

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	RELEASE BY SECURED PARTY		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Prudent Capital I, L.P.		07/01/2005	LIMITED PARTNERSHIP: MARYLAND
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	CBLPath, Inc.		
<b>Street Address:</b>	2100 SE 17th Street		
<b>Internal Address:</b>	Building 300		
<b>City:</b>	Ocala		
<b>State/Country:</b>	FLORIDA		
<b>Postal Code:</b>	34471		
<b>Entity Type:</b>	CORPORATION: NEW YORK		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	3012940	CBLPATH	
Registration Number:	3053099	CBLPATH	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(615)744-5614		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	6157265614		
<b>Email:</b>	eplotkin@bakerdonelson.com		
<b>Correspondent Name:</b>	Emily H. Plotkin		
<b>Address Line 1:</b>	211 Commerce Street		
<b>Address Line 2:</b>	Suite 1000		
<b>Address Line 4:</b>	Nashville, TENNESSEE 37201		
<b>ATTORNEY DOCKET NUMBER:</b>	2825951-00012		
<b>NAME OF SUBMITTER:</b>	Emily H. Plotkin		

OP \$65.00 3012940

Signature:

/Emily H. Plotkin/

Date:

05/09/2006

**Total Attachments: 8**

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## EXERCISE, CONVERSION AND PAYMENT AGREEMENT

THIS EXERCISE, CONVERSION AND PAYMENT AGREEMENT is made and entered into as of the 1st day of July, 2005 by and among CBLPATH HOLDINGS CORPORATION, a Delaware corporation (the "Company"), and PRUDENT CAPITAL I, L.P., and PRUDENT CAPITAL EQUITIES I, L.P., each a Maryland limited partnership and collectively referred to herein as "Prudent."

WHEREAS, the Company desires to capitalize the Company to a greater degree in order to fund business growth and reduce debt; and

WHEREAS, the Company is in the process of effecting a capitalization transaction with Galen Partners IV, L.P. and certain of its affiliates ("Galen") whereby the Company will, among other things, authorize a new class of Series A Convertible Preferred Stock and issue to Galen 310,620 shares of such stock at a price of \$49.90 per share (collectively, the "Galen Transaction"); and

WHEREAS, the Company desires to simplify its capitalization structure in preparation for the Galen Transaction by replacing the current Series A Preferred Stock with a new Series A Preferred Stock and by combining the three current classes of Common Stock into one class of Common Stock; and

WHEREAS, Prudent is the sole legal, record and beneficial owner of 2,000 shares of Series A Preferred Stock of the Company, \$.001 par value (collectively, the "Current Preferred Shares"); and

WHEREAS, Prudent and the Company wish for the Company to redeem all of the Current Preferred Shares; and

WHEREAS, on December 4, 2003 the Company issued to Prudent Capital I, L.P. a Class C Common Stock Warrant with respect to 41,750 shares of the Company's Class C Common Stock and issued to Prudent Capital Equities I, L.P. a Class C Common Stock Warrant with respect to 50,000 shares of the Company's Class C Common Stock (collectively, the "Warrants"); and

WHEREAS, Prudent is willing to exercise the Warrants in return for an aggregate of 91,750 shares of the Company's new Common Stock, so long as certain conditions are first met; and

WHEREAS, the parties hereto desire to set forth with particularity the terms and conditions upon which they have agreed to consummate the transactions contemplated hereunder.

NOW, THEREFORE, in consideration of the foregoing and mutual promises hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. Redemption of Current Preferred Shares. Subject to the conditions set forth below in Section 5, Prudent will sell and the Company will redeem all of the outstanding Current Preferred Shares for an aggregate redemption price of \$1,161,177.00 (the "Redemption"). The Redemption will be accomplished by Prudent delivering to the Company all certificates

evidencing the Current Preferred Shares and the Company paying the \$1,161,177.00 to Prudent by wire transfer in accordance with the wiring instructions attached hereto as Exhibit 1. The Redemption shall be deemed to have been effected on the "Closing Date," as such term is defined in Section 5.

2. Exercise of Warrants. Subject to the conditions set forth below in Section 5, Prudent will exercise the Warrants and receive therefor shares of the new common stock of the Company (the "*Common Stock*") instead of shares of Class C Common Stock (the "*Exercise*"). The Exercise shall be accomplished by Prudent exercising the Warrants in accordance with their terms, and the Company issuing to Prudent Capital I, L.P. a certificate evidencing 41,750 shares of Common Stock and to Prudent Capital Equities I, L.P., a certificate evidencing 50,000 shares of Common Stock. In connection with the Exercise, Prudent will execute and deliver that certain Right of First Refusal and Co-Sale Agreement, that certain Investor Rights Agreement and that certain Stockholders' Agreement, each among the Company, its common holders and Galen. The Conversion shall be deemed to have been effected on the Closing Date.

