

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

CBLPath, LLC

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other limited liability company, New York

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 12/11/2003

2. Name and address of receiving party(ies)

Name: Prudent Capital I, LP Internal Address: Suite 1200

Street Address: 1120 Connecticut Avenue, NW City: Washington State: DC Zip: 20036

- Individual(s) citizenship Association General Partnership Limited Partnership Maryland Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 78/335309; 78/335327; 78/243447; 78/243429

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Janet M. Hanson

Internal Address: Cooley Godward LLP

One Freedom Square

Reston Town Center

Street Address: 11951 Freedom Drive

City: Reston State: VA Zip: 20190

6. Total number of applications and registrations involved:

4

7. Total fee (37 CFR 3.41) \$ 115.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

03-3115

DO NOT USE THIS SPACE

9. Signature.

Janet M. Hanson Name of Person Signing

Signature

12/15/03 Date

11

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

CH \$115.00 033115 78336309

Prudent Capital I, LP

Recordation Form Cover Sheet
TRADEMARKS ONLY

Continuation of PART I. Name of conveying party(ies):

CBLPath, Inc., a New York corporation

COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY ("*Assignment*") is made as of this 4th day of December, 2003 between (1) CBLPATH, LLC a New York limited liability company and wholly-owned subsidiary of CBLPath, Inc., a New York Corporation (collectively, the "*Assignor*"), and (2) PRUDENT CAPITAL I, LP, a Maryland limited partnership (the "*Assignee*").

RECITALS

WHEREAS, Assignor is the owner of the entire right, title and interest in and to the trademark and service mark applications described in **Exhibit A** annexed hereto and made a part hereof;

WHEREAS, Assignor, Assignee and others entered into an Investment Agreement of even date herewith ("*Investment Agreement*"), pursuant to which Assignee has agreed to make an investment in Assignor, such investment to be evidenced by, among other things, Assignor's issuance to Assignee of a certain debenture in the aggregate principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "*Debenture*"). As a condition of advancing all or a portion of such investment, Assignee requires that Assignor enter into this Assignment; and

WHEREAS, any capitalized term used herein and not otherwise defined herein shall have the meaning given to it in the Investment Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the premises and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the undersigned parties agree as set forth below.

1. **Grant of Security Interest.** Assignor hereby assigns to Assignee a security interest in all of Assignor's now-existing or hereafter acquired right, title and interest in and to the trademark and servicemark applications identified in **Exhibit A** and all reissues, renewals, extensions, continuations, continuations-in-part and divisions thereof (hereinafter "*Intellectual Property*"); and any and all proceeds thereof, including, without limitation, any claims by Assignor against third parties for infringement of the Intellectual Property (hereinafter collectively "*Collateral*").

2. **Obligations Secured.** This Assignment is made to Assignee to secure repayment of the Debenture and to secure payments and performance of all Obligations.

3. **Warranties and Covenants.**

(a) **Good Title.** All of the existing Collateral is valid and subsisting in full force and effect in its current form as trademark and servicemark applications, such Collateral represents all of the Intellectual Property used in or necessary for the conduct of the business of

the Company, and Assignor, to its knowledge, owns the sole, full and clear title thereto. Assignor has the right and power to grant the assignments granted hereunder. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interest or encumbrances of any nature whatsoever, except the liens in favor of the Senior Lender, Permitted Encumbrances (as those terms are defined under the Investment Agreement), and the assignment granted hereunder.

(b) No Transfer. Assignor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to, or otherwise dispose of any of the Collateral, other than to an affiliated entity controlling Assignor or who is wholly-owned, directly or indirectly, by Assignor without the prior written consent of Assignee to any such action, except as such action is expressly permitted hereunder.

(c) Lien Perfection. Assignor will, at Assignor's expense, perform all acts and execute, perfect, maintain, record or enforce the assignment in the Collateral or to otherwise further the provisions of this Assignment. Assignor hereby authorizes Assignee to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Assignee.

(d) Litigation. Assignor has no actual knowledge of any rights, claims or other encumbrances that purport to preclude Assignor from conducting its business, and Assignor has no knowledge of any claim that its use of the Intellectual Property has or will violate any rights, or support any claim of infringement or other claims, of any other person or entity. Assignee may, in its sole discretion, pay any amount or do any act which Assignor fails to do or pay as required hereunder or as requested by Assignee to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the assignment granted hereunder, including without limitation, filing fees, court costs, travel expenses and reasonable attorneys' fees. In the event that the Intellectual Property is or becomes the subject of any litigation, Assignee shall at its option have the sole right to control such litigation, select counsel, determine whether settlement shall be offered or accepted, determine and negotiate all settlement terms and be indemnified by Assignor for all costs of litigation and settlement including, without limitation, all costs, expenses and reasonable attorneys' fees. Assignor will be liable to Assignee for any payments under this paragraph which shall be deemed reasonable expenses under the terms of the Debenture.

