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

FORM 10-Q

(Mark One)

R **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010.

or

£ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 333-72097

NEOGENOMICS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**74-2897368**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12701 Commonwealth Drive, Suite 9, Fort Myers, Florida	**33913**
(Address of principal executive offices)	(Zip Code)

(239) 768-0600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer £	Accelerated filer £	Non-accelerated filer £ (Do not check if a smaller reporting company)	Smaller reporting company R

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of August 9, 2010, the registrant had 37,380,224 shares of common stock, par value $0.001 per share outstanding.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q contains "forward-looking statements" relating to NeoGenomics, Inc., a Nevada corporation (referred to individually as the "Parent Company" or collectively with all of its subsidiaries as "NeoGenomics" or the "Company"), within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. These "forward looking statements" represent the Company's current expectations or beliefs including, but not limited to, statements concerning the Company's operations, performance, financial condition and growth. For this purpose, any statements contained in this Form 10-Q that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" or the negative or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel, variability of quarterly results, competition and the ability of the Company to continue its growth strategy, certain of which are beyond the Company's control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

PART I — FINANCIAL INFORMATION
Item 1. Financial Statements

NEOGENOMICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2010 (unaudited)	December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,177	$ 1,631
Restricted cash	500	1,000
Accounts receivable (net of allowance for doubtful accounts of $933 and $589, respectively)	5,385	4,632
Inventories	807	602
Other current assets	653	655
Total current assets	9,522	8,520
PROPERTY AND EQUIPMENT (net of accumulated depreciation of $3,624 and $2,787 respectively)	5,042	4,340
OTHER ASSETS	87	85
TOTAL ASSETS	$ 14,651	$ 12,945
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 2,049	$ 1,969
Accrued compensation	1,275	1,308
Accrued expenses and other liabilities	508	465
Short-term portion of equipment capital leases	2,031	1,482
Revolving credit line	2,969	552
Total current liabilities	8,832	5,776
LONG TERM LIABILITIES		
Long-term portion of equipment capital leases	1,436	1,526
TOTAL LIABILITIES	10,268	7,302
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common stock, $.001 par value, (100,000,000 shares authorized; 37,341,285 and 37,185,078 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively)	37	37
Additional paid-in capital	24,229	23,762
Accumulated deficit	(19,883)	(18,156)
Total stockholders' equity	4,383	5,643
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,651	$ 12,945

See notes to unaudited condensed consolidated financial statements.

NEOGENOMICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
NET REVENUE	$ 8,490	$ 7,459	$ 16,908	$ 14,373
COST OF REVENUE	4,575	3,384	8,918	6,475
GROSS PROFIT	3,915	4,075	7,990	7,898
OPERATING EXPENSES				
General and administrative	2,769	2,215	5,671	4,555
Sales and marketing	1,943	1,722	3,706	3,056
Total operating expenses	4,712	3,937	9,377	7,612
INCOME (LOSS) FROM OPERATIONS	(797)	138	(1,387)	286
INTEREST AND OTHER INCOME (EXPENSE) - NET	(181)	(130)	(341)	(245)
NET INCOME (LOSS)	$ (978)	$ 8	$ (1,728)	$ 41
NET INCOME (LOSS) PER SHARE				
- Basic	$ (0.03)	$ 0.00	$ (0.05)	$ 0.00
- Diluted	$ (0.03)	$ 0.00	$ (0.05)	$ 0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
- Basic	37,307,232	33,066,941	37,264,112	32,655,972
- Diluted	37,307,232	38,485,914	37,264,112	36,864,793

See notes to unaudited condensed consolidated financial statements.

NEOGENOMICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the Six Months Ended June 30,	
	2010	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (1,728)	$ 41
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Provision for bad debts	1,166	934
Depreciation	838	503
Amortization of debt issue costs	28	30
Stock-based compensation	226	171
Non-cash consulting expenses	127	30
Changes in assets and liabilities, net:		
(Increase) decrease in accounts receivable, net of write-offs	(1,919)	(2,192)
(Increase) decrease in inventories	(205)	(107)
(Increase) decrease in prepaid expenses	(26)	(183)
(Increase) decrease in deposits	(2)	(24)
Increase (decrease) in accounts payable and other liabilities	7	264
NET CASH USED IN OPERATING ACTIVITIES	(1,488)	(533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(500)	(139)
NET CASH USED IN INVESTING ACTIVITIES	(500)	(139)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital lease obligations	147	97
Advances on credit facility	2,405	711
Repayment of capital leases and loans	(634)	(325)
Decrease in restricted cash	500	-
Issuance of common stock and warrants for cash, net of transaction expenses	116	419
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,534	902
NET INCREASE IN CASH AND CASH EQUIVALENTS	546	230
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,631	468
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,177	$ 698
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 313	$ 214
Income taxes paid	$ 6	$ —
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Equipment leased under capital leases	$ 1,103	$ 686
Equipment purchased and included in accounts payable	$ -	$ 5
Equipment purchased and payables settled with issuance of restricted common stock	$ -	$ 186

See notes to unaudited condensed consolidated financial statements.

NEOGENOMICS, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2010

NOTE A — NATURE OF BUSINESS AND BASIS OF FINANCIAL STATEMENT PRESENTATION

Nature of Business

NeoGenomics, Inc., a Nevada corporation (the "Parent"), and its subsidiary, NeoGenomics Laboratories, Inc., a Florida corporation ("NEO", "NeoGenomics Laboratories" or the "Subsidiary") (collectively referred to as "we", "us", "our", "NeoGenomics", or the "Company"), operates as a certified "high complexity" clinical laboratory in accordance with the federal government's Clinical Laboratory Improvement Amendments of 1988 ("CLIA"), and is dedicated to the delivery of clinical diagnostic services to pathologists, oncologists, urologists, hospitals, and other laboratories throughout the United States.

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Parent and the Subsidiary. All significant intercompany accounts and balances have been eliminated in consolidation.

The accompanying condensed consolidated financial statements are unaudited and include all adjustments, in the opinion of management, which are necessary to make the financial statements not misleading. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year.

The interim condensed consolidated financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. Therefore, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's annual report.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements. The most significant estimates in the Company's condensed consolidated financial statements relate to revenue recognition, allowance for doubtful accounts and stock-based compensation. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenues in accordance with the Securities and Exchange Commission's (the "Commission") Staff Accounting Bulletin Topic 13.A.1 (ASC 605-10-S99-1) No. 104, "Revenue Recognition", when (a) the price is fixed or determinable, (b) persuasive evidence of an arrangement exists, (c) the service is performed and (d) collectability of the resulting receivable is reasonably assured.

The Company's specialized diagnostic services are performed based on a written test requisition form and revenues are recognized once the diagnostic services have been performed, the results have been delivered to the ordering physician, the payor has been identified and eligibility and insurance have been verified. These diagnostic services are billed to various payors, including Medicare, commercial insurance companies, other directly billed healthcare institutions such as hospitals and clinics, and individuals. The Company reports revenues from contracted payors, including Medicare, certain insurance companies and certain healthcare institutions, based on the contractual rate, or in the case of Medicare, published fee schedules. The Company reports revenues from non-contracted payors, including certain insurance companies and individuals, based on the amount expected to be collected. The difference between the amount billed and the amount expected to be collected from non-contracted payors is recorded as a contractual allowance to arrive at the reported revenues. The expected revenues from non-contracted payors are based on the historical collection experience of each payor or payor group, as appropriate. In each reporting period, the Company reviews its historical collection experience for non-contracted payors and adjusts its expected revenues for current and subsequent periods accordingly. As a result of the economic climate in the United States, we have used shorter and more current time horizons in analyzing historical experience.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported at realizable value, net of an allowance for doubtful accounts, which is estimated and recorded in the same period the related revenue is recorded based on the historical collection experience for each type of payor. In addition, the allowance is adjusted periodically, based upon an evaluation of historical collection experience with specific payors, payor types, and other relevant factors, including regularly assessing the state of our billing operations in order to identify issues which may impact the collectability of receivables or allowance estimates. Revisions to the allowance are recorded as an adjustment to bad debt expense within general and administrative expenses. After appropriate collection efforts have been exhausted, specific receivables deemed to be uncollectible are charged against the allowance in the period they are deemed uncollectible. Recoveries of receivables previously written-off are recorded as credits to the allowance.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718 Compensation – Stock Compensation. ASC 718 requires recognizing compensation costs for all share-based payment awards made to employees and directors based upon the awards' grant-date fair value. The standard covers employee stock options, restricted stock, and other equity awards.

For stock options, the Company uses a trinomial lattice option-pricing model to estimate the grant-date fair value of stock option awards, and recognizes compensation cost on a straight-line basis over the awards' vesting periods. The Company estimates an expected forfeiture rate, which is factored into the determination of the Company's periodic expense.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses consist of compensation and benefits for research and development personnel, license fees, related supplies, inventory and payment for samples to complete validation studies. These expenses were incurred to develop our melanoma test and to develop other new molecular tests.

Net Income (Loss) Per Common Share

We compute net income (loss) per share in accordance with FASB ASC Topic 260, Earnings per Share. Under the provisions of ASC 260, basic net income (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common and common equivalent shares outstanding, using the treasury stock method, during the period. Equivalent shares consist of employee stock options and certain warrants issued to consultants and other providers of financing to the Company that are in-the-money based on the weighted average closing share price for the period. Under the treasury stock method, the number of in-the-money shares that are considered outstanding for this calculation is reduced by the number of common shares that theoretically could have been re-purchased by the Company with the aggregate exercise proceeds of such warrant and option exercises if such shares were re-purchased at the weighted average market price for the period.

There were no common equivalent shares included in the calculation of diluted earnings per share for the three and six month periods ended June 30, 2010 because the Company had a net loss for such periods and therefore such common equivalent shares were anti-dilutive. Common equivalent shares outstanding for the three and six months ended June 30, 2009 using the treasury stock method, includes approximately 3.4 and 3.0 million equivalent shares, respectively, for unexercised warrants and approximately 2.0 million and 1.2 million shares, respectively, for unexercised stock options, and these were included in the earnings per share calculation.

NOTE B — REVOLVING CREDIT AND SECURITY AGREEMENT

On February 1, 2008, our subsidiary, NeoGenomics Laboratories, Inc., a Florida corporation ("Borrower"), entered into a Revolving Credit and Security Agreement (the "Credit Facility" or "Credit Agreement") with CapitalSource, the terms of which provide for borrowings based on eligible accounts receivable up to a maximum borrowing of $3.0 million, as defined in the Credit Agreement. Subject to the provisions of the Credit Agreement, CapitalSource shall make advances to us from time to time during the three year term, and the Credit Facility may be drawn, repaid and redrawn from time to time as permitted under the Credit Agreement.

To secure the payment and performance in full of the Obligations (as defined in the Credit Agreement), we granted CapitalSource a continuing security interest in and lien upon, all of our rights, title and interest in and to our Accounts (as defined in the Credit Agreement), which primarily consist of accounts receivable and cash balances held in lock box accounts. Furthermore, pursuant to the Credit Agreement, the Parent guaranteed the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all of the Obligations. The Parent guaranty is a continuing guarantee and shall remain in force and effect until the indefeasible cash payment in full of the Guaranteed Obligations (as defined in the Credit Agreement) and all other amounts payable under the Credit Agreement are made.

On April 26, 2010, the Parent Company, NeoGenomics Laboratories, Inc., the wholly-owned subsidiary of the Parent Company ("Borrower"), and CapitalSource entered into an Amended and Restated Revolving Credit and Security Agreement (the "Amended and Restated Credit Agreement"). The Amended and Restated Credit Agreement amended and restated the Revolving Credit and Security Agreement dated February 1, 2008, as amended, among the Parent Company, Borrower and CapitalSource (the "Original Credit Agreement"). The terms of the Amended and Restated Credit Agreement and the Original Credit Agreement are substantially similar except that the Amended and Restated Credit Agreement, among other things, (i) increases the maximum principal amount of the revolving credit facility from $3,000,000 to $5,000,000, (ii) provides that the term of the Amended and Restated Credit Agreement shall end on February 1, 2013, (iii) increases the amount of the collateral management fee and unused line fees paid by Borrower to CapitalSource, (iv) modifies the definitions of "Minimum Termination Fee" and "Permitted Indebtedness", (v) provides that the Borrower must maintain a minimum outstanding principal balance under the revolving facility of at least $2,000,000, (vi) decreases the interest rate to LIBOR plus 4.25% (provided that LIBOR shall not be less than 2.0%) and (vii) revises certain covenants and representations and warranties. The Amended and Restated Credit Agreement also made permanent a previously enacted temporary change to the methodology for calculating the Fixed Charge Coverage Ratio covenant, which permits us to add amounts of unrestricted cash and cash equivalents and unused availability under the Credit Facility to Adjusted EBITDA for the purposes of calculating this covenant. Borrower paid CapitalSource a commitment fee of $33,500 in connection with the execution of the Amended and Restated Credit Agreement (CapitalSource credited $25,000 of an amendment fee previously paid by the Borrower towards the commitment fee).

On June 30, 2010, we had an outstanding amount due on the Credit Facility of approximately $2.96 million and the available credit under the Credit Facility was approximately $627,000.

