So long as the Discharge of First Priority Claims has not occurred, the First Priority Agent shall be entitled to deal with the Pledged or Controlled Collateral in accordance with the terms of this Agreement and the other First Priority Debt Documents as if the Second Priority Liens did not exist. The obligations and responsibilities of the First Priority Agent to the Second Priority Secured Parties under this Section 6.04 shall be limited solely to holding or controlling the Pledged or Controlled Collateral as gratuitous bailee and representative (as defined in Section 1-201(35) of the Uniform Commercial Code as in effect in the State of New York) in accordance with this Section 6.04. Without limiting the foregoing, the First

Priority Agent shall have no obligation or responsibility to ensure that any Pledged or Controlled Collateral is genuine or owned by any of the Grantors. The First Priority Agent acting pursuant to this Section 6.04 shall not, by reason of this Agreement, any other Security Document or any other document, have a fiduciary relationship in respect of any other First Priority Secured Party or any Second Priority Secured Party. Upon the Discharge of First Priority Claims, the First Priority Agent shall transfer the possession and control of the Pledged or Controlled Collateral, together with any necessary endorsements but without recourse or warranty, (i) if the Second Priority Claims are outstanding at such time, to the Second Priority Secured Parties, if no Second Priority Claims are outstanding at such time, to the applicable Grantor, in each case so as to allow such Person to obtain possession and control of such Pledged or Controlled Collateral. In connection with any transfer under clause (i) of the immediately preceding sentence, the First Priority Agent agrees, at the expense of the Grantors, to take all actions in its power as shall be reasonably requested by the Second Priority Secured Parties to obtain a first priority security interest in the Pledged or Controlled Collateral.

SECTION 6.05. ***Further Assurances***. Each of the First Priority Agent, for itself and on behalf of the other First Priority Secured Parties and the Second Priority Secured Parties, and each Grantor party hereto, for itself and on behalf of its subsidiaries, agrees that it will execute, or will cause to be executed, any and all further documents, agreements and instruments, and take all such further actions, as may be required under any applicable law, or which the First Priority Agent or the Second Priority Secured Parties may reasonably request, to effectuate the terms of this Agreement, including the relative Lien priorities provided for herein.

ARTICLE VII

Representations and Warranties

SECTION 7.01. ***Representations and Warranties of Each Party***. Each party hereto represents and warrants to the other parties hereto as follows:

(a) such party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(b) this Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable in accordance with its terms.

(c) the execution, delivery and performance by such party of this Agreement (i) do not require any consent or approval of, registration or filing with or any other action by any governmental authority (except as contemplated hereby) and (ii) will not violate any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of such party or any order of any governmental authority or any provision of any indenture, agreement or other instrument applicable to or binding upon such party.

SECTION 7.02. ***Representations and Warranties of Each of the First Priority Agent and ABDC***. Each of the First Priority Agent and ABDC represents and warrants to the other parties hereto that it has been duly authorized in writing by the First Priority Secured Parties or Second Priority Secured Parties, as the case may be, to enter into this Agreement.

ARTICLE VIII

No Reliance; No Liability; Obligations Absolute

SECTION 8.01. ***No Reliance; Information***. The First Priority Secured Parties and the Second Priority Secured Parties shall have no duty to disclose to any Second Priority Secured Party or to any First Priority Secured Party, respectively, any information relating to the Company or any of the Grantors, or any other circumstance bearing upon the risk of nonpayment of any of the First Priority Claims or the Second Priority Claims, as the case may be, that is known or becomes known to any of them or any of their Affiliates. In the event any First Priority Secured Party or any Second Priority Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to, respectively, any Second Priority Secured Party or any First Priority Secured Party, it shall be under no obligation (i) to make, and shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of the information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion or (iii) to undertake any investigation.

SECTION 8.02. ***No Warranties or Liability***. (a) The First Priority Agent, for itself and on behalf of the other First Priority Secured Parties, acknowledges and agrees that, except for the representations and warranties set forth in Article VII, no Second Priority Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Second Priority Financing Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. ABDC, for itself and on behalf of the other Second Priority Secured Parties, acknowledges and agrees that, except for the representations and warranties set forth in Article VII, neither the First Priority Agent nor any other First Priority Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the First Priority Debt Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon.

(b) The Second Priority Secured Parties shall have no express or implied duty to the First Priority Agent or any other First Priority Secured Party, and the First Priority Agent and the other First Priority Secured Parties shall have no express or implied duty to the Second Priority Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of a default or an event of default under any First Priority Debt Document and any Second Priority Financing Document (other than, in each case, this Agreement), regardless of any knowledge thereof which they may have or be charged with.

(c) ABDC, for itself and on behalf of the other Second Priority Secured Parties, agrees that no First Priority Secured Party shall have any liability to the Second Priority Secured Parties and hereby waive any claim against any First Priority Secured Party, arising out of any and all actions which the First Priority Agent or the other First Priority Secured Parties may take or permit or omit to take with respect to (i) the First Priority Debt Documents (other than this Agreement), (ii) the collection of the First Priority Claims or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Collateral.

ARTICLE IX

Miscellaneous

SECTION 9.01. ***Notices***. Notices and other communications provided for herein shall be in writing in the English language (or accompanied by a certified translation) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

if to the First Priority Agent:

Jefferies Finance LLC
520 Madison Avenue
New York, New York 10022
Attention: General Counsel — Investment Banking
Facsimile No.: (212) 284-3444

with a copy to:

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
Attention: Joshua W. Thompson
Facsimile No.: (212) 969-2900

if to ABDC or any of the Second Priority Secured Parties;

AmerisourceBergen Drug Corporation
1300 Morris Drive
Chesterbrook, PA 19087-5594
Attention: Group Vice President, Alternate Care
Facsimile No.: (610) 727-3601

with a copy to:

AmerisourceBergen Corporation
1300 Morris Drive
Chesterbrook, Pennsylvania 19087-5594
Attention: General Counsel
Facsimile No.: (610) 727-3612

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to between the Company and any Collateral Agent from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person. In addition, ABDC agrees to use

diligent efforts to provide any notices of default or acceleration or similar notices which they give to any Grantor under any Second Priority Financing Documents.

SECTION 9.02. ***Conflicts***. **IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THIS AGREEMENT AND THE PROVISIONS OF THE OTHER DEBT DOCUMENTS, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL.**

SECTION 9.03. ***Effectiveness; Survival; Termination***. This Agreement shall become effective when executed and delivered by the parties hereto. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. ABDC, for itself and on behalf of the other Second Priority Secured Parties, hereby waive any and all rights the Second Priority Secured Parties may now or hereafter have under applicable law to revoke this Agreement or any of the provisions of this Agreement. This Agreement shall terminate and be of no further force and effect, (i) subject to compliance with its obligations to take certain actions upon Discharge of the Second Priority Claims pursuant to Article V and Section 3.01(d), with respect to the Second Priority Secured Parties and the Second Priority Claims, upon the later of (1) the date upon which the obligations under the Second Priority Financing Documents terminate if there are no other Second Priority Claims outstanding on such date and (2) if there are other Second Priority Claims outstanding on such date, the date upon which such Second Priority Claims terminate, subject to the rights of the Second Priority Claims and ABDC under Section 6.01 and (ii) subject to Section 6.01 and compliance with its obligations to take certain actions upon Discharge of the First Priority Claims pursuant to Article V, with respect to the First Priority Agent, the First Priority Secured Parties and the First Priority Claims, the date of Discharge of First Priority Claims, subject to the rights of the First Priority Secured Parties under Section 6.01. In addition, for the avoidance of doubt, the Lien priorities provided for herein and the respective rights, interests, agreements and obligations hereunder of the First Priority Agent and the other First Priority Secured Parties and the Second Priority Secured Parties shall remain in full force and effect irrespective of: (a) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Claims, it being specifically acknowledged that a portion of the First Priority Claims consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000); (b) any change in the time, place or manner of payment of, or any other term of, all or any portion of the First Priority Claims; (c) any amendment, waiver or other modification, whether by course of conduct or otherwise, of any Debt Document (*provided* that the aggregate principal committed amount thereof shall not exceed $150,000,000); (d) the securing of any First Priority Claims or Second Priority Claims with any additional collateral or guarantees, or any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral or any release of any guarantee securing any First Priority Claims or Second Priority Claims; (e) the commencement of any Insolvency or Liquidation Proceeding or Liquidation Sale in respect of the Company or any other Grantor; or (f) any other circumstances that otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the First Priority Claims or this Agreement, or any of the Second Priority Secured Parties in respect of this Agreement.