3. Satisfaction of Debenture. The Company and its affiliates have issued and delivered to Prudent that certain Debenture dated December 4, 2003 in the original principal amount of \$2,500,000.00 (the "Debenture"). Subject to the conditions set forth below in Section 5, the parties agree that all obligations of the Company and its affiliates under the Debenture will be fully satisfied upon payment to Prudent of \$2,379,515.00 by wire transfer on the Closing Date in accordance with the wiring instructions attached hereto as Exhibit 1.

4. Termination of Existing Agreements. On the Closing Date and subject to the conditions set forth below in Section 5, all documents entered into between the Company and/or any of its affiliates, on the one hand, and Prudent, on the other hand, on or about December 4, 2003 will terminate in their entirety, be rendered null and void, and be of no further force or effect in any respect. The agreements that will terminate in accordance with this Section 4 include, without limitation, the Debenture, the Warrants, the Investment Agreement, the Investor Rights Agreement, the Series A Preferred Stock Purchase Agreement, the Security Agreement, the Collateral Assignment of Intellectual Property, the Collateral Assignment of Leases, and the Guaranty Agreements of the Company's principals (and their spouses). Notwithstanding the foregoing, the Warrants will be exercised as stipulated in Section 2 and the Debenture will be satisfied as stipulated in Section 3.

5. Conditions to Closing. The rights and obligations created in this Agreement shall be subject to the satisfaction of each of the following conditions:

a. The closing of the Galen Transaction, the date of which is referred to herein as the "*Closing Date*;"

b. The Company's redemption, and/or conversion into Common Stock, of all outstanding Class B Common Stock of the Company; and

c. The Company establishing to Prudent, by delivery of a Certificate of Incorporation of the Company as filed with the Delaware Secretary of State, that no class or

series of common stock of the Company is authorized or available for issuance other than the Common Stock.

6. Representations, Warranties, and Acknowledgements. The following representations, warranties and acknowledgements are made as of the date hereof and as of the Closing Date. No party will take any action which would render any representation, warranty or acknowledgment it makes hereunder invalid or untruthful in any way from the date hereof through the Closing Date.

a. Prudent hereby represents and warrants to the Company that it is the sole owner of the Warrants, free and clear of any encumbrances; (ii) has the full right to exercise the Warrants; (iii) is not a party to any agreement that grants to any person the right to purchase or otherwise acquire all or any portion of the Warrants or the shares of Class C Common Stock underlying the Warrants; and (iv) does not know of any fact nor has reasonable cause to know of any fact that will disqualify it from exercising the Warrants as contemplated hereunder.

b. Prudent hereby represents, warrants and acknowledges to the Company that it has had access to the books and records of the Company, including the Company's Certificate of Incorporation and Bylaws and Stockholders Agreement, and are fully aware of and understand the differing characteristics, rights, preferences and limitations of the Common Stock and the Class C Common Stock. Prudent hereby further represents, warrants and acknowledges to the Company that it deems the terms and conditions of the Exercise to be adequate and fair in all respects.

c. Company hereby represents and warrants to Prudent that, other than as contemplated with respect to the Galen Transaction, its Certificate of Incorporation, Bylaws and Stockholders Agreement have not been modified since December 4, 2003.

d. Prudent hereby represents and warrants to the Company that it (i) is an "accredited investor" as such term is defined under federal securities laws, (ii) understands that the Common Stock is not being registered under federal or state securities laws, (iii) understands that the Common Stock will be subject to transfer restrictions under federal and state securities laws and by contract, such as the Stockholders Agreement, and (iv) intends to hold the Common Stock for investment purposes only and has no intention to distribute any shares thereof.

7. Affirmative and Negative Covenants. The Company hereby represents and warrants to Prudent that so long as it is entitled to the "observation rights" described in Section 2(l) of the Company's Stockholders' Agreement, and in addition to the per diem payment rights set forth therein, the Prudent representative shall receive the same non-cash compensation, if any, as the Company's non-management directors who are Affiliates of Galen shall receive for attendance at any meeting of the Company's Board of Directors or Compensation Committee. For purposes of this Section 7, an "Affiliate of Galen" is an individual who beneficially owns any equity interest in, or is an employee of, Galen Partners IV, L.P., Galen Partners International IV, L.P. and/or Galen Employee Fund IV, L.P. The Company hereby represents and warrants to Prudent that so long as it holds shares of Common Stock, the Company will not permit the authorization of any class or series of Common Stock without Prudent's prior written consent.