NOTE C — COMMON STOCK PURCHASE AGREEMENT

On November 5, 2008, we entered into a common stock purchase agreement (the "Stock Agreement") with Fusion Capital Fund II, LLC, an Illinois limited liability company ("Fusion"). The Stock Agreement, which has a term of 30 months, provides for the future funding of up to $8.0 million from sales of our common stock to Fusion on a when and if needed basis as determined by us in our sole discretion. In consideration for entering into this Stock Agreement, on October 10, 2008, we issued to Fusion 17,500 shares of our common stock (valued at $14,700 on the date of issuance) and paid $17,500 as a due diligence expense reimbursement. In addition, on November 5, 2008, we issued to Fusion 400,000 shares of our common stock (valued at $288,000 on the date of issuance) as a commitment fee. Concurrently with entering into the Stock Agreement, we entered into a registration rights agreement with Fusion. Under the registration rights agreement, we agreed to file a registration statement with the SEC covering the 417,500 shares that have already been issued to Fusion and at least 3.0 million shares that may be issued to Fusion under the Stock Agreement. Presently, we expect to sell no more than the initial 3.0 million shares to Fusion during the term of this Stock Agreement. The Company filed a registration statement on Form S-1 on November 28, 2008 and on February 5, 2009 the registration statement became effective and on May 7, 2010, we filed Post Effective Amendment No 2 to the registration statement which became effective on May 19, 2010.

Under the Stock Agreement we have the right to sell to Fusion shares of our common stock from time to time in amounts between $50,000 and $1.0 million, depending on the market price of our common stock. The purchase price of the shares related to any future funding under the Stock Agreement will be based on the prevailing market prices of our stock at the time of such sales without any fixed discount, and the Company will control the timing and amount of any sales of shares to Fusion. Fusion shall not have the right or the obligation to purchase any shares of our common stock on any business day that the price of our common stock is below $0.45 per share. The Stock Agreement may be terminated by us at any time at our discretion without any cost to us. There are no negative covenants, restrictions on future funding from other sources, penalties, further fees or liquidated damages in the agreement.

Given our current liquidity position from cash on hand and our availability under our Credit Facility with CapitalSource, we have no immediate plans to issue common stock under the Stock Agreement. If and when we do elect to sell shares to Fusion under this agreement, we expect to do so opportunistically and only under conditions deemed favorable by the Company. Any proceeds received by the Company from sales under the Stock Agreement will be used for general corporate purposes, working capital, and/or for expansion activities.

NOTE D — CAPITAL LEASE TRANSACTIONS

SunTrust Lease Agreement

On October 28, 2009, we and SunTrust Equipment Finance & Leasing Corp. ("SunTrust"), entered into an equipment lease agreement (the "SunTrust Lease"). The SunTrust Lease established the general terms and conditions pursuant to which the Subsidiary could lease up to $1.5 million in equipment and other property.

On April 13, 2010, the Company entered into Lease Schedule No. 3 of the SunTrust Lease for approximately $249,000 which was funded to several vendors for lab equipment and computer hardware. Lease Schedule No. 3 has a term of 60 months with monthly payments of approximately $4,900 and a $1 final purchase payment at termination. Lease Schedule No. 3 is being accounted for as a capital lease.

On April 28, 2010 the lease agreement expired and we had only drawn $967,000 against the facility. As a result of this on June 10, 2010 SunTrust amended the lease schedules to release $500,000 of restricted cash to us.

NOTE E — RELATED PARTY TRANSACTIONS

Consulting Agreements

During the three and six months ended June 30, 2010, Steven C. Jones, a director of the Company, earned approximately $53,000 and $115,000, respectively, for various consulting work performed in connection with his duties as Executive Vice President of Finance. During the three and six months ended June 30, 2009, Mr. Jones earned approximately $51,000 and $107,000, respectively, for work performed as our Acting Principal Financial Officer.

On May 3, 2010, the Company entered into a consulting agreement (the "Consulting Agreement") with Steven C. Jones (the "Consultant" or "Mr. Jones") whereby Mr. Jones would provide consulting services to the Company in the capacity of Executive Vice President, Finance. The Consulting Agreement has an initial term from May 3, 2010 through April 30, 2013, which initial term automatically renews for additional one year periods unless either party provides notice of termination at least three months prior to the expiration of the initial term or any renewal term. In addition, the Company has the right to terminate the Consulting Agreement by giving written notice to the Consultant twelve months prior to the effective date of termination. The Consultant has the right to terminate the Consulting Agreement by giving written notice to the Company three months prior to the proposed termination date, provided, however, the Consultant is required to provide an additional three months of transition services to the Company upon reasonable request by the Company. Mr. Jones will receive annual base retainer compensation of $180,000 per year. Mr. Jones is also eligible to receive an annual cash bonus based on the achievement of certain performance metrics with a target of 30% of his base retainer (the "Target Payout"). Based on the achievement of certain performance metrics, Mr. Jones may earn up to 150% of the Target Payout.

The Company also agreed that it would issue to the Consultant a warrant to purchase 450,000 shares of the Company's common stock. The warrant has a) a seven year term, b) an exercise price of $1.50 per share, c) the ability to do a cashless net exercise, and d) vesting as follows:

i) 225,000 of such warrant shares vested immediately; and

ii) 112,500 of such warrant shares vest according to the passage of time, with 4,687 warrant shares vesting on the last day of each calendar month for twenty-three (23) months, beginning with the month ended May 31, 2010 and continuing until the month ending March 31, 2012 and 4,699 warrant shares vest on April 30, 2012 so long as Consultant continues to provide services to the Company pursuant to this Agreement or any successor agreement.

iii) 112,500 of such warrant shares shall vest according to whether or not the Company meets certain financial targets as specified below for FY 2010 and FY 2011:

- 28,125 will vest if the Company's actual consolidated revenue for FY 2010, meets or exceeds the consolidated revenue goal established by the Board of Directors (the "Board") for the vesting of performance options and warrants; and

- 28,125 will vest if the Company's actual Adjusted EBITDA for FY 2010, meets or exceeds the consolidated Adjusted EBITDA goals established by the Board for the vesting of performance options and warrants; and

- 28,125 will vest if the Company's actual consolidated revenue for FY 2011, meets or exceeds the consolidated revenue goal established by the Board for the vesting of performance options and warrants; and

- 28,125 will vest if the Company's actual Adjusted EBITDA for FY 2011, meets or exceeds the consolidated Adjusted EBITDA goals established by the Board for the vesting of performance options and warrants; and

iv) The Consulting Agreement also provides that the vesting schedule of such warrant shall also specify that any unvested warrant shares shall vest upon the occurrence of a change of control.

These warrants were valued at $191,000 using a trinomial lattice model with the following assumptions:

Expected term in years	3.78
Risk-free interest rate (%)	2%
Expected volatility range (%)	54.6% to 76.6%
Dividend yield (%)	0%

During the three and six months ended 234,374 warrants vested and the compensation expense was approximately $77,000.

During the three and six months ended June 30, 2010, George O'Leary, a director of the Company, did not engage in any consulting with the Company. During the three and six month period ended June 30, 2009 Mr. O'Leary earned approximately $16,000 and $37,000 for various consulting work performed for the Company.

Laboratory Information System

On March 11, 2005, we entered into an agreement with HCSS, LLC and eTelenext, Inc. to enable NeoGenomics to use eTelenext, Inc's Accessioning Application, AP Anywhere Application and CMQ Application. HCSS, LLC is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS, LLC was owned 66.7% by Dr. Michael T. Dent, a member of our Board of Directors. George O'Leary, a member of our Board of Directors was Chief Financial Officer of HCSS, LLC.

On June 18, 2009, we entered into a Software Development, License and Support Agreement with HCSS, LLC and eTelenext, Inc. to upgrade the Company's laboratory information system to APvX. The estimated costs for the development and migration phase are anticipated to be approximately $150,000 and the system went live on July 29, 2010. This agreement has an initial term of five years from the date of acceptance and calls for monthly fees of $8,000-$12,000 during the term.

During 2010, eTelenext and HCSS were merged to form PathCenter, Inc. Dr. Michael T. Dent and Mr. George O'Leary have beneficial ownership of 12.2% and 4.6%, respectively of PathCenter, Inc.

For the three and six month periods ended June 30, 2010, eTelenext/PathCenter, Inc. earned approximately $75,000 and $181,000, respectively, for work performed on our laboratory information systems. For the three and six month periods ended June 30, 2009 Etelenext/HCSS earned approximately $59,000 and $159,000, respectively, for work performed on our laboratory information systems.

Research DX, LLC

During 2009, we contracted with ResearchDX, L.L.C. ("ResearchDX") to provide clinical trial management services on our behalf. For the three and six month periods ended June 30, 2010, we began to receive various specimens for testing from ResearchDX and we continued to outsource our clinical trial management and cytogenetic overflow volume to them for processing. During the three months ended June 30, 2010, we received specimen testing revenues from ResearchDX of approximately $9,000 and incurred expenses to ResearchDX of approximately $52,000. During the six months ended June 30, 2010, we received specimen testing revenues of approximately $25,000 and incurred expenses to Research DX of approximately $121,000. Research DX was formed in November 2008 and Dr. Mathew Moore our Vice President of Research owns 50% of ResearchDX. Dr. Moore has recused himself from all transactions between the two entities and we believe that such transactions are competitive with alternate options.

NOTE F — SUBSEQUENT EVENTS

Addition and Appointment of Executive Officers

Effective as of July 16, 2010, Marydawn Miller, was appointed to the position of Vice President of Information Technology of the Company.

Effective as of August 10, 2010, Grant Carlson, has been appointed to the position of Vice President of Business Development of the Company.

Also on August 10, 2010, Mark Smits, has been appointed to the position of Vice President of Sales and Marketing of the Company and his start date is August 30, 2010.

As part of his employment offer letter Mr. Smits salary was set at $275,000. Beginning with the fiscal year ending December 31, 2010, Mr. Smits is also eligible to receive a base incentive bonus payment which will be targeted at 40% of his base salary based on 100% achievement of goals (the "Base Bonus Target") agreed to by Mr. Smits and the CEO of NeoGenomics Laboratories and approved by the Board of Directors for such fiscal year and is eligible to be increased up to 150% of the Base Target Bonus in any fiscal year in which he meets certain outsize performance thresholds established by the CEO of the Company and approved by the board of directors. Mr. Smits targeted bonus for FY 2010 will be prorated for the amount of time served in 2010 and is guaranteed to be a minimum of $25,000. Mr. Smits is also entitled to participate in all medical and other benefits that NeoGenomics Laboratories has established for its employees. Mr. Smits will also be eligible for up to four (4) weeks of paid time off per year. If Mr. Smits were terminated without cause during the term (as such term is used in the offer letter) he is eligible to receive his base pay and benefits for a period of six (6) months. Mr. Smits also will receive the option to purchase 425,000 shares of common stock. See the Company's Current Report on Form 8-K filed on August 12, 2010 for additional information regarding this option. Mr. Smits was given the right to purchase up to $100,000 of common stock directly from the Company during his first seven (7) days with the Company or at such other period as may be mutually agreed upon in writing. The share price will be determined by the average share price of the five trading days prior to the purchase. The company also agreed that if the purchase right was exercised that it would provide warrants (the "Warrant") to purchase the Company's common stock (the "Warrant Shares") to Mr. Smits in an amount equal to the number of shares purchased. The exercise price of those warrants is to be set at 125% of the price per share of the common stock purchased. The warrants have a five (5) year term and vest based on the following:

- 20% of the Warrant Shares will be deemed vested as of the date of the Warrant;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $3.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $4.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $5.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $6.00 per share for 20 consecutive trading days;

END OF FINANCIAL STATEMENTS.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NeoGenomics, Inc., a Nevada corporation (referred to individually as the "Parent Company" or collectively with all of its subsidiaries as "NeoGenomics" or the "Company" in this Form 10-Q) is the registrant for SEC reporting purposes. Our common stock is listed on the OTC Bulletin Board under the symbol "NGNM."

Introduction

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements, and the notes thereto included herein. The information contained below includes statements of the Company's or management's beliefs, expectations, hopes, goals and plans that, if not historical, are forward-looking statements subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. For a discussion on forward-looking statements, see the information set forth in the introductory note to this Quarterly Report on Form 10-Q under the caption "Forward Looking Statements", which information is incorporated herein by reference.

Overview

NeoGenomics operates a network of cancer-focused testing laboratories whose mission is to improve patient care through exceptional cancer genetic diagnostic, prognostic and predictive testing services. Our vision is to become America's premier cancer testing laboratory by delivering uncompromising quality, exceptional service and innovative products and solutions. The Company's laboratory network currently offers the following types of testing services:

a) cytogenetics testing, which analyzes human chromosomes;

b) Fluorescence In-Situ Hybridization ("FISH") testing, which analyzes abnormalities at the chromosomal and gene levels;

c) flow cytometry testing, which analyzes gene expression of specific markers inside cells and on cell surfaces;

d) immunohistochemistry testing, which analyzes the distribution of tumor antigens in specific cell and tissue types, and

e) molecular testing which involves analysis of DNA and RNA to diagnose and predict the clinical significance of various genetic sequence disorders.