SECTION 9.04. ***Severability***. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.05. ***Amendments; Waivers***. (a) No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 9.05, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the First Priority Agent and ABDC.

SECTION 9.06. ***Postponement of Subrogation***. The Second Priority Secured Parties agrees that no payment or distribution to any First Priority Secured Party pursuant to the provisions of this Agreement shall entitle any Second Priority Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of First Priority Claims shall have occurred. Following the Discharge of First Priority Claims, each First Priority Secured Party agrees to execute such documents, agreements, and instruments as any Second Priority Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the First Priority Claims resulting from payments or distributions to such First Priority Secured Party by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by such First Priority Secured Party are paid by such Person upon request for payment thereof.

SECTION 9.07. ***Applicable Law; Jurisdiction; Consent to Service of Process***. (a) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any Supreme Court for New York County, New York or in The United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined only in such New York court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action

or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York court or in any such Federal court. Each party hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.08. ***Waiver of Jury Trial***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.08.

SECTION 9.09. ***Parties in Interest***. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other First Priority Secured Parties and Second Priority Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement. No other Person shall have or be entitled to assert rights or benefits hereunder.

SECTION 9.10. ***Specific Performance***. Each of the First Priority Agent and ABDC may demand specific performance of this Agreement and, on behalf of itself and the respective other Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action which may be brought by the respective Secured Parties.

SECTION 9.11. ***Headings***. Article and Section headings used herein and the Table of Contents hereto are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.12. ***Counterparts***. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.13. ***Provisions Solely to Define Relative Rights***. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Priority Secured Parties, on the one hand, and the Second Priority Secured Parties, on the other hand. None of the Company, any other Grantor, any Guarantor or any other creditor thereof shall have any rights or obligations, except as expressly provided in this Agreement hereunder and none of the Company, any other Grantor or any Guarantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair the obligations of the Company or any other Grantor or any Guarantor, which are absolute and unconditional, to pay the First Priority Claims and the Second Priority Claims as and when the same shall become due and payable in accordance with their terms.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JEFFERIES FINANCE LLC, as First Priority Agent

By: /s/ E.J. Hess
Name: E.J. Hess
Title: Managing Director

AMERISOURCEBERGEN CORPORATION, for itself and on behalf of the Second Priority Secured Parties

By: /s/ Mitchell Blumenfeld
Name: Mitchell Blumenfeld
Title: Chief Financial Officer

ACKNOWLEDGMENT

The Company and each of the Company's undersigned Subsidiaries each hereby acknowledge that they have received a copy of the foregoing Agreement and consent thereto, agree to recognize all rights granted thereby to the First Priority Agent and the Second Priority Secured Parties and to ABDC and the Second Priority Secured Parties, and will not do any act or perform any obligation which is not in accordance with the agreements set forth therein. The Company and each of the Company's undersigned Subsidiaries each further acknowledge and agree that they are not an intended beneficiary or third party beneficiary under the foregoing Agreement.

ACKNOWLEDGED AS OF THE DATE FIRST WRITTEN ABOVE:

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHRONIMED, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

LOS FELIZ DRUGS INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BRADHURST SPECIALTY PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY (NY), INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PBM SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATURAL LIVING INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP NURSING SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP INFUSION MANAGEMENT, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

BIOSCRIP PHARMACY SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CHS HOLDINGS, INC.
(**FORMERLY CAMELOT ACQUISITION CORP.**)

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CRITICAL HOMECARE SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

APPLIED HEALTH CARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

CEDAR CREEK HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS ENTERPRISES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

DEACONESS HOMECARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

EAST GOSHEN PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HEALTH SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

ELK VALLEY PROFESSIONAL AFFILIATES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

GERICARE, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF BRUNSWICK, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION PARTNERS OF MELBOURNE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

INFUSION SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

KNOXVILLE HOME THERAPIES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NATIONAL HEALTH INFUSION, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

NEW ENGLAND HOME THERAPIES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

OPTION HEALTH, LTD.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

PROFESSIONAL HOMECARE SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

REGIONAL AMBULATORY DIAGNOSTICS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SCOTT-WILSON, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION I

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION II

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. — REGION III

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

SPECIALTY PHARMA, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

WILCOX MEDICAL, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President and General Counsel

Exhibit 10.5

EXECUTION VERSION

$225,000,000

BIOSCRIP, INC.

10¼% of Senior Notes due 2015

REGISTRATION RIGHTS AGREEMENT

March 25, 2010

JEFFERIES & COMPANY, INC.
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

BioScrip, Inc., a Delaware corporation (the "Company") is issuing and selling to Jefferies & Company, Inc. (the "Initial Purchaser"), upon the terms set forth in the Purchase Agreement dated March 17, 2010, by and among the Company, the Initial Purchaser and the subsidiary guarantors named therein (the "Purchase Agreement"), $225,000,000 aggregate principal amount of 10¼% Senior Notes due 2015 issued by the Company (each, a "Note" and collectively, the "Notes"). As an inducement to the Initial Purchaser to enter into the Purchase Agreement, the Company and the subsidiary guarantors listed in the signature pages hereto agree with the Initial Purchaser, for the benefit of the Holders (as defined below) of the Notes (including, without limitation, the Initial Purchaser), as follows:

1. **Definitions**

Capitalized terms that are used herein without definition and are defined in the Purchase Agreement shall have the respective meanings ascribed to them in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

Advice: See Section 6(w).

Agreement: This Registration Rights Agreement, dated as of the Closing Date, between the Company and the Initial Purchaser.

Applicable Period: See Section 2(e).

Business Day: A day that is not a Saturday, a Sunday or a day on which banking institutions in the City of New York are authorized or required by law or executive order to be closed.

Closing Date: March 25, 2010.

Company: See the introductory paragraph to this Agreement.

Day: Unless otherwise expressly provided, a calendar day.

Effectiveness Date: The 180th day after the Closing Date, or if such date is not a Business Day, the next succeeding Business Day; provided, that if a Shelf Notice is delivered pursuant to Section 2(j) hereof, the applicable Effectiveness Date for the Initial Shelf Registration shall be the 90th day following the date of the delivery of the Shelf Notice.

Effectiveness Period: See Section 3(a).

Event Date: See Section 4(b).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Exchange Notes: Senior Notes due 2015 of the Company, identical in all material respects to the Notes, including the guarantees endorsed thereon, except for references to series and restrictive legends.

Exchange Offer: See Section 2(a).

Exchange Registration Statement: See Section 2(a).

Filing Date: The 90th day after the Closing Date, or if such date is not a Business Day, the next succeeding Business Day; provided, that if a Shelf Notice is delivered pursuant to Section 2(j) hereof, the applicable Effectiveness Date for the Initial Shelf Registration shall be the 30th day following the date of the delivery of the Shelf Notice.