(e) No Other Patents/Trademarks; No Pending Applications. As of the date hereof, Assignor has no patents or trademarks or servicemarks issued by, or the subject of pending applications in, the United States Patent and Trademark Office or any similar office or agency in the United States or any other country, other than that described in **Exhibit A** annexed hereto.

(f) No Subsequent Applications. Assignor shall not file any application for the issuance of a patent or trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any other country, unless Assignor has by prior written notice informed Assignee of such action and obtained consent thereto (which consent shall not be unreasonably withheld or delayed). Upon request of Assignee, Assignor shall

execute and deliver to Assignee any and all assignments, agreements, instruments, documents and such other papers as may be requested by Assignee to effect a collateral assignment of such application to Assignee.

(g) **No Abandonment.** Assignor has not abandoned any pending patent or trademark application and Assignor will not do any act, nor omit to do any act, whereby the patents or trademarks may become abandoned or unenforceable. Assignor shall notify Assignee immediately if it knows or has reason to know of any reason why any application, trademark or patent may become abandoned, invalidated or the subject of any suit.

(h) **Maintenancce.** Assignor will render any assistance necessary to Assignee without cost in any proceeding before the United States Patent and Trademark Office or any similar office or agency in the United States or any other country to maintain each application and Intellectual Property, including, without limitation, filing of renewals and paying annuities.

(i) **Notify.** Assignor will promptly notify Assignee if Assignor (or Affiliate or subsidiary thereof) learns of any use by any person of any infringement of the Intellectual Property. If requested by Assignee, Assignor, at Assignor's expense, shall join with Assignee in such action as Assignee, in Assignee's discretion, may deem advisable for the protection of Assignee's interest in and to the Intellectual Property.

(j) **Indemnification.** Assignor assumes all responsibility and liability arising from the use of Intellectual Property and Assignor hereby indemnifies and holds Assignee harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by Assignor (or any Affiliate or subsidiary thereof) in connection with any Intellectual Property or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Assignor (or any Affiliate or subsidiary thereof).

4. **Remedies of Assignnce.** Upon an Event of Default and in addition to all other rights and remedies of Assignee, whether provided under law or equity or otherwise, Assignee shall have the following rights and remedies which may be exercised without notice to, or consent by, Assignor except as such notice or consent is expressly provided for herein.

(a) **Stop Use.** Assignee may require by written notice that neither Assignor nor any Affiliate or subsidiary of Assignor make any use of any patented inventions or the marks subject hereto for any purpose whatsoever.

(b) **Licenses.** Upon ten (10) days' notice to Assignor, Assignee may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Assignee shall in its sole discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or nonexclusive basis throughout the United States of America, its territories and possessions and all foreign countries.

(c) **Sale.** Upon ten (10) days' prior notice to Assignor, Assignee may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special

conditions or stipulations, but subject to the Applicable UCC. Assignee shall have the power to buy the Collateral or any part thereof, and Assignee shall also have the power to execute assurances and perform all other acts which Assignee may, in Assignee's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition.

(d) Power of Attorney. In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to Subparagraph 4(b) hercof, Assignee may at any time execute and deliver on behalf of Assignor, one or more instruments of assignment of the Collateral (or application, letters patent or recording relating thereto), in form suitable for filing, recording or registration. Assignor agrees to pay when due all reasonable costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees and reasonable attorneys' fees.

(e) Application of Proceeds; Deficiency. Assignee may first apply the fees or proceeds actually received from any such license, assignment, sale or other disposition of Collateral to the reasonable costs and expenses thereof, including, without limitation to, reasonable attorneys' fees and all reasonable legal, travel and other expenses which may be incurred by Assignee. Thereafter, Assignee shall apply any remaining proceeds to the Obligations. Assignor shall remain liable to Assignee for any expenses or Obligations remaining unpaid after the application of such proceeds, and Assignor will pay Assignee on demand any such unpaid amount, together with interest at the interest rate set forth in the Debenture.

(f) Trade Secrets. In the event that any such license, assignment, sale or other disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Assignor shall supply to Assignee or Assignee's designee, Assignor's knowledge and expertise relating to the manufacture and sale of Assignor's products according to the patented inventions, if any, Assignor's customer lists, and other records relating to the distribution of Assignor's products.

(g) Non-Exclusive Remedies. Nothing contained herein shall be construed as requiring Assignee to take any such action at any time. All of Assignee's rights and remedies, whether provided under law, the Obligations, this Assignment or otherwise shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively or concurrently.

5. Miscellaneous.

(a) Satisfaction. Upon the satisfactory completion of all the terms and conditions of this Assignment and the Obligations and upon payment in full of all monies due thereunder, Assignee will immediately execute a re-assignment of the Intellectual Property listed in **Exhibit A**, which re-assignment will be in a form suitable for filing with the United States Patent and Trademark Office, and deliver that re-assignment to Assignor for filing by Assignor, and execute and deliver for filing by Assignor a UCC-3 Termination Statement, at Assignor's expense.