All of these testing services are widely utilized in the diagnosis, prognosis, and prediction for response to therapy of various types of cancers.

Our Focus

NeoGenomics' primary focus is to provide high complexity laboratory testing for community-based pathology, oncology, dermatology and urology markets in the United States and the Caribbean. We focus on community-based practitioners for two reasons: First, academic pathologists and associated clinicians tend to have their testing needs met within the confines of their university affiliation. Secondly, most of the cancer care in the United States is administered by community based practitioners due to ease of local access. We currently provide our services to pathologists and oncologists that perform bone marrow and/or peripheral blood sampling for the diagnosis of blood and lymphoid tumors (leukemias and lymphomas) and archival tissue referred for analysis of solid tumors such as breast cancer. We also serve community-based urologists by providing a FISH-based genetic test for the diagnosis of bladder cancer and early detection of recurrent disease.

The high complexity cancer testing services we offer to community-based pathologists are designed to be a natural extension of and complementary to the services that our pathologist clients perform within their own practices. Because fee-for-service pathologists derive a significant portion of their annual revenue from the interpretation of cancer biopsy specimens, they represent an important market segment to us. We believe our relationship as a non-competitive partner to the community-based pathologist empowers these pathologists to expand their testing breadth and provide a menu of services that matches or exceeds the level of service found in academic centers of excellence around the country.

We also believe that we can provide a competitive choice to those larger oncology practices that prefer to have a direct relationship with a laboratory for cancer genetic testing services. Our regionalized approach allows us strong interactions with clients and our innovative Genetic Pathology Solutions ("GPS") report summarizes all relevant case data on one summary report.

New FISH Test for Melanoma

In February 2010 we launched the first of the three tests developed pursuant to our 2009 Strategic Supply Agreement with Abbott under the trade name MelanoSITE™. MelanoSITE™ is a four probe FISH test that can be used as a diagnostic aid to traditional histopathologic evaluation in diagnosing melanoma. In conjunction with histopathology, the MelanoSITE™ test can help improve classification of melanocytic neoplasms with conflicting morphologic criteria and help ensure proper follow-up. Differential diagnosis of moderate to severely atypical nevi versus true melanoma is one of the most challenging areas in dermatopathology. While most melanomas can be readily distinguished from nevi on histopathologic examination, we estimate there are about 5% of cases that are ambiguous and show conflicting morphologic criteria. Diagnostic ambiguity has significant adverse consequences for patients and the healthcare system at large. Failure to recognize melanoma is potentially fatal, but labeling a benign lesion as malignant can lead to unwarranted wide re-excisions, sentinel lymph node biopsies, adjuvant toxic therapeutic interventions and the emotional strain of facing a diagnosis of cancer. Considering the large number of biopsies done in the U.S. to either confirm or rule out melanoma, diagnostic uncertainty of this scale represents a significant challenge to the U.S. healthcare system. We believe the MelanoSITE™ test will help address this diagnostic uncertainty and help to reduce the medical costs associated with melanoma by providing a more accurate diagnosis.

Seasonality

The majority of our testing volume is dependent on patients being treated by hematology/oncology professionals and other healthcare providers. Volume of testing generally declines during the vacation seasons, year-end holiday periods and other major holidays, particularly when those holidays fall during the middle of the week. In addition, volume of testing tends to decline due to adverse weather conditions, such as heavy snow, excessively hot or cold spells or hurricanes, tornados in certain regions, consequently reducing revenues and cash flows in any affected period. Therefore, comparison of the results of successive periods may not accurately reflect trends for future periods.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions and select accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

While many operational aspects of our business are subject to complex federal, state and local regulations, the accounting for our business is generally straightforward with net revenues primarily recognized upon completion of the testing process. Our revenues are primarily comprised of laboratory tests, and approximately one-half of total operating costs and expenses consist of employee compensation and benefits. Due to the nature of our business, several of our accounting policies involve significant estimates and judgments. These accounting policies have been described in our Annual Report on Form 10-K for the year ended December 31, 2009, and there have been no material changes in the three and six months ended June 30, 2010.

Results of Operations for the Three and Six Months Ended June 30, 2010 as Compared to the Three and Six Months Ended June 30, 2009

The following table presents the unaudited condensed consolidated statements of operations as a percentage of revenue:

	For the three months ended June 30.		For the six months ended June 30,	
	2010	2009	2010	2009
NET REVENUE	100%	100%	100%	100%
COST OF REVENUE	54%	45%	53%	45%
GROSS PROFIT	46%	55%	47%	55%
OPERATING EXPENSES:				
General and administrative	32%	30%	33%	32%
Sales and marketing	23%	23%	22%	21%
TOTAL OPERATING EXPENSES	55%	53%	55%	53%
INCOME (LOSS) FROM OPERATIONS	(9)%	2%	(8)%	2%
INTEREST AND OTHER INCOME (EXPENSE) - NET	(2)%	(2)%	(2)%	(2)%
NET INCOME (LOSS)	(11)%	0%	(10)%	0%

Revenue

The Company's specialized testing services are performed based on a written test requisition form and revenues are recognized once the testing services have been performed, the results have been delivered to the ordering physician, the payor has been identified and eligibility and insurance have been verified. Our testing services are billed to various payors, including Medicare, commercial insurance companies, other directly billed healthcare institutions such as hospitals and clinics, and individuals. We report revenues from contracted payors, including Medicare, certain insurance companies and certain healthcare institutions, based on the contractual rate, or in the case of Medicare, published fee schedules. We report revenues from non-contracted payors, including certain insurance companies and individuals, based on the amount expected to be collected. The difference between the amount billed and the amount expected to be collected from non-contracted payors is recorded as a contractual allowance to arrive at the reported revenues. The expected revenues from non-contracted payors are based on the historical collection experience of each payor or payor group, as appropriate. In each reporting period, we review our historical collection experience for non-contracted payors and adjust our expected revenues for current and subsequent periods accordingly.

Revenues increased approximately 14%, or $1.0 million, to $8.5 million for the three months ended June 30, 2010 as compared to $7.5 million for the three months ended June 30, 2009. The revenue increase for the three months ended June 30, 2010, as compared to the comparable period in 2009, was primarily driven by increases in the number of tests performed partially offset by a decline in average revenue per test.

Test volume increased approximately 28% for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. Increases in test volumes were primarily driven by the substantial increases in sales and marketing activities by the Company over the past twelve months.

Revenues increased approximately 18%, or $2.5 million, to $16.9 million for the six months ended June 30, 2010 as compared to $14.4 million for the six months ended June 30, 2009. The revenue increase for the six months ended June 30, 2010, as compared to the comparable period in 2009, was primarily driven by increases in the number of tests performed partially offset by a decline in average revenue per test.

Test volume increased approximately 31% for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009. Increases in test volumes were primarily driven by the substantial increases in sales and marketing activities by the Company over the past twelve months.

Revenues per test are a function of both the type of the test (e.g. FISH, cytogenetics, flow cytometry, etc.) and the payer (e.g., Medicare, Medicaid, third party insurer, institutional client etc.). Average revenue per test is primarily driven by our test type mix and our payer mix. The decrease in average revenue per test for the three and six months ended June 30, 2010 is primarily the result of decreases in our managed care reimbursements and to a lesser extent from lower priced tests in our test type mix.

We have established a reserve for uncollectible amounts based on estimates of what we will collect from: a) third-party payers with whom we do not have a contractual arrangement or sufficient experience to accurately estimate the amount of reimbursement we will receive, b) payments directly from patients, and c) those procedures that are not covered by insurance or other third party payers. The Company's allowance for doubtful accounts increased 58%, or approximately $344,000, to $933,000, as compared to $589,000 at December 31, 2009. The allowance for doubtful accounts was approximately 15% of accounts receivable on June 30, 2010 and 11% on December 31, 2009.

Cost of Revenue

Cost of revenue includes payroll and payroll related costs for performing tests, depreciation of laboratory equipment, rent for laboratory facilities, laboratory reagents, probes and supplies, and delivery and courier costs relating to the transportation of specimens to be tested.

Cost of revenue increased approximately 35%, or $1.2 million, to $4.6 million for the three months ended June 30, 2010 as compared to $3.4 million for the three months ended June 30, 2009. The increase was primarily attributable to increases in all areas of costs of revenue as the Company scaled its operations in order to meet increasing demand. Cost of revenue as a percentage of revenue was approximately 54% for the three months ended June 30, 2010 as compared to 45% for the three months ended June 30, 2009.

Accordingly, gross margin was approximately 46% for the three months ended June 30, 2010 as compared to 55% for the three months ended June 30, 2009. This decline in gross margin is primarily the result of our largest customer at March 31, 2009 bringing in-house certain high margin tests in the second quarter of 2009 and replacing a portion of that volume with additional low margin testing. This customer represented 4% of total revenue for the three months ended June 30, 2010 compared to 12% for the comparable period in 2009.

Cost of revenue increased approximately 38%, or $2.4 million, to $8.9 million for the six months ended June 30, 2010 as compared to $6.5 million for the six months ended June 30, 2009. The increase was primarily attributable to increases in all areas of costs of revenue as the Company scaled its operations in order to meet increasing demand. Cost of revenue as a percentage of revenue was approximately 53% for the six months ended June 30, 2010 as compared to 45% for the six months ended June 30, 2009.

Accordingly, gross margin was approximately 47% for the six months ended June 30, 2010 as compared to 55% for the six months ended June 30, 2009. This decline in gross margin is primarily the result of our largest customer at March 31, 2009 bringing in-house certain high margin tests in the second quarter of 2009 and replacing a portion of that volume with additional low margin testing. This customer represented 5% of total revenue for the six months ended June 30, 2010 compared to 15% for the comparable period in 2009.

Sales and Marketing

Sales and marketing expenses relate primarily to the employee related costs of our sales management, sales representatives, sales and marketing consultants, marketing, and customer service personnel.

	For the three months ended June 30.			For the six months ended June 30,		
	2010	2009	% Change	2010	2009	% Change
Sales and marketing	$ 1,943,000	$ 1,722,000	13%	$ 3,706,000	$ 3,056,000	21%
As a % of revenue	23%	23%		22%	21%	

The increase in sales and marketing expenses for the three months ended June 30, 2010 as compared to the same period in 2009 is driven primarily by an increase in the number of sales representatives and sales recruiting expenses.

The increase in sales and marketing expenses for the six months ended June 30, 2010 as compared to the same period in 2009 is primarily a result of adding substantial numbers of sales and marketing personnel in 2009 to generate additional revenue growth and to a lesser extent due to increased sales consulting expenses related to the melanoma launch and development.

We expect our sales and marketing expenses to stabilize in the near future. We expect these expenses to decline as a percentage of revenue as our case volumes increase and we develop more economies of scale in our sales and marketing activities.

General and Administrative Expenses

General and administrative expenses relate to billing, bad debts, finance, human resources, information technology, and other administrative functions. They primarily consist of employee related costs (such as salaries, fringe benefits, and stock-based compensation expense), professional services, facilities expense, and depreciation and administrative-related costs allocated to general and administrative expenses. In addition, the provision for doubtful accounts is included in general and administrative expenses.

	For the three months ended June 30.			For the six months ended June 30,		
	2010	2009	% Change	2010	2009	% Change
General and administrative	$ 2,769,000	$ 2,215,000	25%	$ 5,671,000	$ 4,555,000	18%
As a % of revenue	32%	30%		33%	32%	

The increase in general and administrative expenses for the three months ended June 30, 2010 as compared for the comparable period in 2009 is primarily a result of adding information technology management and to a lesser extent research and development costs of related to new test offerings and warrant compensation expense as a result of the 450,000 warrants issued to Steven C. Jones as part of his consulting agreement to serve as our Executive Vice President, Finance. See the discussion of such warrant under Item 1. Financial Statements, Note E.

Bad debt expense increased by approximately 46%, or $199,000, to $626,000 for the three months ended June 30, 2010 as compared to $427,000 for the three months ended June 30, 2009. Bad debt expense as a percentage of revenue for the three months ended June 30, 2010 was 7.3% as compared to 5.7% for the three months ended June 30, 2009.

The increase in general and administrative expenses for the six months ended June 30, 2010 as compared for the comparable period in 2009 is primarily a result of adding additional senior level management and information technology personnel.

Bad debt expense increased by approximately 25%, or $232,000, to $1,166,000 for the six months ended June 30, 2010 as compared to $934,000 for the six months ended June 30, 2009. Bad debt expense as a percentage of revenue for the six months ended June 30, 2010 was 6.9% as compared to 6.5% for the six months ended June 30, 2009.

The increase in bad debt expense as a percentage of revenue is the result of managed care organizations becoming more aggressive in limiting payments to out-of-network providers. We negotiated and signed managed care contracts with two of the largest insurance companies in the United States in the last ninety days and we expect that these should help to reduce our bad debt expense going forward.

We expect our general and administrative expenses to increase modestly as we increase our billing and collections activities; incur additional expenses associated with the expansion of our facilities and backup systems; and continue to build our physical infrastructure to support our anticipated growth. However, we expect general and administrative expenses to decline as a percentage of our revenue as our case volumes increase and we develop more operating leverage in our business.