FINRA: Financial Industry Regulatory Authority:

Holder: Any beneficial holder of Registrable Notes.

Indemnified Party: See Section 8(c).

Indemnifying Party: See Section 8(c).

Indenture: The Indenture, dated as of the Closing Date, among the Company, the Subsidiary Guarantors and U.S. Bank National Association, as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms hereof.

Initial Purchaser: See the introductory paragraph to this Agreement.

Initial Shelf Registration: See Section 3(a).

Inspectors: See Section 6(o).

Liquidated Damages: See Section 4(a).

Losses: See Section 8(a).

Notes: See the introductory paragraph to this Agreement.

Participating Broker-Dealer: See Section 2(e).

Person: An individual, trustee, corporation, partnership, limited liability company, joint stock company, trust, unincorporated association, union, business association, firm, government or agency or political subdivision thereof, or other legal entity.

Private Exchange: See Section 2(f).

Private Exchange Notes: See Section 2(f).

Prospectus: The prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Notes covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Purchase Agreement: See the introductory paragraph to this Agreement.

Records: See Section 6(o).

Registrable Notes: Notes and Private Exchange Notes, in each case, that may not be sold without restriction under federal or state securities laws.

Registration Statement: Any registration statement of the Company and the Subsidiary Guarantors filed with the SEC under the Securities Act (including, but not limited to, the Exchange Registration Statement, the Shelf Registration and any subsequent Shelf Registration) that covers any of the Registrable Notes pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Rule 144: Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer or such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 144A: Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC.

Rule 415: Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

Rule 430A: Rule 430A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

SEC: The Securities and Exchange Commission.

Securities: The Notes, the Exchange Notes and the Private Exchange Notes.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Shelf Notice: See Section 2(j).

Shelf Registration: See Section 3(b).

Subsequent Shelf Registration: See Section 3(b).

Subsidiary Guarantor: Each subsidiary of the Company that guarantees the obligations of the Company under the Notes and Indenture.

TIA: The Trust Indenture Act of 1939, as amended.

Trustee: The trustee under the Indenture and, if existent, the trustee under any indenture governing the Exchange Notes and Private Exchange Notes (if any).

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

2. **Exchange Offer**

(a) Unless the Exchange Offer would not be permitted by applicable laws or a policy of the SEC, the Company shall (and shall cause each Subsidiary Guarantor to) (i) prepare and file with the SEC promptly after the date hereof, but in no event later than the Filing Date, a registration statement (the "Exchange Registration Statement") on an appropriate form under the Securities Act with respect to an offer (the "Exchange Offer") to the Holders of Notes to issue and deliver to such Holders, in exchange for the Notes, a like principal amount of Exchange Notes, (ii) use all commercially reasonable efforts to cause the Exchange Registration Statement to be declared effective on or prior to the Effectiveness Date, (iii) use its best efforts to keep the Exchange Registration Statement effective until the consummation of the Exchange Offer in accordance with its terms, and (iv) commence the Exchange Offer and use all commercially reasonable efforts to issue on or prior to 30 Business Days after the date on which the Exchange Registration Statement is declared effective, Exchange Notes in exchange for all Notes tendered prior thereto in the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the staff of the SEC.

(b) The Exchange Notes shall be issued under, and entitled to the benefits of the Indenture or a trust indenture that is identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualifications thereof under the TIA).

(c) Interest on the Exchange Notes and Private Exchange Notes will accrue from the last interest payment due date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the date of original issue of the Notes. Each Exchange Note and Private Exchange Note shall bear interest at the rate set forth thereon; *provided*, that interest with respect to the period prior to the issuance thereof shall accrue at the rate or rates borne by the Notes from time to time during such period.

(d) The Company may require each Holder as a condition to participation in the Exchange Offer to represent (i) that any Exchange Notes received by it will be acquired in the ordinary course of its business, (ii) that at the time of the commencement and consummation of the Exchange Offer such Holder has not entered into any arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act, (iii) that if such Holder is an "affiliate" of the either of the Company within the meaning of Rule 405 of the Securities Act, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable to it, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Notes and (v) if such Holder is a Participating Broker-Dealer, that it will deliver a Prospectus in connection with any resale of the Exchange Notes.

(e) The Company shall (and shall cause each Subsidiary Guarantor to) include within the Prospectus contained in the Exchange Registration Statement a section entitled "Plan of Distribution" reasonably acceptable to the Initial Purchaser which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of Exchange Notes received by such broker-dealer in the Exchange Offer for its own account in exchange for Notes that were acquired by it as a result of market-making or other trading activity (a "Participating Broker-Dealer"), whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the judgment of the Initial Purchaser, represent the prevailing views of the staff of the SEC. Such "Plan of Distribution" section shall also allow, to the extent permitted by applicable policies and regulations of the SEC, the use of the Prospectus by all Persons subject to the prospectus delivery requirements of the Securities Act, including, to the extent so permitted, all Participating Broker-Dealers, and include a statement describing the manner in which Participating Broker-Dealers may resell the Exchange Notes. The Company shall use its best efforts to keep the Exchange Registration Statement effective and to amend and supplement the Prospectus contained therein, in order to permit such Prospectus to be lawfully delivered by all Persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such Persons must comply with such requirements in order to resell the Exchange Notes (the "Applicable Period").

(f) If, upon consummation of the Exchange Offer, the Initial Purchaser holds any Notes acquired by it and having the status of an unsold allotment in the initial distribution, the Company (upon the written request from the Initial Purchaser) shall, simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to the Initial Purchaser, in exchange (the "Private Exchange") for the Notes held by the Initial Purchaser, a like principal amount of Senior Notes that are identical to the Exchange Notes except for the existence of restrictions on transfer thereof under the Securities Act and securities laws of the several states of the United States (the "Private Exchange Notes") (and which are issued pursuant to the same indenture as the Exchange Notes). The Private Exchange Notes shall bear the same CUSIP number as the Exchange Notes.

(g) In connection with the Exchange Offer, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Registration Statement, together with an appropriate letter of transmittal that is an exhibit to the Exchange Offer Registration Statement, and any related documents;

(ii) keep the Exchange Offer open for not less than 30 days after the date notice thereof is mailed to the Holders (or longer if required by applicable law)

(iii) utilize the services of a depository for the Exchange Offer with an address in the Borough of Manhattan, the City of New York, which may be the Trustee or an affiliate thereof;

(iv) permit Holders to withdraw tendered Registrable Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(v) otherwise comply in all material respects with all applicable laws.

(h) As soon as practicable after the close of the Exchange Offer or the Private Exchange, as the case may be, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) accept for exchange all Registrable Notes validly tendered pursuant to the Exchange Offer or the Private Exchange, as the case may be, and not validly withdrawn;

(ii) deliver to the Trustee for cancellation all Registrable Notes so accepted for exchange; and

(iii) cause the Trustee to authenticate and deliver promptly to each Holder tendering such Registrable Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Notes of such Holder so accepted for exchange.

(i) The Exchange Notes and the Private Exchange Notes may be issued under (i) the Indenture or (ii) an indenture identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualification thereof under the TIA), which in either event will provide that the Exchange Notes will not be subject to the transfer restrictions set forth in the Indenture, that the Private Exchange Notes will be subject to the transfer restrictions set forth in the Indenture, and that the Exchange Notes, the Private Exchange Notes and the Notes, if any, will be deemed one class of security (subject to the provisions of the Indenture) and entitled to participate in any Subsidiary Guarantee (as such terms are defined in the Indenture) on an equal and ratable basis.