8. Further Assurances. On or about the Closing Date, Prudent will exercise the Warrants and deliver to the Company the original Warrants, and the Company will deliver to Prudent certificates representing, in the aggregate, 91,750 shares of Common Stock. On or about the Closing Date, Prudent will deliver to the Company all certificates evidencing the Current Preferred Shares, and the Company will wire to Prudent funds equal to the sum of the redemption price for the Current Preferred Shares and the payment required to satisfy the Debenture. At any time after the execution of this Agreement, the parties hereto will, without further consideration, execute and deliver to any other party hereto such additional documents and instruments as may be necessary or reasonably appropriate to carry out and effect the transactions contemplated under this Agreement.

9. General Provisions.

a. All representations, warranties and agreements contained in this Agreement and all documents delivered in connection with this Agreement shall survive execution of this Agreement and the closing of the Galen Transaction.

b. The Exhibits to this Agreement are incorporated herein by reference. This Agreement, along with such Exhibits, constitutes the entire agreement and understanding among the parties hereto with respect to the transactions contemplated hereby. All prior representations, understandings and agreements between the parties with respect to the transaction contemplated hereby are superseded by the terms of this Agreement. Any rule of construction that ambiguities be resolved against the drafting party shall not apply to the interpretation of this Agreement, as it was subject to extensive negotiation between the parties. Captions are intended for convenience of reference only, and shall not be construed to define, limit or describe the scope or intent of any provision hereof.

c. This Agreement shall be binding upon the parties hereto, their administrators and permitted successors and assigns

d. No party may assign or delegate all or any portion of this Agreement without the express prior written consent of the other parties hereto. Any prohibited assignment or delegation will be deemed null and void.

e. If any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect and enforceable in accordance with its terms. In addition, if any provision is held to be unenforceable, there shall be automatically substituted therefor a provision as similar as possible thereto that is valid and enforceable.

f. This Agreement cannot be modified or terminated orally.

g. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware.

h. This Agreement may be executed in a number of identical counterparts, each of is to be deemed an original and all of which constitute one agreement.

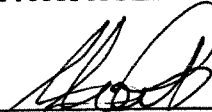
i. The Company will reimburse Prudent for all reasonable legal fees it incurs in connection with the negotiation, execution and consummation of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Conversion Agreement as of the date first above written.

**THE COMPANY:**

CBLPATH HOLDINGS CORPORATION

By:   
Name: WILLIAM W. CURTIS  
Its: CHAIRMAN AND CEO

**PRUDENT:**

PRUDENT CAPITAL I, L.P.

By: Prudent Management, LLC, a Maryland limited liability company, its General Partner

By: \_\_\_\_\_  
Name: Steven J. Schwartz  
Its: Manager

PRUDENT CAPITAL EQUITES I, L.P.

By: Prudent Management, LLC, a Maryland limited liability company, its General Partner

By: \_\_\_\_\_  
Name: Steven J. Schwartz  
Its: Manager



IN WITNESS WHEREOF, the parties hereto have caused this Conversion Agreement as of the date first above written.

**THE COMPANY:**

CBLPATH HOLDINGS CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**PRUDENT:**

PRUDENT CAPITAL I, L.P.

By: Prudent Management, LLC, a Maryland limited liability company, its General Partner

By:  \_\_\_\_\_

Name: Steven J. Schwartz

Its: Manager

PRUDENT CAPITAL EQUITES I, L.P.

By: Prudent Management, LLC, a Maryland limited liability company, its General Partner

By:  \_\_\_\_\_

Name: Steven J. Schwartz

Its: Manager

**Exhibit 1**

**Prudent Wiring Instructions**

Prudent Capital I, L.P. wire should go to Capital Bank, NA, One Church Street, Rockville, MD 20850, ABA # 055003340, for credit to Prudent Capital I, L.P, a/c # 0180203318.

Prudent Capital Equities I, L.P. wires should go to Capital Bank, NA, One Church Street, Rockville, MD 20850, ABA # 055003340, for credit to Prudent management, LLC, a/c # 0110260811.