Interest Expense, net and Other Expense

Interest expense net, represents the interest expense we incur on our borrowing arrangements offset by the interest income we earn on cash deposits. Interest expense, net increased approximately 35%, or $45,000, to $175,000 for the three months ended June 30, 2010 as compared to $130,000 for the three months ended June 30, 2009. Interest expense, net increased approximately 36%, or $89,000, to $334,000 for the six months ended June 30, 2010 as compared to $245,000 for the three months ended June 30, 2009. Interest expense is primarily related to the amount of our capital leases outstanding and to a lesser extent to the borrowing under our credit facility with CapitalSource. Interest expense increased over the same period in the prior year primarily as a result of the higher capital lease and working capital facility balances. Other expense for the three and six months ended June 30, 2010 was approximately $6,000 and represents minimum state income taxes.

Net Income (Loss)

As a result of the foregoing, we reported a net loss of $978,000, or $(0.03)/share, for the three months ended June 30, 2010 as compared to a net income of $8,000, or $0.00/share, for the three months ended June 30, 2009. We reported a net loss of $1,728,000, or $(0.05) per share, for the six months ended June 30, 2010 as compared to a net income of $41,000, or $0.00 per share, for the six months ended June 30, 2009.

Liquidity and Capital Resources

The following table presents a summary of our cash flows provided by (used in) operating, investing and finance activities for the six months ended June 30, 2010 and 2009 as well as the period ending cash and cash equivalents and working capital.

	For the six months ended June 30,	
	2010	**2009**
Net cash provided by (used in):		
Operating activities	$ (1,488,000)	$ (533,000)
Investing activities	(500,000)	(139,000)
Financing activities	2,534,000	902,000
Net increase in cash and cash equivalents	546,000	230,000
Cash and cash equivalents, beginning of period	1,631,000	468,000
Cash and cash equivalents, end of period (1)	$ 2,177,000	$ 698,000
Working Capital (2), end of period	$ 690,000	$ 600,000

(1) This excludes restricted cash of $500,000
(2) Defined as current assets - current liabilities.

The large increase in cash used in operations for the six months ended June 30, 2010 as compared to the comparable period in 2009 is primarily the result of the loss from operations, and increases in our accounts receivable from increased revenues.

The increase in cash used in investing activities relates to paying more cash for capital expenditures than in the prior year.

The increase in net cash flow provided by financing activities was primarily the result of increases in funding on our Capital Source working capital facility related to the increase in accounts receivable as well as our operating losses. This funding was partially offset by payments on our capital lease facilities.

On November 5, 2008, we entered into a common stock purchase agreement (the “Stock Agreement”) with Fusion Capital Fund II, LLC, an Illinois limited liability company (“Fusion”). The Stock Agreement, which has a term of 30 months, provides for the future funding of up to $8.0 million available from sales of our common stock to Fusion on a when and if needed basis as determined by us in our sole discretion, depending on, among other things, the market price of our common stock. As of June 30, 2010, we had not drawn on any amounts under the Fusion Stock Agreement.

On February 1, 2008, we entered into a revolving credit facility with CapitalSource, which allows us to borrow up to $3,000,000 based on a formula which is tied to our eligible accounts receivable that are aged less than 150 days.

On April 26, 2010, the Parent Company, NeoGenomics Laboratories, Inc., the wholly-owned subsidiary of the Parent Company (“Borrower”), and CapitalSource entered into an Amended and Restated Revolving Credit and Security Agreement (the “Amended and Restated Credit Agreement”). The Amended and Restated Credit Agreement amended and restated the Revolving Credit and Security Agreement dated February 1, 2008, as amended, among the Parent Company, Borrower and CapitalSource (the “Original Credit Agreement”). The terms of the Amended and Restated Credit Agreement and the Original Credit Agreement are substantially similar except that the Amended and Restated Credit Agreement, among other things, (i) increases the maximum principal amount of the revolving credit facility from $3,000,000 to $5,000,000, (ii) provides that the term of the Amended and Restated Credit Agreement shall end on February 1, 2013, (iii) increases the amount of the collateral management fee and unused line fees paid by Borrower to CapitalSource, (iv) modifies the definitions of “Minimum Termination Fee” and “Permitted Indebtedness”, (v) provides that the Borrower must maintain a minimum outstanding principal balance under the revolving facility of at least $2,000,000, (vi) increases the interest rate to LIBOR plus 4.25% (provided that LIBOR shall not be less than 2.0%) and (vii) revises certain covenants and representations and warranties. The Amended and Restated Credit Agreement also made permanent a previously enacted temporary change to the methodology for calculating the Fixed Charge Coverage Ratio covenant, which permits us to add amounts of unrestricted cash and cash equivalents and unused availability under the Credit Facility to Adjusted EBITDA for the purposes of calculating this covenant. Borrower paid CapitalSource a commitment fee of $33,500 in connection with the execution of the Amended and Restated Credit Agreement (CapitalSource credited $25,000 of an amendment fee previously paid by the Borrower towards the commitment fee).

On June 30, 2010, we had an outstanding amount due on the Credit Facility of approximately $2.96 million.

As of June 30, 2010, we had approximately $2,177,000 in unrestricted cash on hand, $627,000 of availability under our credit facility, and up to $8.0 million available under the Fusion Stock Agreement. As such, we believe we have adequate resources to meet our operating commitments for the next twelve months, and accordingly our consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Capital Expenditures

We currently forecast capital expenditures in order to execute on our business plan. The amount and timing of such capital expenditures will be determined by the volume of business, but we currently anticipate that we will need to purchase approximately $3.0 million to $4.0 million of additional capital equipment during the next twelve months. We plan to fund these expenditures with cash, through bank loan facilities, and through capital lease financing arrangements. If we are unable to obtain such funding, we will need to pay cash for these items or we will be required to curtail our equipment purchases, which may have an impact on our ability to continue to grow our revenues. We are currently in engaged in due diligence with respect to two leasing facilities which would provide financing for a large portion of these expenditures.

Subsequent Events

Addition and Appointment of Executive Officers

Effective as of July 16, 2010, Marydawn Miller, was appointed to the position of Vice President of Information Technology of the Company.

Effective as of August 10, 2010, Grant Carlson, has been appointed to the position of Vice President of Business Development of the Company.

Also on August 10, 2010, Mark Smits, has been appointed to the position of Vice President of Sales and Marketing of the Company and his start date is August 30, 2010.

As part of his employment offer letter Mr. Smits salary was set at $275,000. Beginning with the fiscal year ending December 31, 2010, Mr. Smits is also eligible to receive a base incentive bonus payment which will be targeted at 40% of his base salary based on 100% achievement of goals (the "Base Bonus Target") agreed to by Mr. Smits and the CEO of NeoGenomics Laboratories and approved by the Board of Directors for such fiscal year and is eligible to be increased up to 150% of the Base Target Bonus in any fiscal year in which he meets certain outsize performance thresholds established by the CEO of the Company and approved by the board of directors. Mr. Smits targeted bonus for FY 2010 will be prorated for the amount of time served in 2010 and is guaranteed to be a minimum of $25,000. Mr. Smits is also entitled to participate in all medical and other benefits that NeoGenomics Laboratories has established for its employees. Mr. Smits will also be eligible for up to four (4) weeks of paid time off per year. If Mr. Smits were terminated without cause during the term (as such term is used in the offer letter) he is eligible to receive his base pay and benefits for a period of six (6) months. Mr. Smits also will receive the option to purchase 425,000 shares of common stock. See the Company's Current Report on Form 8-K filed on August 12, 2010 for additional information regarding this option. Mr. Smits was given the right to purchase up to $100,000 of common stock directly from the Company during his first seven (7) days with the Company or at such other period as may be mutually agreed upon in writing. The share price will be determined by the average share price of the five trading days prior to the purchase. The company also agreed that if the purchase right was exercised that it would provide warrants (the "Warrant") to purchase the Company's common stock (the "Warrant Shares") to Mr. Smits in an amount equal to the number of shares purchased. The exercise price of those warrants is to be set at 125% of the price per share of the common stock purchased. The warrants have a five (5) year term and vest based on the following:

- 20% of the Warrant Shares will be deemed vested as of the date of the Warrant;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $3.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $4.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $5.00 per share for 20 consecutive trading days;
- 20% of the Warrants Shares will be deemed to be vested on the first day on which the closing price per share of the Company's common stock has reached or exceeded $6.00 per share for 20 consecutive trading days;

ITEM 3 — Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide information under this item.

ITEM 4 — Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the SEC's

rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer, principal financial officer, and principal accounting officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As required by SEC Rule 15d-15(e), our management carried out an evaluation, under the supervision and with the participation of our principal executive officer, principal financial officer, and principal accounting officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our principal executive officer, principal financial officer, and principal accounting officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 4T — Controls and Procedures

Not applicable.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

On November 9, 2009, the Company was notified by the Civil Division of the U.S. Department of Justice ("DOJ") that a "Qui Tam" Complaint ("Complaint") had been filed under seal by a private individual against a number of health care companies, including the Company. The Complaint is an action to recover damages and civil penalties arising from alleged false or fraudulent claims and statements submitted or caused to be submitted by the defendants to Medicare. The DOJ has not made any decision whether to join the action. The Company believes the allegations in the Complaint are without merit and intends to vigorously defend itself if required to do so.

ITEM 1A — RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide information under this item.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On May 3, 2010, a warrant to purchase 450,000 shares of the Company's common stock was issued to Steven C. Jones. Exemption from registration was based on Section 4(2) of the Securities Act. See the discussion of such warrant under Item 1. Financial Statements, Note E.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4 — REMOVED AND RESERVED

None

ITEM 5 — OTHER INFORMATION

Not applicable.

ITEM 6 — EXHIBITS

EXHIBIT NO.	DESCRIPTION
10.24†	Revolving Credit and Security Agreement, dated February 1, 2008, by and between NeoGenomics, Inc., a Nevada corporation, NeoGenomics, Inc., a Florida corporation, and CapitalSource Finance LLC
10.25	Employment Agreement, dated March 12, 2008, between Neogenomics, Inc. and Mr. Robert P. Gasparini
10.26	Employment Agreement, dated June 24, 2008, between Neogenomics, Inc. and Mr. Jerome Dvonch
10.27	Common Stock Purchase Agreement, dated November 5, 2008, between Neogenomics, Inc., a Nevada corporation, and Fusion Capital Fund II, LLC
10.32	Employment Agreement, dated March 16, 2009 between Mr. Douglas M. VanOort and NeoGenomics, Inc.
10.35†	Second Amendment to Revolving Credit and Security Agreement, dated April 14, 2009, among NeoGenomics Laboratories, Inc., NeoGenomics, Inc., and CapitalSource Finance LLC
10.36	Common Stock Purchase Agreement, dated July 24, 2009, between Neogenomics, Inc. and Abbott Laboratories
10.38	Employment Letter dated July 22, 2009 between NeoGenomics, Inc. and Grant Carlson
10.39†	Strategic Supply Agreement dated July 24, 2009, between NeoGenomics Laboratories, Inc. and Abbott Molecular Inc.
10.41	Employment Letter dated November 3, 2009 between NeoGenomics Laboratories, Inc. and George Cardoza
10.42	Employment Letter dated November 3, 2009 between NeoGenomics Laboratories, Inc. and Jack G. Spitz
10.44†	Amended and Restated Revolving Credit and Security Agreement dated April 26, 2010 between NeoGenomics Laboratories, Inc., NeoGenomics, Inc., and CapitalSource Finance LLC
10.45	Consulting Agreement dated May 3, 2010 between NeoGenomics, Inc. and Steven C. Jones. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010)
10.46	Warrant Agreement dated May 3, 2010 between NeoGenomics, Inc. and Steven C. Jones. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010)
10.47	Offer Letter between NeoGenomics Laboratories, Inc. and Marydawn Miller dated June 16, 2010
10.48	Offer Letter between NeoGenomics Laboratories, Inc. and Mark Smits dated July 26, 2010 (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2010)
31.1	Certification by Principal Executive Officer pursuant to Rule 13a-14(a)/ 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Principal Financial Officer pursuant to Rule 13a-14(a)/ 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification by Principal Accounting Officer pursuant to Rule 13a-14(a)/ 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Portions of the exhibit have been omitted pursuant to a request for confidential treatment. The omitted information has been filed separately with the Securities and Exchange Commission.

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, thereunto duly authorized.

Date: August 16, 2010

NEOGENOMICS, INC.

By: */s/ Douglas M. VanOort*
Name: Douglas M. VanOort
Title: Chairman and
Chief Executive Officer

By: */s/ George Cardoza*
Name: George Cardoza
Title: Chief Financial Officer

By: */s/ Jerome J. Dvonch*
Name: Jerome J. Dvonch
Title: Director of Finance and
Principal Accounting Officer

[Confidential Treatment Requested. Confidential portions of this document have been redacted and have been separately filed with the Securities and Exchange Commission]

REVOLVING CREDIT AND SECURITY AGREEMENT

between

NeoGenomics, Inc., a Florida Corporation, as Borrower

and

NeoGenomics, Inc., a Nevada corporation, as Guarantor

and

CAPITALSOURCE FINANCE LLC

Dated as of
February 1, 2008

REVOLVING CREDIT AND SECURITY AGREEMENT

TABLE OF CONTENTS

REVOLVING CREDIT AND SECURITY AGREEMENT

THIS REVOLVING CREDIT AND SECURITY AGREEMENT (the **"Agreement"**) dated as of February 1, 2008 is entered into between **NeoGenomics, Inc.**, a Florida corporation ("**Borrower**"), **NeoGenomics, Inc.**, a Nevada corporation ("**Guarantor**", together with Borrower, individually a "**Credit Party**" and collectively, the "**Credit Parties**") and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company (the **"Lender"**).