(j) If: (i)the Company and the Subsidiary Guarantors are not required to file an Exchange Offer Registration Statement, (ii) the Company and the Guarantors are not permitted to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or SEC policy, or (iii) within 20 Business Days following the Consummation of the Exchange Offer, any Holder of Registrable Notes notifies the Company that (a) it is prohibited by applicable law or SEC policy from participating in the Exchange Offer; (b) it may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus (other than by reason of such Holder's status as an Affiliate of the Company) and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales or (c) it is a broker-dealer and owns Notes acquired directly from the Company or an Affiliate of the Company, then the Company and the Subsidiary Guarantors shall promptly (and in any event within five Business Days) deliver to the Holders (or in the case of an occurrence of any event described in clause (iii) of this Section 2(j), to any such Holder) and the Trustee notice thereof (the "Shelf Notice") and shall file an Initial Shelf Registration pursuant to Section 3.

3. **Shelf Registration**

If a Shelf Notice is delivered pursuant to Section 2(j), then this Section 3 shall apply to all Registrable Notes. Otherwise, upon consummation of the Exchange Offer in accordance with Section 2, the provisions of Section 3 shall apply solely with respect to (i) Notes held by any Holder thereof not permitted to participate in the Exchange Offer, (ii) Notes held by any broker-dealer that acquired such Notes directly from the Company or any of its affiliates and (iii) Exchange Notes that are not freely tradeable as contemplated by Section 2(j)(iii) hereof, provided in each case that the relevant Holder has duly notified the Company within 20 Business Days of the consummation of the Exchange Offer as required by Section 2(j)(iii).

(a) Initial Shelf Registration. The Company shall (and shall cause each Subsidiary Guarantor to), as promptly as practicable, file with the SEC a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes (the "Initial Shelf Registration") on or prior to 30 days after such filing obligation arises. The Company shall (and shall cause each Subsidiary Guarantor to) use all commercially reasonable efforts to cause such Initial Shelf Registration to be declared effective under the Securities Act on or prior to the Effectiveness Date. The Initial Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners reasonably designated by them (including, without limitation, one or more underwritten offerings). The Company and Subsidiary Guarantors shall not permit any securities other than the Registrable Notes to be included in any Shelf Registration. The Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to keep the Initial Shelf Registration continuously effective under the Securities Act until the date which is two years from the Closing Date (subject to extension pursuant to the last paragraph of Section 6(w)) (the "Effectiveness Period"), or such shorter period ending when (i) all Registrable Notes covered by the Initial Shelf Registration have been sold in the manner set forth and as contemplated in the Initial Shelf Registration (ii) a Subsequent Shelf Registration covering all of the Registrable Notes covered by and not sold under the Initial Shelf Registration or an earlier Subsequent Shelf Registration has been declared effective under the Securities Act or (iii) there cease to be any outstanding Registrable Notes.

(b) Subsequent Shelf Registrations. If the Initial Shelf Registration or any Subsequent Shelf Registration (as defined below) ceases to be effective for any reason at any time during the Effectiveness Period (other than because of the sale of all of the securities registered thereunder), the Company shall (and shall cause each Subsidiary Guarantor to) use its best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 30 days of such cessation of effectiveness amend such Shelf Registration in a manner to obtain the withdrawal of the order suspending the effectiveness thereof, or file (and cause each Subsidiary Guarantor to file) an additional "shelf" Registration Statement pursuant to Rule 415 covering all of the Registrable Notes (a "Subsequent Shelf Registration"). If a Subsequent Shelf Registration is filed, the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to cause the Subsequent Shelf Registration to be declared effective as soon as practicable after such filing and to keep such Subsequent Shelf Registration continuously effective for a period equal to the number of days in the Effectiveness Period less the aggregate number of days during which the Initial Shelf Registration or any Subsequent Shelf Registration was previously continuously effective. As used herein the term "Shelf Registration" means the Initial Shelf Registration and any Subsequent Shelf Registrations

(c) Supplements and Amendments. The Company shall promptly supplement and amend any Shelf Registration if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Securities Act, or if reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Shelf Registration or by any underwriter of such Registrable Notes.

(d) Provision of Information. No Holder of Registrable Notes shall be entitled to include any of its Registrable Notes in any Shelf Registration pursuant to this Agreement unless such Holder furnishes to the Company and the Trustee in writing, within 20 days after receipt of a written request therefor, such information as the Company and the Trustee after conferring

with counsel with regard to information relating to Holders that would be required by the SEC to be included in such Shelf Registration or Prospectus included therein, may reasonably request for inclusion in any Shelf Registration or Prospectus included therein, and no such Holder shall be entitled to Liquidated Damages pursuant to Section 4 hereof unless and until such Holder shall have provided such information.

4. **Liquidated Damages**

(a) The Company and each Subsidiary Guarantor acknowledges and agrees that the Holders of Registrable Notes will suffer damages if the Company or any Subsidiary Guarantor fails to fulfill its material obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company and the Subsidiary Guarantors agree to pay additional cash interest on the Notes ("Liquidated Damages") under the circumstances and to the extent set forth below (each of which shall be given independent effect):

(i) if neither the Exchange Registration Statement nor the Initial Shelf Registration has been filed on or prior to the applicable Filing Date, Liquidated Damages shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following the applicable Filing Date, such Liquidated Damages rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if neither the Exchange Registration Statement nor the Initial Shelf Registration is declared effective on or prior to the applicable Effectiveness Date, Liquidated Damages shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following the applicable Effectiveness Date, such Liquidated Damages rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(iii) if (A) the Company (and any Subsidiary Guarantor) has not exchanged Exchange Notes for all Notes validly tendered in accordance with the terms of the Exchange Offer on or prior to the 30 Business Days after the Effectiveness Date, (B) the Exchange Registration Statement ceases to be effective at any time prior to the time that the Exchange Offer is consummated, (C) if applicable, a Shelf Registration has been declared effective and such Shelf Registration ceases to be effective at any time prior to the second anniversary of its effective date (other than such time as all Notes have been disposed of thereunder) and is not declared effective again within 30 days, or (D) if the board of directors of the Company determines in good faith that (i) the disclosure of an event, occurrence or other item at that time would reasonably be expected to have a material adverse effect on the business, operations, or prospects of the Company and its subsidiaries or (ii) the disclosure otherwise relates to a material business transaction or development relating to the Company that has not yet been publicly disclosed and the board of directors also determines, in good, faith, that any disclosure thereof would jeopardize the success of the transaction or that disclosure of the transaction is prohibited by the terms thereof, and the Company issues a written notice pursuant to Section 6(e)(v) or (vi) that a Shelf Registration Statement or Exchange Registration Statement is unusable and the aggregate number of days in any 365-day period for which all such notices issued or required to be issued, have been, or were required to be, in effect exceeds

120 days in the aggregate or 30 days consecutively, in the case of a Shelf Registration statement, or 15 days in the aggregate in the case of an Exchange Registration Statement, then Liquidated Damages shall accrue on the Notes, over and above any stated interest, at a rate of 0.25% per annum of the principal amount of such Notes commencing on (w) the 31st Business Day after the Effectiveness Date, in the case of (A) above, or (x) the date the Exchange Registration Statement ceases to be effective without being declared effective again within 30 days, in the case of clause (B) above, or (y) the day such Shelf Registration ceases to be effective in the case of (C) above, or (z) the day the Exchange Registration Statement or Shelf Registration ceases to be usable in case of clause (D) above, such Liquidated Damages rate increasing by an additional 0.25% per annum at the beginning of each such subsequent 90-day period;

provided, however, that the maximum Liquidated Damages rate on the Notes may not exceed at any one time in the aggregate 1.00% per annum; and *provided further*, that (1) upon the filing of the Exchange Registration Statement or Initial Shelf Registration (in the case of (i) above), (2) upon the effectiveness of the Exchange Registration Statement or Initial Shelf Registration (in the case of (ii) above), or (3) upon the exchange of Exchange Notes for all Notes tendered (in the case of (iii)(A) above), or upon the effectiveness of the Exchange Registration Statement that had ceased to remain effective (in the case of clause (iii)(B) above), or upon the effectiveness of a Shelf Registration which had ceased to remain effective (in the case of (iii)(C) above), Liquidated Damages on the Notes as a result of such clause (or the relevant subclause thereof) or upon the usability of such Registration Statement or Exchange Registration Statement (in the case of clause (iii)(D) above), as the case may be, shall cease to accrue.