(b) No Waiver. Any failure or delay by Assignee to require strict performance by Assignor of any of the provisions, warranties, terms and conditions contained

herein or in any other agreement, document or instrument, shall not affect Assignee's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of Assignee, its agents, officers or employees, but only by an instrument in writing, signed by an officer of Assignee and directed to Assignor, specifying such waiver.

(c) Notice. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by telex or telegram, immediately upon sending; if by Federal Express, express mail or any other overnight delivery service, one day after dispatch; and if mailed by certified mail, return receipt requested, five days after mailing. All notices, requests and demands are to be given or made to the respective parties at the following addresses (or to such other address as either party may designate by notice in accordance with the provisions of this paragraph):

If to Assignor:

CBLPath, LLC and CBLPath, Inc.
715 Mamaroneck Avenue
Mamaroneck, NY 10543
Attention: President

With a copy to:

Baker, Donelson, Bearman, Caldwell & Berkowitz
211 Commerce Street, Suite 1000
Nashville, Tennessee 37201
Attention: Jason Epstein, Esquire

If to Assignee:

Prudent Capital I, LP
c/o Prudent Management, LLC
1120 Connecticut Avenue, N.W.
Suite 1200
Washington, DC 20036
Attention: Steven J. Schwartz, Manager

With a copy to:

Cooley Godward LLP
One Freedom Square
Reston Town Center
11951 Freedom Drive
Reston, VA 20190
Attention: Thomas R. Salley, Esquire

(d) Severability; Captions. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this

Assignment, which shall be deemed severable. The captions and paragraph headings herein shall not be considered part of the this Assignment.

(e) **Parties; Changes.** This Assignment shall be binding upon and for the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Assignment signed by the party to be charged thereby.

(f) **Choice of Law.** The validity, interpretation and effect of this Assignment shall be governed by the laws of the State of Maryland without regard to its rules for conflicts of law.

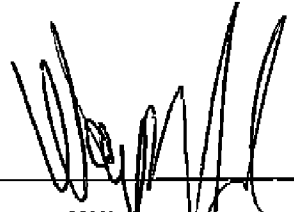
(g) **No Marshalling.** Notwithstanding the existence of any other security interests held by Assignee or by any other party, assignee shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided herein. Assignee shall have the right to determine the order in which any or all portions of the Obligations are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Assignor, any party who becomes liable for Assignor's obligations and covenants under this Assignment, and any party who now or hereafter acquires a security interest in the Collateral, or any portion thereof, hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

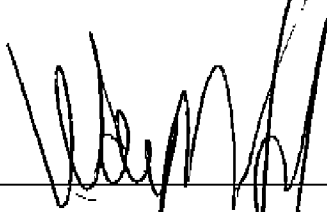
(h) **Counterparts.** This Assignment may be executed by the parties in one or more counterparts, each of which shall be binding against the signatory and all of which taken together shall constitute one instrument.


(i) **Subordination.** The rights of Assignee under this Agreement shall be subordinated to any Permitted Encumbrances and the Senior Credit Facility pursuant to that certain Consent and Subordination Agreement between the Senior Creditor and Purchaser, to the extent there is a conflict between this Agreement and the Senior Credit Facility or any Permitted Encumbrances, the provisions of the Senior Credit Facility and any Permitted Encumbrances will control.


[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Intellectual Property as of the day and year first above written.

Witness: 
WAYNE M. JOSEL
Notary Public, State of New York
No. 02105087348
Qualified in Westchester County
Commission Expires November 11, 2005
03

Witness: 
WAYNE M. JOSEL
Notary Public, State of New York
No. 02105087348
Qualified in Westchester County
Commission Expires November 11, 2005
03

“ASSIGNOR”:
CBLPATH, LLC
a New York limited liability company
By: 
William W. Curtis
Manager

“ASSIGNOR”:
CBLPATH, INC.
a New York corporation
By: 
William W. Curtis
Chief Executive Officer

“ASSIGNEE”:
PRUDENT CAPITAL I, LP,
a Maryland limited partnership
By: Prudent Management, L.L.C.,
a Maryland limited liability company,
its General Partner
By: _____
Steven J. Schwartz, Manager

Witness: _____

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Intellectual Property as of the day and year first above written.

"ASSIGNOR":

CBLPATH, LLC
a New York limited liability company

Witness: _____

By: _____
William W. Curtis
Manager

"ASSIGNOR":

CBLPATH, INC.
a New York corporation

Witness: _____

By: _____
William W. Curtis
Chief Executive Officer

"ASSIGNEE":

PRUDENT CAPITAL I, LP,
a Maryland limited partnership

By: Prudent Management, L.L.C.,
a Maryland limited liability company,
its General Partner

Witness: _____


By: 
Steven J. Schwartz, Manager

EXHIBIT A

Intellectual Property

"CBLPath" trademark Application Number 78/335309

"CBLPath" servicemark Application Number 78/335327

"The Next Step in Pathology" trademark Application Number 78/243447

"The Next Step in Pathology" servicemark Application Number 78/243429