WHEREAS, the Credit Parties have requested that Lender make available to Borrower a revolving credit facility (the **"Revolving Facility"**) in a maximum principal amount at any time outstanding of up to Three Million Dollars ($3,000,000) (the **"Facility Cap"**), the proceeds of which shall be used by Borrower as a provider of healthcare services and for the generation of receivables and for any other lawful purpose permitted under this Agreement and for payments to Lender hereunder; and

WHEREAS, Lender is willing to make the Revolving Facility available to Borrower upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, and intending to be legally bound, Credit Parties and Lender hereby agree as follows:

I. DEFINITIONS

1.1 General Terms

In addition to the definitions above and elsewhere in this Agreement, the terms listed in Annex I hereto shall have the meanings given such terms in Annex I, which are incorporated herein and made a part hereof. All capitalized terms used which are not specifically defined herein shall have meanings provided in Article 9 of the UCC to the extent the same are used or defined therein. Unless otherwise specified herein or in Annex I, any agreement, contract or instrument referred to herein or in Annex I shall mean such agreement, contract or instrument as modified, amended, restated or supplemented from time to time. Unless otherwise specified, as used in the Loan Documents or in any certificate, report, instrument or other document made or delivered pursuant to any of the Loan Documents, all accounting terms not defined in Annex I or elsewhere in this Agreement shall have the meanings given to such terms in and shall be interpreted in accordance with GAAP. References herein to "Eastern Time" shall mean eastern standard time or eastern daylight savings time as in effect on any date of determination in the eastern United States of America. The terms "herein", "hereof" and similar terms refer to this Agreement as a whole. In the computation of periods of time from a specified date to a later specified date in any Loan Document, the terms "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including." In any other case, the term "including" when used in any Loan Document means "including without limitation." The term "documents" means all writings, however evidenced and whether in physical or electronic form, including all documents, instruments, agreements, notices, demands, certificates, forms, financial statements, opinions and reports. The term "incur" means incur, create, make, issue, assume or otherwise become directly or indirectly liable in respect of or responsible for, in each case whether directly or indirectly, and the terms "incurrence" and "incurred" and similar derivatives shall have correlative meanings. Unless otherwise expressly indicated, the meaning of any term defined (including by reference) in any Loan Document shall be equally applicable to both the singular and plural forms of such term.

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then Borrower and Lender agree to enter into good faith negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating Borrower's financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by Borrower and Lender, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred.

1.2 Definitions

"Acceptance Notice" shall have the meaning given such term in Section 8.11.

"Accounting Change" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the U.S. Securities and Exchange Commission.

"Accounts" shall mean "accounts" as defined in Section 9-102 of the UCC (including Health Care Insurance Receivables).

"Account Debtor" shall mean "account debtor" as defined in Section 9-102 of the UCC.

"Accumulated Distribution" shall have the meaning given to it in the definition of "Permitted Distribution".

"Accumulated Distribution Fiscal Quarter" shall have the meaning given to it in the definition of "Permitted Distribution".

"Advance" shall mean a borrowing under the Revolving Facility. Any amounts paid by Lender on behalf of Borrower or Guarantor under any Loan Document shall be an Advance for purposes of the Agreement.

"Affiliate" shall mean, as to any Person (a) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, (b) any other Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person, or (iii) of any Person described in clause (a) above with respect to such Person, (c) any other Person which, directly or indirectly through one or more intermediaries, is the beneficial or record owner (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended, as the same is in effect on the date hereof) of five percent (5%) or more of any class of the outstanding voting stock, securities or other equity or ownership interests of such Person and (d) in the case such Person is an individual, any other Person who is an immediate family member, spouse or lineal descendant of individuals of such Person or any Affiliate of such Person. For purposes of this definition, the term "control" (and the correlative terms, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through ownership of securities or other interests, by contract or otherwise. "Affiliate" shall include any Subsidiary. Notwithstanding anything herein to the contrary, in no event shall Lender be considered as "Affiliate" of Borrower or Guarantor.

"Applicable Rate" shall mean the interest rate applicable from time to time to Loans under the Agreement.

"Availability" shall mean the value, in U.S. Dollars of eighty-five percent (85%) of the Borrowing Base minus, if applicable amounts reserved pursuant to this Agreement.

"Borrowing Base" shall mean, as of any date of determination, the net collectible Dollar value of Eligible Accounts, as determined with reference to the most recent Borrowing Certificate and otherwise in accordance with the Agreement; provided, however, that if as of such date the most recent Borrowing Certificate is of a date more than four Business Days before or after such date, the Borrowing Base shall be determined by Lender in its Permitted Discretion. For purposes hereof, the net collectible Dollar value of Eligible Accounts is the amount due to Borrower as a result of a contractual right of payment from third-party payors less deductible obligations and contractual allowances as determined and approved by Lender in its Permitted Discretion.

"Borrowing Certificate" shall mean a Borrowing Certificate substantially in the form of Exhibit A attached hereto.

"Borrowing Date" shall the mean the date requested for an Advance by Borrower pursuant to Section 2.3.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which the Federal Reserve or Lender is closed.

"Capital Expenditures" shall mean, for any Test Period, the sum (without duplication) of all expenditures (whether paid in cash or accrued as liabilities) during the Test Period that are or should be treated as capital expenditures under GAAP.

"Capital Lease" shall mean, as to any Person, a lease of any interest in any kind of property or asset by that Person as lessee that is, should be or should have been recorded as a "capital lease" in accordance with GAAP.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Capitalized Lease Obligations" shall mean all obligations of any Person under Capital Leases, in each case, taken at the amount thereof accounted for as a liability in accordance with GAAP.

"Change of Control" shall mean, with respect to Borrower or Guarantor, the occurrence of any of the following: (i) a merger, consolidation, reorganization, recapitalization or share or interest exchange, sale or transfer or any other transaction or series of transactions in which its stockholders, managers, partners or interest holders immediately prior to such transaction or series of transactions receive, in exchange for the stock or interests owned by them, cash, property or securities of the resulting or surviving entity or any Affiliate thereof, and, as a result thereof, Persons who, individually or in the aggregate, were holders of fifty percent (50%) or more of its voting stock, securities or equity, partnership or ownership interests immediately prior to such transaction or series of transactions hold less than fifty percent (50%) of the voting stock, securities or other equity, partnership or ownership interests of the resulting or surviving entity or such Affiliate thereof, calculated on a fully diluted basis, (ii) a direct or indirect sale, transfer or other conveyance or disposition, in any single transaction or series of transactions, of all or substantially all of its assets, (iii) the initial public offering of its securities, (iv) any "change in/of control" or "sale" or "disposition" or similar event as defined in any document governing indebtedness of such Person which gives the holder of such indebtedness the right to accelerate or otherwise require payment of such indebtedness prior to the maturity date thereof, or (v) the replacement of a majority of the board of directors of Borrower over a one-year period from the directors who constituted the board of directors of such Borrower at the beginning of such period and such replacement shall not have been approved by a vote of at least a majority of the board of directors of such Borrower then still in office who either are members of such board of directors at the beginning of such period or whose election as a member of such board of directors was previously so approved.

"Chattel Paper" shall mean "chattel paper" as defined in Section 9-102 of the UCC, whether tangible or electronic.

"Closing" shall mean the satisfaction, or written waiver by Lender, of all of the conditions precedent set forth in the Agreement required to be satisfied prior to the consummation of the transactions contemplated hereby.

"Closing Date" shall mean the date upon which the Closing occurs.

"Collateral" shall mean all of the property described below in, to, or under which a Borrower now has or hereafter acquires any right, title or interest, whether present, future, or contingent, including any such property acquired by assignment:

(a) All of Borrower's now-owned and hereafter acquired or arising Accounts, accounts receivable and rights to payment of every kind and description related to Accounts, and all of Borrower's contract rights, chattel paper, documents and instruments with respect to such Accounts and accounts receivable, and all of Borrower's rights, remedies, security and liens, in, to and in respect of the Accounts, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to the Accounts, deposits, Letters of Credit, Supporting Obligations or other security for the obligation of any Account Debtor, and credit and other insurance relating to such Accounts and accounts receivable;

(b) All of Borrower's right, title and interest in, to and in respect of all goods relating to, or which by sale have resulted in, Accounts, including, without limitation, all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing, any Account, and all returned, reclaimed or repossessed goods;

(c) All of Borrower's now owned or hereafter acquired (i) Lockbox Accounts (and the funds contained therein) and (ii) any deposit accounts (and the funds contained therein), other than the Lockbox Accounts, into which Accounts are deposited, to the extent Accounts are contained therein;

(d) All of Borrower's now owned and hereafter acquired or arising general intangibles and other property of every kind and description with respect to, evidencing or relating to its Accounts and other rights to payment, including, but not limited to, all existing books and records, as the same relate to the Accounts;

(e) The proceeds of all of the foregoing (including, without limitation, insurance proceeds) related to losses with respect to Collateral such as business interruption insurance or other insurance proceeds related specifically to losses from the Collateral.

"Collateral Management Fee" shall mean a monthly fee to be paid by Borrower to Lender in an amount equal to 0.025% per month calculated on the basis of the daily average amount of the balances under the Revolving Facility outstanding during the preceding month.

"Commercial Tort Claims" shall mean "Commercial Tort Claims" as defined in Section 9-102 of the UCC.

"Compliance Certificate" shall mean a compliance certificate substantially in the form of Exhibit B attached hereto.

"Concentration Account" shall mean a depository account maintained by Lender or an affiliate of Lender at such bank as Lender may communicate to Borrower from time to time.

"Credit Party" shall have the meaning set forth in the first paragraph of this Agreement.

"Debtor Relief Law" shall mean, collectively, the Bankruptcy Code of the United States of America and all other applicable federal and state liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws from time to time in effect affecting the rights of creditors generally, as amended and in effect from time to time.

"Default" shall mean any event, fact, circumstance or condition that, with the giving of applicable notice or passage of time or both, would constitute or be or result in an Event of Default.

"Default Rate" shall mean at any time the Applicable Rate in effect at such time plus three percent (3%) per annum.

"Denial Disclosure" shall have the meaning given to it in Section 7.18.

"Deposit Accounts" shall mean "deposit accounts" as defined in Section 9-102 of the UCC.

"Distribution" shall mean any direct or indirect dividend, distribution or other payment of any kind or character (whether in cash, securities or other property) in respect of any equity interests.

"Dollars" and the sign "$" each mean the lawful money of the United States of America.

"Documents" shall mean "documents" as defined in Section 9-102 of the UCC.

"Eligible Accounts" shall mean each Account arising in the ordinary course of Borrower's business from the sale or lease of goods or rendering of Services which Lender, in its Permitted Discretion, deems an Eligible Account unless:

(a) such Account is not subject to a valid perfected first priority security interest in favor of Lender, subject to no other Lien;

(b) such Account is not evidenced by an invoice, statement or other documentary evidence satisfactory to Lender;

(c) such Account or any portion thereof (in which case only such portion shall not be an Eligible Account) is payable by a beneficiary, recipient or subscriber individually and not directly by a Medicaid/Medicare Account Debtor or commercial medical insurance carrier, or client acceptable to Lender in its Permitted Discretion;

(d) such Account arises out of Services rendered or a sale or lease made to, or out of any other transaction between Borrower or any of its Subsidiaries and, one or more Affiliates of Borrower;

(e) such Account remains unpaid for longer than (i) one hundred fifty (150) calendar days after the applicable Services were rendered with respect to Accounts payable by a Medicaid/Medicare Account Debtor or commercial medical insurance carrier acceptable to Lender and (ii) one hundred twenty (120) calendar days after the applicable Services were rendered with respect to all other Account Debtors;

(f) with respect to all Accounts owed by any particular Account Debtor (other than Accounts from Medicaid/Medicare Account Debtors) or its Affiliates, if more than twenty five percent (25%) of the aggregate balance of all such Accounts owing from such Account Debtor and its Affiliates are ineligible due to the requirements of clause (e) of this Section or such higher threshold which may be agreed in writing by Lender for any specific Account Debtor;

(g) with respect to all Accounts owed by any particular Account Debtor or its Affiliates, twenty-five percent (25%) or more of all such Accounts are deemed not to be Eligible Accounts for any reason hereunder (which percentage may, in Lender's Permitted Discretion, be increased or decreased);

(h) with respect to all Accounts owed by any particular Account Debtor or its Affiliates (other than Medicaid/Medicare Account Debtors) if such Accounts exceed twenty percent (20%) of the net collectible Dollar value of all Eligible Accounts at any one time (including Accounts from Medicaid/Medicare Account Debtors), then the amount by which such Accounts for that particular Account Debtor or its Affiliates exceed twenty percent (20%) of the net collectible Dollar value of all Eligible Accounts shall not be included as Eligible Accounts;