(b) The Company shall notify the Trustee within 3 Business Days after each and every date on which an event occurs in respect of which Liquidated Damages is required to be paid (an "Event Date"). Any amounts of Liquidated Damages due pursuant to clause (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash**,** on the dates and in the manner provided in the Indenture and whether or not any cash interest would then be payable on such date, commencing with the first such semi-annual date occurring after any such Liquidated Damages commences to accrue. The amount of Liquidated Damages will be determined by multiplying the applicable Liquidated Damages rate by the principal amount of the Notes, multiplied by a fraction, the numerator of which is the number of days such Liquidated Damages rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

5. **[Reserved].**

6. **Registration Procedures**

In connection with the filing of any Registration Statement pursuant to Sections 2 or 3 hereof, the Company shall (and shall cause each Subsidiary Guarantor to) effect such registrations to permit the sale of such securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Company hereunder, the Company shall (and shall cause each Subsidiary Guarantor to):

(a) Prepare and file with the SEC on or prior to the Filing Date, the Exchange Registration Statement or if required by Section 2(j), a Shelf Registration as prescribed by Section 3, and

use all commercially reasonable efforts to cause each such Registration Statement to become effective and remain effective as provided herein; *provided* that, if (1) a Shelf Registration is filed pursuant to Section 3 or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto the Company shall (and shall cause each Subsidiary Guarantor to), if requested, furnish to and afford the Holders of the Registrable Notes to be registered pursuant to such Shelf Registration Statement, each Participating Broker-Dealer, the managing underwriters, if any, and each of their respective counsel, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least 5 Business Days prior to such filing). The Company and each Subsidiary Guarantor shall not file any such Registration Statement or Prospectus or any amendments or supplements thereto in respect of which the Holders must provide information for the inclusion therein without the Holders being afforded an opportunity to review such documentation if the holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, or any of their respective counsel shall reasonably object in writing on a timely basis. A Holder shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading or fails to comply with the applicable requirements of the Securities Act.

(b) Provide an indenture trustee for the Registrable Notes, the Exchange Notes or the Private Exchange Notes, as the case may be, and cause the Indenture (or other indenture relating to the Registrable Notes) to be qualified under the TIA not later than the effective date of the first Registration Statement; and in connection therewith, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its commercially reasonable efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable such indenture to be so qualified in a timely manner.

(c) Prepare and file with the SEC such pre-effective amendments and post-effective amendments to each Shelf Registration or Exchange Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to them with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus. The Company and each Subsidiary Guarantor shall not, during the Applicable Period, voluntarily take any action that would result in selling Holders of the Registrable Notes covered by a Registration Statement or Participating Broker-Dealers seeking to sell Exchange Notes not being able to sell such Registrable Notes or such Exchange Notes during that period, unless such action is required by applicable law, rule or regulation or permitted by this Agreement.

(d) Furnish to such selling Holders and Participating Broker-Dealers who so request in writing (i) upon the Company's receipt, a copy of the order of the SEC declaring such Registration Statement and any post effective amendment thereto effective, (ii) such reasonable number of copies of such Registration Statement and of each amendment and supplement thereto (in each case including any documents incorporated therein by reference and all exhibits), (iii) such reasonable number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and each amendment and supplement thereto, and such reasonable number of copies of the final Prospectus as filed by the Company and each Subsidiary Guarantor pursuant to Rule 424(b) under the Securities Act, in conformity with the requirements of the Securities Act and each amendment and supplement thereto, and (iv) such other documents (including any amendments required to be filed pursuant to clause (c) of this Section), as any such Person may reasonably request in writing. The Company and the Subsidiary Guarantors hereby consent to the use of the Prospectus by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers, if any, in connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(e) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, the Company shall notify in writing the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, and each of their respective counsel promptly (but in any event within 2 Business Days) (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective (including in such notice a written statement that any Holder may, upon request, obtain, without charge, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any Prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes the representations and warranties of the Company and any Subsidiary Guarantor contained in any agreement (including any underwriting agreement) contemplated by Section 6(n) hereof cease to be true and correct, (iv) of the receipt by the Company or any Subsidiary Guarantor of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition of any information becoming known that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in, or amendments or supplements to, such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement and the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (vi) of any reasonable determination by the Company or any Subsidiary Guarantor that a post-effective

amendment to a Registration Statement would be appropriate and (vii) of any request by the SEC for amendments to the Registration Statement or supplements to the Prospectus or for additional information relating thereto.

(f) Use its commercially reasonable efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer, for sale in any jurisdiction, and, if any such order is issued, to use its commercially reasonable efforts to obtain the withdrawal of any such order at the earliest possible date.

(g) If (A) a Shelf Registration is filed pursuant to Section 3, (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period or (C) reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold in connection with an underwritten offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information or revisions to information therein relating to such underwriters or selling Holders as the managing underwriters, if any, or such Holders or any of their respective counsel reasonably request in writing to be included or made therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplements or post-effective amendment.

(h) Prior to any public offering of Registrable Notes or any delivery of a Prospectus contained in the Exchange Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its commercially reasonable efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer or any managing underwriter or underwriters, if any, reasonably request in writing; *provided* that where Exchange Notes held by Participating Broker-Dealers or Registrable Notes are offered other than through an underwritten offering, the Company and each Subsidiary Guarantor agree to cause its counsel to perform Blue Sky investigations and file any registrations and qualifications required to be filed pursuant to this Section 6(h), keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Exchange Notes held by Participating Broker-Dealers or the Registrable Notes covered by the applicable Registration Statement; *provided* that neither the Company nor any Subsidiary Guarantor shall be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in any such jurisdiction where it is not then so subject.

(i) If (A) a Shelf Registration is filed pursuant to Section 3 or (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is requested to be delivered

under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company, and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or Holders may reasonably request.

(j) Use its commercially reasonable efforts to cause the Registrable Notes covered by any Registration Statement to be registered with or approved by such governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter, if any, to consummate the disposition of such Registrable Notes, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Company shall (and shall cause each Subsidiary Guarantor to) cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals; provided that neither the Company nor any existing Subsidiary Guarantor shall be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any jurisdiction where it is not then so subject or (C) subject itself to taxation in any such jurisdiction where it is not then so subject.

(k) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by paragraph 6(e)(v) or 6(e)(vi) hereof, as promptly as practicable, prepare and file with the SEC, at the expense of the Company and the Subsidiary Guarantors, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, if SEC review is required, use its best efforts to cause such post-effective amendment to be declared effective as soon as possible.

(l) Prior to the initial issuance of the Exchange Notes, (i) provide the Trustee with one or more certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Exchange Notes.