(i) any covenant, agreement, representation or warranty contained in any Loan Document with respect to such Account has been breached and remains uncured;

(j) the Account Debtor for such Account has commenced a voluntary case under any Debtor Relief Law or has made an assignment for the benefit of creditors, or a decree or order for relief has been entered by a court having jurisdiction in respect of such Account Debtor in an involuntary case under any Debtor Relief Law, or any other petition or application for relief under any Debtor Relief Law has been filed against such Account Debtor, or such Account Debtor has failed, suspended business, ceased to be solvent, called a meeting of its creditors, or has consented to or suffered a receiver, trustee, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs;

(k) such Account arises from the sale or lease of property or Services rendered to one or more Account Debtors outside the United States (including any territory or possession of the United States that has adopted Article 9 of the UCC) or that have their principal place of business or chief executive offices outside the United States (including any territory or possession of the United States that has adopted Article 9 of the UCC);

(l) such Account represents the sale or lease of goods or rendering of Services to an Account Debtor on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by Chattel Paper or an Instrument of any kind or has been reduced to judgment;

(m) the applicable Account Debtor for such Account is any Governmental Authority (excluding Medicaid/Medicare Account Debtors), unless rights to payment of such Account have been assigned to Lender pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Section 3727, et seq. and 41 U.S.C. Section 15, et seq.), or otherwise only if all applicable statutes or regulations respecting the assignment of Government Accounts have been complied with as determined by Lender in its Permitted Discretion;

(n) such Account is subject to any offset, credit (including any resource or other income credit or offset) deduction, defense, discount, chargeback, freight claim, allowance, adjustment, dispute or counterclaim (each an "Adjustment"), or is contingent in any respect or for any reason; provided, that, the discounted amount of such Account after giving effect to such Adjustment will be considered an Eligible Account;

(o) there is any agreement with an Account Debtor for any deduction from such Account; provided, that, the discounted amount of such Account after giving effect to such discounts and allowances shall be considered an Eligible Account;

(p) any return, rejection or repossession of goods or Services related to it has occurred;

(q) such Account is not payable to Borrower;

(r) a Borrower has agreed to accept or has accepted any non-cash payment for such Account;

(s) with respect to any Account arising from the sale of goods, the goods have not been shipped to the Account Debtor or its designee;

(t) with respect to any Account arising from the performance of Services, the Services have not been actually performed or the Services were undertaken in violation of any law; or

(u) such Account fails to meet such other specifications and requirements which may from time to time be established by Lender or is not otherwise satisfactory to Lender, as determined in Lender's Permitted Discretion.

"EMTALA" shall mean the Emergency Medical Treatment and Active Labor Act, as amended, and the regulations thereunder.

"Environmental Laws" shall mean any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, or protection of human health or employee health and safety (as affected by the environment or by any substance the exposure to which is reasonably suspected of causing harm to human health), as has been, is now, or may at any time hereafter be, in effect to which the Borrower is subject.

"Equipment" shall mean "equipment" as defined in Section 9-102 of the UCC.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"Event of Default" shall mean the occurrence of any event set forth in Article X.

"Excess Cash Flow" shall mean, for any fiscal year (or for such other period as may be specifically provided for herein), as calculated for Borrowers and their Subsidiaries on a consolidated basis, without duplication, an amount equal to the sum of (a) Net Income (as defined in Annex I) for such period, plus (b) an amount equal to the amount of depreciation expenses, amortization expense (including the amortization of goodwill), accrued non-cash interest expense and all other non-cash charges deducted in arriving at such Net Income, plus (c) an amount equal to the aggregate Net Cash Proceeds of the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent not required to be applied to mandatory prepayments or payments on the Loans, plus (d) an amount equal to the net loss on the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent deducted in arriving at such Net Income, plus (e) an amount equal to any tax refunds or credits received by Borrowers during such period, plus (f) other extraordinary or non-recurring charges that would not have otherwise been incurred in the ordinary course of business, less (g) an amount equal to the unfinanced permitted Capital Expenditures of Borrowers for such period, less (h) an amount equal to the sum of all regularly scheduled payments (to the extent such payments have not already been deducted in arriving at Net Income) and optional and mandatory prepayments of principal on Indebtedness for money borrowed actually made during such period to the extent permitted hereunder, less (i) an amount equal to the net gain on the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent included in arriving at such Net Income, less (j) other extraordinary or non-recurring gains that would not have otherwise been incurred in the ordinary course of business.

"Facility Cap" shall have the meaning given the term in the Recitals of this Agreement.

"Federal Reserve" shall mean the Federal Reserve Bank of the United States.

"Fixtures" shall mean "fixtures" as defined in Section 9-102 of the UCC.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect on the Closing Date.

"General Intangibles" shall mean "general intangibles" as defined in Section 9-102 of the UCC.

"Goods" shall mean "goods" as defined in Section 9-102 of the UCC.

"Government Account" shall mean all Accounts arising out of or with respect to any Government Contract.

"Government Contract" shall mean all contracts with any Governmental Authority.

"Governmental Authority" shall mean any federal, state, municipal, national, local or other governmental department, court, commission, board, bureau, agency or instrumentality or political subdivision thereof, or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case, whether of the United States or a state, territory or possession thereof, a foreign sovereign entity or country or jurisdiction or the District of Columbia.

"Guaranteed Obligations" shall have the meaning given such term in Section 14.1 hereof.

"Guarantor" shall have the meaning set forth in the first paragraph of this Agreement.

"Guaranty" shall mean, collectively and each individually, all guaranties executed by Guarantor.

"Hazardous Substances" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in or subject to any applicable Environmental Law.

"Healthcare Laws" shall mean all applicable statutes, laws, ordinances, rules and regulations of any Governmental Authority with respect to regulatory matters primarily relating to patient healthcare, healthcare providers and healthcare services (including without limitation Section 1128B(b) of the Social Security Act, as amended, 42 U.S.C. Section 1320a-7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," and the Social Security Act, as amended, Section 1877, 42 U.S.C. Section 1395nn (Prohibition Against Certain Referrals), commonly referred to as "Stark Statute"), and 31 U.S.C. Section 3279 et seq. (the False Claims Act) to which Borrower is subject.

"HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) and the regulations promulgated thereunder.

"HUD Application" shall have the meaning given such term in Section 8.11.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations for borrowed money, (b) all obligations evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit or bankers acceptances, (c) all Capitalized Lease Obligations, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person or its Subsidiaries, irrespective of whether such obligation or liability is assumed, (e) all obligations to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and not outstanding more than one hundred twenty (120) calendar days after the date such payable was created) or such longer period as shall be agreed in writing by Lender and Borrower, (f) all net obligations owing to counterparties under Hedging Agreements, (g) all obligations with respect to redeemable Capital Stock or repurchase obligations under any Capital Stock issued by such Person, (h) the present value of future rental payments under all synthetic leases (excluding specifically any operating leases or real estate leases) and (i) any obligation guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (h) above.

"Indemnified Person" shall have the meaning given such term in Section 15.4.

"Initial Advance" shall mean the initial Advance.

"Instrument" shall mean "instrument" as defined in Section 9-102 of the UCC.

"Insured Event" shall have the meaning given such term in Section 15.4.

"Insurer" shall mean a Person that insures another Person against any costs incurred in the receipt by such other Person of Services, or that has an agreement with Borrower to compensate it for providing Services to such Person.

"Intellectual Property" shall mean all patents, patent applications, trademarks, trademark applications, service marks, registered copyrights, copyright applications, copyrights, trade names, trade secrets and software and all rights in the foregoing.

"Inventory" shall mean "inventory" as defined in Section 9-102 of the UCC.

"Investment Property" shall mean "investment property" as defined in Section 9-102 of the UCC.

"Landlord Waiver and Consent" shall mean a waiver/consent from the owner/lessor/mortgagee of any premises either owned or occupied by Borrower at which any of the Collateral is now or hereafter located for the purpose of providing Lender access to such Collateral, in each case as such may be modified, amended or supplemented from time to time.

"Letter of Credit Rights" shall mean "letter of credit rights" as defined in Section 9-102 of the UCC, whether or not the letter of credit is evidenced by a writing.

"Liability Event" shall mean any event, fact, condition or circumstance (i) in or for which Borrower becomes liable or otherwise responsible for any amount over $50,000 owed or owing to any Medicaid, Medicare or CHAMPUS/TRICARE program by a provider under common ownership with such Borrower or any provider owned by such Borrower pursuant to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority after the failure of any such provider to pay any such amount when owed or owing, (ii) in which Medicaid, Medicare or CHAMPUS/TRICARE payments to Borrower are lawfully set-off against payments to such Borrower to satisfy any liability of or for any amounts over $50,000 owed or owing to any Medicaid, Medicare or CHAMPUS/TRICARE program by a provider under common ownership with such Borrower or any provider owned by such Borrower pursuant to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority, or (iii) any of the foregoing under clauses (i) or (ii) in each case pursuant to statutory or regulatory provisions that are similar to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority referenced in clauses (i) and (ii) above or successor provisions thereto.

"LIBOR" shall mean a rate of interest equal to the rate per annum (rounded upwards to the nearest 1/100th of 1%) at which Dollar deposits for a period of one month are offered in the London interbank eurodollar market as displayed in the Bloomberg Financial Markets system (or as otherwise determined by Lender in its sole discretion) as of 11:00 A.M. (London time) on the applicable date of determination.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, restriction, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof), or any other arrangement pursuant to which title to the property is retained by or vested in some other Person for security purposes.

"Liquidity Factors" shall mean percentages which Lender, in its credit judgment, may apply to Eligible Accounts by payor class based upon Borrower's actual recent collection history for each such payor class (i.e. Medicare, Medicaid, commercial insurance, etc.) in a manner consistent with Lender's underwriting practices and procedures, including, without limitation, Lender's review and analysis of, among other things, Borrower's historical returns, rebates, discounts, credits and allowances, to adjust the Availability.

"Loan" or "Loans" shall mean, individually and collectively, all Advances.

"Loan Documents" shall mean, collectively and each individually, this Agreement and all other agreements, documents, instruments and certificates heretofore or hereafter executed or delivered to, or on behalf of, Lender in connection with this Agreement or the Loans, as the same may be amended, modified or supplemented from time to time.

Lockbox Accounts" shall mean, collectively and each individually, the Deposit Accounts maintained by Borrower at the Lockbox Banks into which all collections or payments on Borrower's Accounts and other Collateral are paid and which Accounts and other Collateral are subject to Lender's security interest granted by a Borrower.

"Lockbox Agreement" shall mean an agreement among Lender, Borrower who has granted a security interest in a Deposit Account and any of the Lockbox Banks governing the Lockbox Accounts, in form and substance satisfactory to Lender.

"Lockbox Banks" shall mean, collectively and each individually, the federally insured banks acceptable to Lender where Borrower who have granted security interests in a Lockbox Account shall maintain the Lockbox Accounts.

"Management or Service Fee" shall mean any management, service or related or similar fee paid by Borrower to any Person with respect to any facility owned, operated or leased by Borrower.

"Material Adverse Change" shall mean any event, condition or circumstance or set of events, conditions or circumstances or any change(s) which (i) has, had or would reasonably be likely to have any material adverse effect upon or change in the validity or enforceability of any Loan Document, (ii) has been or would reasonably be expected to be adverse to the value of any material portion of the Collateral, or to the priority of Lender's security interest in any portion of the Collateral, (iii) has been or would reasonably be expected to be materially adverse to the business, operations, prospects, properties, assets, liabilities or financial condition of any Credit Party, either individually or taken as a whole, or (iv) has materially impaired or would reasonably be likely to materially impair the ability of any Borrower to pay any portion of the Obligations or otherwise perform the Obligations or to consummate the transactions under the Loan Documents executed by such Person.

"Materials of Environmental Concern" shall mean any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity, and any other substances or forces of any kind, whether or not any such substance or force is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or would reasonably be expected to give rise to liability under any Environmental Law.

"Medicaid/Medicare Account Debtor" shall mean any Account Debtor which is (i) the United States of America acting under the Medicaid or Medicare program established pursuant to the Social Security Act or any other federal healthcare program, including, without limitation, TRICARE (f/k/a CHAMPUS), (ii) any state or the District of Columbia acting pursuant to a health plan 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.

"Minimum Termination Fee" shall mean (for the time period indicated) the amount equal to (i) 7.5% of the Facility Cap, if the Revolver Termination is at any time before the first anniversary of the Closing Date; (ii) 1% of the Facility Cap, if the Revolver Termination is after the first anniversary of the Closing Date but before the second anniversary of the Closing Date; and (iii) 0.5% of the Facility Cap, if the Revolver Termination is on or after the second anniversary of the Closing Date but before the third anniversary of the Closing Date. There shall be no Minimum Termination Fee if the Revolver Termination occurs within five (5) days of the end of the Term.