(m) If a Shelf Registration is filed pursuant to Section 3, enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances) and take all such other actions in connection therewith (including those reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold) in order to expedite or facilitate the registration or the disposition of such Registrable Notes, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an

Underwritten Registration, (i) make such representations and warranties to the Holders and the underwriters, if any, with respect to the business of the Company and its subsidiaries as then conducted, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and confirm the same if and when reasonably required; (ii) obtain an opinion of counsel to the Company and the Subsidiary Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the Holders of a majority in aggregate principal amount of the Registrable Notes being sold), addressed to each selling Holder and each of the underwriters, if any, covering the matters customarily covered in opinions of counsel to the Company and the Subsidiary Guarantors requested in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances; (iii) obtain "cold comfort" letters and updates thereof (which letters and updates (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters) from the independent certified public accountants of the Company and the Subsidiary Guarantors (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and such other matters as reasonably requested in writing by the underwriters; and (iv) deliver such documents and certificates as may be reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes being sold and the managing underwriters, if any, to evidence the continued validity of the representations and warranties of the Company and its subsidiaries made pursuant to clause (i) above and to evidence compliance with any conditions contained in the underwriting agreement or other similar agreement entered into by the Company or any Subsidiary Guarantor.

(n) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold, or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records and pertinent corporate documents of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information reasonably requested in writing by any such Inspector in connection with such Registration Statement. Each Inspector shall agree in writing that it will keep the Records confidential and not disclose any of the Records unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) the information in such Records is public or has been made generally available to the public other than as a result of a disclosure or failure to safeguard by such Inspector or (iv) disclosure of such information is, in the reasonable written opinion of

counsel for any Inspector, necessary or advisable in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, related to, or involving this Agreement, or any transaction contemplated hereby or arising hereunder. Each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to agree that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Inspector, each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to further agree that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and, to the extent practicable, use its best efforts to allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential at its expense.

(o) Comply with all applicable rules and regulations of the SEC and make generally available to the security holders of the Company with regard to any Applicable Registration Statement earning statements satisfying the provisions of section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(p) Upon consummation of an Exchange Offer or Private Exchange, obtain an opinion of counsel to the Company and the Subsidiary Guarantors (in form, scope and substance reasonably satisfactory to the Initial Purchaser), addressed to the Trustee for the benefit of all Holders participating in the Exchange Offer or Private Exchange, as the case may be, to the effect that (i) the Company and the Subsidiary Guarantors have duly authorized, executed and delivered the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture and (ii) the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture constitute legal, valid and binding obligations of the Company and the Subsidiary Guarantors, enforceable against the Company and the Subsidiary Guarantors in accordance with their respective terms, except as such enforcement may be subject to customary United States and foreign exceptions.

(q) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by the Holders to the Company and the Subsidiary Guarantors (or to such other Person as directed by the Company and the Subsidiary Guarantors) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, the Company and the Subsidiary Guarantors shall mark, or caused to be marked, on such Registrable Notes that the Exchange Notes or the Private Exchange Notes, as the case may be, are being issued as substitute evidence of the indebtedness originally evidenced by the Registrable Notes; *provided* that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(r) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made with FINRA.

(s) Use its commercially reasonable efforts to cause all Securities covered by a Registration Statement to be listed on each securities exchange, if any, on which similar debt securities issued by the Company are then listed.

(t) Use its commercially reasonable efforts to take all other steps reasonably necessary to effect the registration of the Registrable Notes covered by a Registration Statement contemplated hereby.

(u) The Company may require each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected to furnish to the Company such information regarding such seller or Participating Broker-Dealer and the distribution of such Registrable Notes as the Company may, from time to time, reasonably request in writing. The Company may exclude from such registration the Registrable Notes of any seller who fails to furnish such information within a reasonable time (which time in no event shall exceed 30 days, subject to Section 3(d)) hereof) after receiving such request. Each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished by such seller not materially misleading.

(v) Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes to be sold by such Participating Broker-Dealer, as the case may be, that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6(e)(ii), 6(e)(iv), 6(e)(v), or 6(e)(vi), such Holder will forthwith discontinue disposition of such Registrable Notes covered by a Registration Statement and such Participating Broker-Dealer will forthwith discontinue disposition of such Exchange Notes pursuant to any Prospectus and, in each case, forthwith discontinue dissemination of such Prospectus until such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(k), or until it is advised in writing (the "Advice") by the Company and the Subsidiary Guarantors that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto and, if so directed by the Company and the Subsidiary Guarantors, such Holder or Participating Broker-Dealer, as the case may be, will deliver to the Company all copies, other than permanent file copies, then in such Holder's or Participating Broker-Dealer's possession, of the Prospectus covering such Registrable Notes current at the time of the receipt of such notice. In the event the Company and the Subsidiary Guarantors shall give any such notice, the Applicable Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each Participating Broker-Dealer shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 6(k) or (y) the Advice.

7. **Registration Expenses**

(a) All fees and expenses incident to the performance of or compliance with this Agreement by the Company and the Subsidiary Guarantors shall be borne by the Company and the Subsidiary Guarantors, whether or not the Exchange Offer or a Shelf Registration is filed or becomes effective, including, without limitation, (i) all registration and filing fees, including, without limitation, (A) fees with respect to filings required to be made with FINRA in connection with any underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws as provided in Section 6(h) hereof (including, without limitation, reasonable fees and disbursements of counsel in connection with Blue Sky

qualifications of the Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the Holders are located, in the case of the Exchange Notes, or (y) as provided in Section 6(h), in the case of Registrable Notes or Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses incurred in connection with the performance of their obligations hereunder, (iv) fees and disbursements of counsel for the Company, the Subsidiary Guarantors and, subject to 7(b), the Holders, (v) fees and disbursements of all independent certified public accountants referred to in Section 6 (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) rating agency fees and the fees and expenses incurred in connection with the listing of the Securities to be registered on any securities exchange, (vii) Securities Act liability insurance, if the Company and the Subsidiary Guarantors desire such insurance, (viii) fees and expenses of all other Persons retained by the Company and the Subsidiary Guarantors, (ix) fees and expenses of any "qualified independent underwriter" or other independent appraiser participating in an offering pursuant to Section 3 of Schedule E to the By-laws of FINRA, but only where the need for such a "qualified independent underwriter" arises due to a relationship with the Company and the Subsidiary Guarantors, (x) internal expenses of the Company and the Subsidiary Guarantors (including, without limitation, all salaries and expenses of officers and employees of the Company or the Subsidiary Guarantors performing legal or accounting duties), (xi) the expense of any annual audit, (xii) the fees and expenses of the Trustee and the Exchange Agent and (xiii) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement.

(b) The Company and the Subsidiary Guarantors shall reimburse the Holders for the reasonable fees and disbursements of not more than one counsel chosen by the Holders of a majority in aggregate principal amount of the Registrable Notes to be included in any Registration Statement. The Company and the Subsidiary Guarantors shall pay all documentary, stamp, transfer or other transactional taxes attributable to the issuance or delivery of the Exchange Notes or Private Exchange Notes in exchange for the Notes; *provided* that the Company shall not be required to pay taxes payable in respect of any transfer involved in the issuance or delivery of any Exchange Note or Private Exchange Note in a name other than that of the Holder of the Note in respect of which such Exchange Note or Private Exchange Note is being issued. The Company and the Subsidiary Guarantors shall reimburse the Holders for fees and expenses (including reasonable fees and expenses of counsel to the Holders) relating to any enforcement of any rights of the Holders under this Agreement.

8. **Indemnification**

(a) Indemnification by the Company and the Subsidiary Guarantors. The Company and the Subsidiary Guarantors jointly and severally agree to indemnify and hold harmless each Holder of Registrable Notes, Exchange Notes or Private Exchange Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls each such Holder (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) and the officers, directors and partners of each such Holder, Participating Broker-Dealer and controlling person, to the fullest

extent lawful, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees as provided in this Section 8) and expenses (including, without limitation, reasonable costs and expenses incurred in connection with investigating, preparing, pursuing or defending against any of the foregoing) (collectively, "Losses"), as incurred, directly or indirectly caused by, related to, based upon, arising out of or in connection with any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus, or in any amendment or supplement thereto, or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are solely based upon information relating to such Holder or Participating Broker-Dealer and furnished in writing to the Company and the Subsidiary Guarantors (or reviewed and approved in writing) by such Holder or Participating Broker-Dealer or their counsel expressly for use therein; *provided*, *however*, that the Company and the Subsidiary Guarantors will not be liable to any Indemnified Party (as defined below) under this Section 8 to the extent Losses were solely caused by an untrue statement or omission or alleged untrue statement or omission that was contained or made in any preliminary prospectus and corrected in the Prospectus or any amendment or supplement thereto if (i) the Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission of a material fact that was the subject matter of the related proceeding, (ii) any such Losses resulted from an action, claim or suit by any Person who purchased Registrable Notes or Exchange Notes which are the subject thereof from such Indemnified Party and (iii) it is established in the related proceeding that such Indemnified Party failed to deliver or provide a copy of the Prospectus (as amended or supplemented) to such Person with or prior to the confirmation of the sale of such Registrable Notes or Exchange Notes sold to such Person if required by applicable law, unless such failure to deliver or provide a copy of the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 6 of this Agreement. The Company and the Subsidiary Guarantors also agree to indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers, directors, agents and employees and each Person who controls such Persons (within the meaning of Section 5 of the Securities Act or Section 20(a) of the Exchange Act), if any.

(b) Indemnification by Holder. In connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus in which a Holder is participating, such Holder shall furnish to the Company and the Subsidiary Guarantors in writing such information as the Company and the Subsidiary Guarantors reasonably request for use in connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus and shall indemnify and hold harmless the Company, the Subsidiary Guarantors, their respective directors and each Person, if any, who controls the Company and the Subsidiary Guarantors (within the meaning of Section 15 of the Securities Act and Section 20(a) of the Exchange Act), and the directors, officers and partners of such controlling persons, to the fullest extent lawful, from and against all Losses arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading to the extent, but only to the extent, that such losses are finally judicially determined by a court of competent jurisdiction in a final, unappealable order to have resulted solely from an untrue

statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact contained in or omitted from any information so furnished in writing by such Holder to the Company and the Subsidiary Guarantors expressly for use therein. Notwithstanding the foregoing, in no event shall the liability of any selling Holder be greater in amount than such Holder's Maximum Contribution Amount (as defined below).

(c) Conduct of Indemnification Proceedings. If any proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the party or parties from which such indemnity is sought (the "Indemnifying Party" or "Indemnifying Parties", as applicable) in writing; *provided*, provided, that the failure to so notify the Indemnifying Parties shall not (i) relieve such Indemnifying Party from any obligation or liability unless and only to the extent it is materially prejudiced as a result thereof and (ii) will not, in any event, relieve the Indemnifying Party from any obligations to any Indemnified Party other than the indemnification obligation provided in paragraphs (a) and (b) above.

The Indemnifying Party shall have the right, exercisable by giving written notice to an Indemnified Party, within 20 Business Days after receipt of written notice from such Indemnified Party of such proceeding, to assume, at its expense, the defense of any such proceeding, *provided*, that an Indemnified Party shall have the right to employ separate counsel in any such proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless: (1) the Indemnifying Party has agreed to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such proceeding or shall have failed to employ counsel reasonably satisfactory to such Indemnified Party; or (3) the named parties to any such proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party or any of its affiliates or controlling persons, and such Indemnified Party shall have been advised by counsel that there may be one or more defenses available to such Indemnified Party that are in addition to, or in conflict with, those defenses available to the Indemnifying Party or such affiliate or controlling person (in which case, if such Indemnified Party notifies the Indemnifying Parties in writing that it elects to employ separate counsel at the expense of the Indemnifying Parties, the Indemnifying Parties shall not have the right to assume the defense and the reasonable fees and expenses of such counsel shall be at the expense of the Indemnifying Party; it being understood, however, that, the Indemnifying Party shall not, in connection with any one such proceeding or separate but substantially similar or related proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (together with appropriate local counsel) at any time for such Indemnified Party).

No Indemnifying Party shall be liable for any settlement of any such proceeding effected without its written consent, but if settled with its written consent, or if there be a final judgment for the plaintiff in any such proceeding, each Indemnifying Party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each Indemnified Party from and against any and all Losses by reason of such settlement or judgment. The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement unless such judgment or settlement (i) includes as an unconditional term thereof the giving by the claimant or plaintiff to each Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such proceeding for which such Indemnified Party would be entitled to indemnification hereunder (whether or not any Indemnified Party is a party thereto) and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party or is insufficient to hold such Indemnified Party harmless for any Losses in respect of which this Section 8 would otherwise apply by its terms (other than by reason of exceptions provided in this Section 8), then each applicable Indemnifying Party, in lieu of

indemnifying such Indemnified Party, shall have a joint and several obligation to contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such statement or omission. The amount paid or payable by an Indemnified Party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any proceeding, to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in Section 8(a) or 8(b) was available to such party.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8(d), a selling Holder shall not be required to contribute, in the aggregate, any amount in excess of such Holder's Maximum Contribution Amount. A selling Holder's "Maximum Contribution Amount" shall equal the excess of (i) the aggregate proceeds received by such Holder pursuant to the sale of such Registrable Notes or Exchange Notes over (ii) the aggregate amount of damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of the Registrable Securities held by each Holder hereunder and not joint. The Company's and Subsidiary Guarantors' obligations to contribute pursuant to this Section 8(d) are joint and several.

The indemnity and contribution agreements contained in this Section 8 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

9. **Rules 144 and 144A**

The Company covenants that it shall comply with Section 4.03 of the Indenture to permit sales pursuant to Rule 144 and 144A and to take such further action as any Holder may reasonably request in writing, all to the extent required from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act pursuant to the exemptions provided by Rule 144 and Rule 144A.

10. **Underwritten Registrations of Registrable Notes**

If any of the Registrable Notes covered by any Shelf Registration is to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering; *provided*, *however*, that such investment banker or investment bankers and manager or managers must be reasonably acceptable to the Company.

No Holder of Registrable Notes may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes

and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

11. **Miscellaneous**

(a) Remedies. In the event of a breach by either the Company or any of the Subsidiary Guarantors of any of their respective obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture or, in the case of the Initial Purchaser, in the Purchase Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Subsidiary Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by either the Company or any of the Subsidiary Guarantors of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, the Company shall (and shall cause each Subsidiary Guarantor to) waive the defense that a remedy at law would be adequate.

(b) No Inconsistent Agreements. The Company and each of the Subsidiary Guarantors have not entered, as of the date hereof, and the Company and each of the Subsidiary Guarantors shall not enter, after the date of this Agreement, into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Securities in this Agreement or otherwise conflicts with the provisions hereof. The Company and each of the Subsidiary Guarantors have not entered and will not enter into any agreement with respect to any of its securities that will grant to any Person piggy-back rights with respect to a Registration Statement.