"Net Cash Proceeds" shall mean, with respect to any sale, lease, transfer or other disposition of assets by any Person, the amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of such Person in connection therewith after deducting therefrom (A) the amount of any Permitted Indebtedness secured by any Permitted Lien on such property which is required to be, and is, repaid in connection with such disposition, (B) reasonable expenses related thereto incurred by such Person in connection therewith, (C) transfer taxes paid to any taxing authorities by such Person in connection therewith, (D) net income taxes to be paid in connection with such disposition and (E) with respect to any lease, the cost of any tenant improvements paid by Borrower in connection therewith.

"Note" or "Notes" shall mean any promissory note or notes issued pursuant to Section 2.7.

"Obligations" shall mean all present and future obligations, Indebtedness and liabilities of Borrower or Guarantor to Lender at any time and from time to time of every kind, nature and description, direct or indirect, secured or unsecured, joint and several, absolute or contingent, due or to become due, matured or unmatured, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, (whether or not evidenced by a Note), including, without limitation, all principal, interest, applicable fees, charges and expenses and all amounts paid or advanced by Lender on behalf of or for the benefit of Borrower or Guarantor for any reason at any time, including in each case obligations of performance as well as obligations of payment and interest that accrue after the commencement of any proceeding under any Debtor Relief Law by or against any such Person.

"OFAC" shall mean the U.S. Department of Treasury's Office of Foreign Asset Control.

"Organizational and Good Standing Documents" shall mean, for any Person (i) a copy of the certificate of incorporation or formation (or other like organizational document) certified as of a date satisfactory to Lender before the Closing Date by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Person, (ii) a copy of the bylaws or similar organizational documents of certified as of a date satisfactory to Lender before the Closing Date by the corporate secretary or assistant secretary of such Person, (iii) an original certificate of good standing as of a date acceptable to Lender issued by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Person and of every other jurisdiction in which such Person has an office or conducts business or is otherwise required to be in good standing, and (iv) copies of the resolutions of the board of directors or managers (or other applicable governing body) and, if required, stockholders, members or other equity owners authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party, certified by an authorized officer of such Person as of the Closing Date.

"Paid in Full" and "Payment in Full" mean, with respect to the Obligations, all amounts owing with respect thereto (including any interest accruing thereon after the commencement of any proceeding under any Debtor Relief Law by or against Borrower, whether or not allowed as a claim against such Borrower in such proceeding, but excluding as yet unasserted contingent obligations), have been fully, finally and completely paid in cash.

"Parent Indebtedness" shall mean Indebtedness incurred by Borrower from Guarantor, provided, that, such Indebtedness shall be (i) up to $2,000,000 outstanding in the aggregate at any time, (ii) on an unsecured basis, (iii) subordinated in remedies to all of the Obligations and to all of Lender's rights in form and substance satisfactory to Lender and (iv) be subordinate in right of payment to the Obligations and shall only be repaid pursuant to a Permitted Distribution until the Obligations are Paid in Full; provided, that, at the request of Lender, the terms of the provisions of (iii) and (iv) shall be contained in a written subordination agreement between Lender and Parent acknowledged and agreed by Borrower, in form and substance satisfactory to Lender.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended.

"Payment Intangible" shall mean "payment intangible" as defined in Section 9-102 of the UCC.

"Payment Office" shall mean initially the address set forth beneath Lender's name on the signature page of the Agreement, and thereafter, such other office of Lender, if any, which it may designate by notice to Borrower to be the Payment Office.

"Permit" shall mean collectively all licenses, leases, powers, permits, franchises, certificates, authorizations, approvals, certificates of need, provider numbers and other rights.

"Permitted Acquisition" shall mean any acquisition by Borrower, whether through a purchase of stock, membership interests or otherwise or the purchase of assets or through a merger, consolidation or amalgamation, of another Person, or the assets constituting an entire or any portion of any business or operating business unit or division of another Person or securities of such other Person that satisfies the requirements set forth in Sections 8.14 and 9.4 hereof.

"Permitted Discretion" shall mean a determination or judgment made by Lender in good faith in the exercise of reasonable (from the perspective of a secured lender) business judgment.

"Permitted Distributions" shall mean Distributions to Guarantor for the purpose of making principal payments on the Parent Indebtedness and/or as periodic cash distributions to Guarantor as a shareholder of Borrower, provided, that (i) such Permitted Distributions are made no more than once per fiscal quarter thereafter and (ii) all of the following conditions are satisfied with respect to each such Distribution: (a) no Default or Event of Default has occurred and is continuing or would arise as a result of such Distribution, (b) after giving effect to such Distribution, Borrower is in compliance on a pro forma basis with the financial covenants set forth in Annex 1 (recomputed for the most recent three month period for which monthly financial statements have been delivered in accordance with the terms hereof after giving effect thereto); provided, however, that in situations where there is an Accumulated Distribution (as defined below) being made with respect to any Accumulated Distribution Fiscal Quarters, only that portion of the Distribution that is not related to the Accumulated Distributions shall be included in Fixed Charges for the purpose of calculating the pro forma Fixed Charge Coverage Ratio in Annex I for the most recent three-month period), (c) the aggregate amount of such Distributions shall not exceed fifty percent (50%) of undistributed Excess Cash Flow for the three month period immediately preceding such distribution, as determined pursuant to the Distribution Notice, (d) Lender shall have received written notice (the "Distribution Notice") from Borrower, of Borrower's intention to make such Distribution at least five (5) Business Days prior to the date of such proposed Distribution, which such notice shall include a detailed calculation satisfactory to Lender in its Permitted Discretion evidencing Excess Cash Flow for such three month period (except that for any amounts included in such Distribution that are a result of Accumulated Distributions, in which case, the Excess Cash Flow so measured shall be applicable to the appropriate Accumulated Distribution Fiscal Quarters to which they relate), as applicable, (e) Lender shall have consented in writing to such Distribution Notice prior to the making of such proposed Distribution, such consent not to be unreasonably withheld, and (g) until such time as the Parent Indebtedness is paid in full in cash, any such Distribution payable to Guarantor shall be utilized by Guarantor solely to repay the Parent Indebtedness; provided, that, if Borrower chooses not to make a Permitted Distribution (the "Accumulated Distribution") in any fiscal quarter (the "Accumulated Distribution Fiscal Quarter") Borrower may make such Accumulated Distribution in any of the subsequent three consecutive fiscal quarters following the Accumulated Distribution Fiscal Quarter; provided, that, Borrower provides Lender with Evidence of Compliance with the criteria set forth in the definition of Permitted Distribution for the Accumulated Distribution as of the end of the Accumulated Distribution Fiscal Quarter, except, that, the Distribution Notice shall not have been made in the Accumulated Distribution Fiscal Quarter but rather shall be made (5) Business Days prior to the date the Accumulated Distribution is to be distributed.

"Permitted Indebtedness" shall mean any of the following: (i) Indebtedness under the Loan Documents, (ii) any Indebtedness set forth on Schedule 9.2, (iii) Capitalized Lease Obligations incurred after the Closing Date and Indebtedness incurred to purchase Goods and secured by purchase money Liens constituting Permitted Liens: (A) in aggregate amount outstanding at any time not to exceed $2,000,000**,** provided, that, (1) the debt service for such Indebtedness shall not exceed $600,000 for any twelve (12) month period and (2) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing and (B) in an aggregate amount in excess of $2,000,000, provided, that, (1) ten (10) Business Days prior to the incurrence of such Indebtedness Borrower shall have provided pro forma financial statements along with any other supporting documentation required by Lender evidencing that Borrower would have been in compliance with the financial covenants set forth on Annex 1 hereto for the immediately preceding Test Period (as defined on Annex 1 hereto), if such Indebtedness had been incurred on the first day of such Test Period, (2) prior to the incurrence of such Indebtedness Borrower shall have received Lender's written confirmation of its agreement with such pro forma financial statements; and (3) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing, (iv) the accounts payable set forth on Schedule 1.2 and accounts payable to trade creditors and current operating expenses (other than for borrowed money) which are not aged more than one hundred twenty calendar days from the date such payable was created or such longer period as shall be agreed in writing by Lender, except, in each case incurred in the ordinary course of business and paid within such time period, unless the same are being contested in good faith and by appropriate and lawful proceedings and such reserves, if any, with respect thereto as are required by GAAP shall have been reserved, (v) borrowings incurred in the ordinary course of business and not exceeding $1,000,000 individually or in the aggregate outstanding at any one time; provided, however, that such Indebtedness (A) shall not be secured by Collateral, any cash, money, Investment Property or Deposit Accounts; (B) the debt service for such Indebtedness shall not exceed $200,000 for any twelve (12) month period; (C) ten (10) Calendar Days prior to the incurrence of such Indebtedness Borrower shall have provided pro forma financial statements along with any other supporting documentation required by Lender evidencing that Borrower would have been in compliance with the financial covenants set forth on Annex 1 hereto for the immediately preceding Test Period (as defined on Annex 1 hereto), if such Indebtedness had been incurred on the first day of such Test Period, (D) prior to the incurrence of such Indebtedness Borrower shall have received Lender's written confirmation of its agreement with such pro forma financial statements (which confirmation or denial shall be promptly provided by Lender to Borrower within ten (10) calendar days of Lender's receipt of such financial statements); (E) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing, (F) such Indebtedness shall be subordinated in right of repayment and remedies to all of the Obligations and to all of Lender's rights pursuant to a written agreement among Lender, Borrower and the lender with respect to such Indebtedness, in form and substance satisfactory to Lender and (vi) Parent Indebtedness.

"Permitted Liens" shall mean with respect to the Borrower any of the following: (i) Liens under the Loan Documents or otherwise arising in favor of Lender, (ii) Liens imposed by law for taxes (other than payroll taxes), assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained by such Person in accordance with GAAP to the satisfaction of Lender in its Permitted Discretion, (iii) (A) statutory Liens of landlords (provided, that, with respect to Required Locations any such landlord has executed a Landlord Waiver and Consent in form and substance satisfactory to Lender) and of carriers, warehousemen, mechanics, materialmen, and (B) other Liens imposed by law or that arise by operation of law in the ordinary course of business from the date of creation thereof, in each case only for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained by such Person in accordance with GAAP to the satisfaction of Lender in its Permitted Discretion, (iv) Liens (A) incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations, or (B) arising as a result of progress payments under government contracts, (v) purchase money Liens (A) securing the type of Permitted Indebtedness set forth under clause (iii) of the definition of "Permitted Indebtedness", or (B) in connection with the purchase by such Person of equipment in the normal course of business, provided, that, such payables shall not exceed any limits on Indebtedness provided for herein and shall otherwise be Permitted Indebtedness hereunder; (iv) liens securing the Indebtedness set forth in clause (v) of Permitted Indebtedness on assets other than: (A) the Collateral, (B) cash or other money of Borrower, (C) Deposit Accounts of Borrower and (D) Investment Property of Borrower; and (vii) Liens disclosed on Schedule 7.4B and Schedule 9.3.

"Person" shall mean an individual, a partnership, a corporation, a limited liability company, a business trust, a joint stock company, a trust, an unincorporated association, a joint venture, a Governmental Authority or any other entity of whatever nature.

"Pledge Agreement" shall mean that certain negative Pledge Agreement by and between Guarantor and Lender executed in connection herewith, as such may be modified, amended, restated or supplemented from time to time.

"Receipt" shall have the meaning given such term in Section 15.5.

"Required Locations" shall mean collectively: (a) the leased premises located at 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913, and (b) any location leased by Borrowers at which books and records relating to Accounts are kept of which duplicates are not kept at the location identified in (a) above.

"Released Parties" shall have the meaning given such term in Section 15.11.

"Releasing Parties" shall have the meaning given such term in Section 15.11.

"Revolver Termination" shall mean the termination of the Revolving Facility for any reason whatsoever.

"Revolving Loan Obligations" shall mean all of the Obligations related to the Revolving Facility.

"Services" shall mean medical and health care services provided to a Person, including, but not limited to, medical and health care services (including diagnostic testing and other testing services) which are covered by a policy of insurance issued by an Insurer, physician services, nurse and therapist services, dental services, hospital services, skilled nursing facility services, comprehensive outpatient rehabilitation services, home health care services, residential and out-patient behavioral healthcare services.

"Software" shall mean "software" as defined in Section 9-102 of the UCC.

"Solvency Certificate" shall mean a Solvency Certificate substantially in the form of Exhibit C attached hereto.

"Subsidiary" shall mean, (i) as to Borrower, any Person in which more than fifty percent (50%) of all equity, membership, partnership or other ownership interests is owned directly or indirectly by such Borrower or one or more of its Subsidiaries, and (ii) as to any other Person, any Person in which more than fifty percent (50%) of all equity, membership, partnership or other ownership interests is owned directly or indirectly by such Person or by one or more of such Person's Subsidiaries.

"Supporting Obligations" shall mean "supporting obligations" as defined in Section 9-102 of the UCC.

"Term" shall mean the period commencing on the Closing Date and ending on the third anniversary of the Closing Date.

"Termination Date" shall mean the date of termination of this Agreement set forth in any notice of termination delivered by Borrower in accordance with Section 13.1(a).

"Transaction" shall have the meaning given such term in Section 8.11.

"Transferee" shall have the meaning given such term in Section 15.2.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of Maryland from time to time.