(c) Adjustments Affecting Registrable Notes. The Company shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(d) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, otherwise than with the prior written consent of the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes in circumstances that would adversely affect any Holders of Registrable Notes; *provided*, *however*, that Section 8 and this Section 11(d) may not be amended, modified or supplemented without the prior written consent of each Holder. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being tendered pursuant to the Exchange Offer or sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being tendered or being sold by such Holders pursuant to such Registration Statement.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of Securities or to any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar of the Notes, with a copy in like manner to the Initial Purchaser as follows:

Jefferies & Company, Inc.
520 Madison Avenue
New York, New York 10022
Facsimile No.: (212) 284-2280
Attention: General Counsel

with a copy to:

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
Facsimile No.: (212) 969-2900
Attention: Ian Blumenstein, Esq.

(ii) if to the Initial Purchaser, at the address specified in Section 11(e)(i);

(iii) if to the Company or any Subsidiary Guarantor, as follows:

BioScrip, Inc.
100 Clearbrook Road
Elmsford, New York 10523
Attention: Barry Posner, Esq.

with a copy to:

King & Spalding LLP
1185 Avenue of the Americas
New York, NY 10036
Attention: E. William Bates, II., Esq.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the United States mail, postage prepaid, if mailed; one business day after being timely delivered to a next-day air courier guaranteeing overnight delivery; and when receipt is acknowledged by the addressee, if telecopied.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee under the Indenture at the address specified in such Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment, subsequent Holders of Securities.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. THE COMPANY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK OR ANY FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITS AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, JURISDICTION OF THE AFORESAID COURTS. THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY AND ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY IRREVOCABLY CONSENTS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY AT ITS SAID ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Securities Held by the Company or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Securities is required hereunder, Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(l) Third Party Beneficiaries. Holders and Participating Broker-Dealers are intended third party beneficiaries of this Agreement and this Agreement may be enforced by such Persons.

(m) Entire Agreement. This Agreement, together with the Purchase Agreement and the Indenture, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understanding, correspondence, conversations and memoranda between the Initial Purchaser on the one hand and the Company and the Subsidiary Guarantors on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

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

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SUBSIDIARY GUARANTORS

BIOSCRIP, INC.

BIOSCRIP INFUSION SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CHRONIMED, LLC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY (NY), INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PBM SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BRADHURST SPECIALTY PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NATURAL LIVING, INC. (d/b/a BioScrip Pharmacy)

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION SERVICES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP NURSING SERVICES, LLC (d/b/a American Disease Management Associates)

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

BIOSCRIP INFUSION MANAGEMENT, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

LOS FELIZ DRUGS INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CHS HOLDINGS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CRITICAL HOMECARE SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SPECIALTY PHARMA, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NEW ENGLAND HOME THERAPIES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

DEACONESS ENTERPRISES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION SOLUTIONS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

PROFESSIONAL HOME CARE SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

WILCOX MEDICAL, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

DEACONESS HOMECARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

REGIONAL AMBULATORY DIAGNOSTICS, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY PROFESSIONAL AFFILIATES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

KNOXVILLE HOME THERAPIES, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION I

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION II

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SOUTH MISSISSIPPI HOME HEALTH, INC. – REGION III

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

APPLIED HEALTH CARE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

EAST GOSHEN PHARMACY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

NATIONAL HEALTH INFUSION, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS OF BRUNSWICK, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

OPTION HEALTH, LTD.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

SCOTT-WILSON, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

INFUSION PARTNERS OF MELBOURNE, LLC

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

GERICARE, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

CEDAR CREEK HOME HEALTH CARE AGENCY, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ELK VALLEY HEALTH SERVICES, INC.

By: /s/ Barry A. Posner
Name: Barry A. Posner
Title: Executive Vice President, Secretary and General Counsel

ACCEPTED AND AGREED TO:

JEFFERIES & COMPANY, INC.
as Initial Purchaser

By: /s/ Michael Leder
Name: Michael Leder
Title: Managing Director

Exhibit 99.1

NEWS RELEASE

Contact:

Stanley G. Rosenbaum
Executive Vice President and Chief Financial Officer
Tel: 952-979-3768
srosenbaum@bioscrip.com

William B. Bunting
Investor Relations
In-Site Communications, Inc.
Tel: (212) 759-3929
bbunting@insitecony.com

BIOSCRIP COMPLETES ACQUISITION OF CRITICAL HOMECARE SOLUTIONS

- SUCCESSFULLY CLOSES $375 MILLION FINANCING -

- - Combined company creates one of the largest U.S. home care providers -

ELMSFORD, N.Y. — March 25, 2010—BioScrip, Inc. (Nasdaq: BIOS) today announced that it has completed its acquisition of Critical Homecare Solutions Holdings, Inc. (“CHS”), a leading provider of home infusion and home nursing products and services to patients suffering from chronic and acute medical conditions.

“The combination of CHS and BioScrip represents a significant step forward in our strategy to become the clinical leader in the management of the chronically ill across all drug delivery technologies,” said Richard H. Friedman, Chairman and Chief Executive Officer of BioScrip. “BioScrip will now have over 120 points of service including 33 Community Service Centers, 61 Specialty Infusion Pharmacies, 3 Mail Order Pharmacies and 33 Nursing locations, and operate in all 50 states with over 1,000 managed care contracts. Importantly, our expanded national footprint will position us favorably with Managed Care Organizations that prefer to work with fully integrated providers offering both national reach and high-touch specialty pharmacy solutions on a local basis. We will be uniquely positioned to provide our customers a truly comprehensive solution. We are confident that BioScrip will continue to deliver outstanding service to both patients and providers, while building significant value for our shareholders.”

Under the terms of the transaction, which was announced on January 25, 2010, BioScrip acquired CHS for a total of $237.9 million in cash and $109.8 million of BioScrip common stock, or approximately 13.1 million shares (based on BioScrip's closing stock price of $8.37 on Wednesday, March 24, 2010). BioScrip also issued to CHS shareholders approximately 3.40 million warrants having a $10.00 exercise price and a five-year term. In connection with this acquisition, BioScrip has entered into a new senior credit facility for an aggregate amount of $150.0 million, consisting of a $100 million senior secured term loan and a $50 million senior secured revolving credit facility, both with a term of five years. In addition, BioScrip issued $225.0 million aggregate principal amount of 10¼% senior unsecured notes due October 1, 2015 in an unregistered offering pursuant to Rule 144A and Regulation S under the Securities Act of 1933. The senior credit facility has customary covenants and a variable interest rate benchmarked to standard market indices.

Jefferies & Company, Inc. acted as BioScrip's exclusive financial advisor, sole lead arranger and sole book-running manager for this transaction.

About BioScrip, Inc.

BioScrip, Inc. (www.bioscrip.com) (Nasdaq: BIOS) is a specialty pharmaceutical healthcare organization that partners with patients, physicians, healthcare payers and pharmaceutical manufacturers to provide access to medications and management solutions to optimize outcomes for chronic and other complex health care conditions.

Forward-Looking Statements Safe Harbor

This press release includes forward-looking statements regarding the acquisition and related transactions that are not historical or current facts and deal with potential future circumstances and developments, in particular information regarding growth opportunities. Forward-looking statements are qualified by the inherent risk and uncertainties surrounding future expectations generally and may materially differ from actual future experience. Risks and uncertainties that could affect forward-looking statements include: the failure to realize synergies as a result of

operational efficiencies, purchasing volume discounts, cross-selling of services, streamlined distribution and general and administrative reductions in the timeframe expected or at all; unexpected costs or liabilities; and the risks that are described from time to time in BioScrip's reports filed with the Securities and Exchange Commission (the "SEC"), including BioScrip's annual report on Form 10-K for the year ended December 31, 2009. This press release speaks only as of its date, and BioScrip disclaims any duty to update the information herein.

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