"Unused Line Fee" shall mean a fee to be paid by Borrower to Lender on a monthly basis in an amount equal to 0.025% (per month) of the difference derived by subtracting (i) the daily average amount of the balances under the Revolving Facility outstanding during the preceding month, from (ii) the Facility Cap.

"US Labs Award" shall mean any award in connection with the litigation between Borrower and Accupath Diagnostic Laboratories, Inc. described on Schedule 7.6.

II. ADVANCES, PAYMENT AND INTEREST

2.1 The Revolving Facility

(a) Subject to the provisions of this Agreement, Lender shall make Advances to Borrower under the Revolving Facility from time to time during the Term, unless this Agreement is terminated earlier, provided that, notwithstanding any other provision of this Agreement to the contrary, the aggregate amount of all Advances at any one time outstanding under the Revolving Facility shall not exceed the lesser of (a) the Facility Cap, and (b) the Availability. The Revolving Facility is a revolving credit facility, which may be drawn, repaid and redrawn, from time to time as permitted under this Agreement. Any determination as to whether there is Availability for Advances shall be made by Lender in its Permitted Discretion and is final and binding upon Borrower. Unless otherwise permitted by Lender, each Advance shall be in an amount of at least $1,000. Subject to the provisions of this Agreement, Borrower may request Advances under the Revolving Facility up to and including the value, in Dollars, of the Availability. Advances under the Revolving Facility shall automatically be made for the payment of interest on the Loans and other Obligations on the date when due to the extent available and as provided for herein.

(b) Lender in its Permitted Discretion may further adjust the Availability and the advance rate by applying Liquidity Factors. The Liquidity Factors and the advance rate for Availability may be adjusted by Lender throughout the Term as warranted by Lender's underwriting practices and procedures in its credit judgment. Also, Lender shall have the right to establish from time to time, in its Permitted Discretion, reserves against the Borrowing Base, which reserves shall have the effect of reducing the amounts otherwise eligible to be advanced to Borrower under the Revolving Facility pursuant to this Agreement. Borrower hereby acknowledges and agrees that as of the Closing Date, Lender shall establish a $250,000 reserve against the Borrowing Base, of Annex I, which reserve shall be eliminated upon the satisfaction by Borrower of the conditions set forth in Section 3 of Annex I for the elimination of the testing of the Minimum Liquidity Covenant set forth in Section 3 of Annex I.

2.2 The Revolving Loans; Maturity

All of the Revolving Loan Obligations shall be due and payable in full in cash, if not earlier in accordance with this Agreement, on the last day of the Term.

2.3 Revolving Facility Disbursements; Requirement to Deliver Borrowing Certificate

So long as no Default or Event of Default shall have occurred and be continuing, Borrower may give Lender irrevocable written notice requesting an Advance under the Revolving Facility by delivering to Lender not later than 12:00 p.m. (Eastern Time) at least one but not more than four Business Days before the proposed Borrowing Date of such requested Advance, a completed Borrowing Certificate and relevant supporting documentation satisfactory to Lender. Each time a request for an Advance is made, and, in any event and regardless of whether an Advance is being requested, on Tuesday of each week during the Term (and more frequently if Lender shall so request) until the Obligations are Paid in Full and fully performed and this Agreement is terminated, Borrower shall deliver to Lender a Borrowing Certificate accompanied by a separate detailed aging and categorizing of Borrower's accounts receivable and such other supporting documentation as Lender shall reasonably request from time to time. On each Borrowing Date, Borrower irrevocably authorizes Lender to disburse the proceeds of the requested Advance to the appropriate Borrower's account(s) as set forth on Schedule 2.3, in all cases for credit to the appropriate Borrower (or to such other account as to which the appropriate Borrower shall instruct Lender in writing) via Federal funds wire transfer no later than 4:00 p.m. (Eastern Time).

2.4 Promise to Pay; Manner of Payment

The Borrower absolutely and unconditionally promises to pay principal, interest and all other Obligations payable hereunder, or under any other Loan Document, without any defense, right of rescission and without any deduction whatsoever, including any deduction for any setoff, counterclaim or recoupment, and notwithstanding any damage to, defects in or destruction of the Collateral or any other event, including obsolescence of any property or improvements. All payments made by the Borrower (other than payments automatically paid through Advances under the Revolving Facility as provided herein), shall be made only by wire transfer on the date when due in Dollars, in immediately available funds to such account as may be indicated in writing by Lender to the Borrower from time to time. Any such payments received after 4:00 p.m. (Eastern Time) on the date when due shall be deemed received on the following Business Day. Whenever any payment hereunder shall be stated to be due or shall become due and payable on a day other than a Business Day, the due date thereof shall be extended to, and such payment shall be made on, the next succeeding Business Day, and such extension of time in such case shall be included in the computation of payment of any interest (at the interest rate then in effect during such extension) and fees, as the case may be.

2.5 Repayment of Excess Advances

Any balance of Advances under the Revolving Facility outstanding at any time in excess of either the Facility Cap or the Availability shall be immediately due and payable by Borrower without the necessity of any demand, at the Payment Office.

2.6 Payments by Lender

If the Borrower fails to make any payment required under any Loan Document as and when due and within any applicable grace period, Lender may make such payment, which payment shall be an Advance as of the date such payment is due notwithstanding the Availability, and the Borrower irrevocably authorizes disbursement of any such funds to Lender by way of direct payment of the relevant amount. No payment or prepayment of any amount by Lender or any other Person shall entitle any Person to be subrogated to the rights of Lender under any Loan Document unless and until all of the Obligations have been fully performed Paid in Full and this Agreement has been terminated. Any sums expended by Lender in its Permitted Discretion as a result of Borrower's or Guarantor's failure to pay, perform or comply with any Loan Document or any of the Obligations may be charged to Borrower's account as an Advance under the Revolving Facility.

2.7 Evidence of Loans

(a) Lender shall maintain, in accordance with its usual practice, electronic or written records evidencing the Indebtedness and Obligations to Lender resulting from each Loan made by Lender from time to time, including without limitation, the amounts of principal and interest payable and paid to Lender from time to time under this Agreement.

(b) The entries made in the electronic or written records maintained pursuant to subsection (a) of this Section 2.7 (the "**Register**") shall be prima facie evidence of the existence and amounts of the Obligations and Indebtedness therein recorded; provided, however, that the failure of Lender to maintain such records or any error therein shall not in any manner affect obligations of the Borrower to repay the Loans or Obligations in accordance with their terms.

(c) Lender will account to Borrower monthly with a statement of Advances under the Revolving Facility, and any charges and payments made pursuant to this Agreement, and in the absence of manifest error, such accounting rendered by Lender shall be deemed final, binding and conclusive unless Lender is notified by Borrower in writing to the contrary within fifteen calendar days of Receipt of such accounting, which notice shall be deemed an objection only to items specifically objected to therein.

(d) Borrower agrees that:

(i) upon written notice by Lender to Borrower that a Note or other evidence of Indebtedness is requested by Lender to evidence the Loans and other Obligations owing or payable to, or to be made by, Lender, Borrower shall promptly (and in any event within three (3) Business Days of any such request) execute and deliver to Lender an appropriate Note or Notes in form and substance reasonably acceptable to Lender and Borrower;

(ii) all references to Notes in the Loan Documents shall mean Notes, if any, to the extent issued (and not returned to the Borrower for cancellation) hereunder, as the same may be amended, modified, divided, supplemented or restated from time to time; and

(iii) upon Lender's written request, and in any event within three (3) Business Days of any such request, Borrower shall execute and deliver to Lender new Notes and divide the Notes in exchange for then existing Notes in such smaller amounts or denominations as Lender shall specify in its sole and absolute discretion; provided, that, the aggregate principal amount of such new Notes shall not exceed the aggregate principal amount of the Notes outstanding at the time such request is made; and provided, further, that such Notes that are to be replaced shall then be deemed no longer outstanding hereunder and replaced by such new Notes and returned to Borrower within a reasonable period of time after Lender's receipt of the replacement Notes.

III. INTEREST AND FEES

3.1 Interest on the Revolving Facility

Commencing January 1, 2008, and continuing until the later of the expiration of the Term and the Payment in Full and full performance of all of the Obligations and termination of this Agreement, interest on outstanding Advances under the Revolving Facility shall be payable monthly in arrears on the first day of each calendar month at an annual rate of LIBOR plus 3.25% in accordance with the procedures provided for in Section 2.4 and Section 5.1; provided, however, that, notwithstanding any provision of any Loan Document, for the purpose of calculating interest at any time hereunder, the LIBOR shall be not less than 3.14%, in each case calculated on the basis of a 360-day year and for the actual number of calendar days elapsed in each interest calculation period.

3.2 Commitment Fee

On or before the Closing Date, Borrower shall pay to Lender $30,000 as a nonrefundable commitment fee which shall be fully earned on the date paid. Lender hereby acknowledges receipt of $15,000 of such commitment fee on November 19, 2007.

3.3 Unused Line Fee

Borrower shall pay Lender the Unused Line Fee monthly in arrears on the first day of each calendar month (starting with the calendar month immediately following the calendar month in which the Closing Date occurs).

3.4 Collateral Management Fee

Borrower shall pay Lender as additional interest the Collateral Management Fee. The Collateral Management Fee shall be payable monthly in arrears on the first day of each calendar month (starting with the calendar month immediately following the calendar month in which the Closing Date occurs).

3.5 Computation of Fees; Lawful Limits

All fees hereunder shall be computed on the basis of a year of three hundred and sixty days and for the actual number of days elapsed in each calculation period, as applicable. In no contingency or event whatsoever, whether by reason of acceleration or otherwise, shall the interest and other charges paid or agreed to be paid to Lender for the use, forbearance or detention of money hereunder exceed the maximum rate permissible under applicable law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. If, due to any circumstance whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall exceed any such limit, then, the obligation to be so fulfilled shall be reduced to such lawful limit, and, if Lender shall have received interest or any other charges of any kind which might be deemed to be interest under applicable law in excess of the maximum lawful rate, then such excess shall be applied first to any unpaid fees and charges hereunder, then to unpaid principal balance owed by Credit Parties hereunder, and if the then remaining excess interest is greater than the previously unpaid principal balance, Lender shall promptly refund such excess amount to Borrower and the provisions hereof shall be deemed amended to provide for such permissible rate. The terms and provisions of this Section 3.6 shall control to the extent any other provision of any Loan Document is inconsistent herewith. All fees hereunder shall be non-refundable and deemed fully earned when due and payable.

3.6 Default Rate of Interest

Upon the occurrence and during the continuation of an Event of Default, Lender may increase the Applicable Rate of interest in effect at such time with respect to the Obligations, without notice, to the Default Rate which Default Rate shall continue post-judgment and subsequent to the date that the provisions of any applicable Debtor Relief Law are exercised by or against a Borrower unless the statutory post-judgment rate of interest is higher in which case such statutory rate shall apply.

IV. GRANT OF SECURITY INTERESTS

4.1 Security Interest; Collateral

(a) To secure the payment and performance in full of the Obligations, Borrower (or if referring to another Person, such Person) hereby grants to Lender a continuing security interest in and Lien upon, and pledges and assigns to Lender, all of its right, title and interest in and to the Collateral, wherever located, whether now owned or hereafter acquired or arising;

(b) Borrower hereby ratifies its authorization for Lender to have filed in any UCC jurisdiction any initial financing statements or amendments thereto indicating that those assets described in the definition of "**Collateral**" hereunder are pledged to the Lender.

(c) If Borrower shall at any time hold or acquire a Commercial Tort Claim that arises out of Borrower's Accounts or account receivable or would otherwise become part of the collateral under the definition of Collateral, Borrower shall immediately notify Lender in a writing signed by Borrower of the particulars thereof and grant to Lender in such a 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 satisfactory to Lender.

4.2 Power of Attorney

(a) Borrower hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of such Borrower or in Lender's own name, for the purpose of carrying out the terms of this Agreement and the grant of the security interests hereunder and under the other Loan Documents, and without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of such Borrower (without requiring Lender to act as such, and without notice to or assent by such Borrower) to do the following: (i) upon the occurrence and during the continuance of an Event of Default, to receive, open and dispose of all mail addressed to any such Person and to endorse the name of any such Person upon any and all checks, drafts, money orders, and other instruments for the payment of money that are payable to such Person and constitute collections on its or their Accounts; (ii) execute in the name of such Person any financing statements, schedules, assignments, instruments, documents, and statements that it is or they or are obligated to give Lender under any of the Loan Documents; and (iii) do such other and further acts and deeds in the name of such Person that Lender may deem necessary or desirable to enforce any Account or other Collateral or to perfect Lender's security interest or Lien in any Collateral. In addition, if any such Person breaches its obligation hereunder to direct payments of Accounts or the proceeds of any other Collateral to the appropriate Lockbox Account, Lender, as the irrevocably made, constituted and appointed true and lawful attorney for such Person pursuant to this paragraph, may, by the signature or other act of any of Lender's officers or authorized signatories (without requiring any of them to do so), direct any federal, state or private payor or fiscal intermediary to pay proceeds of Accounts or any other Collateral to the appropriate Lockbox Account.

(b) To the extent permitted by law, each Credit Party hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

(c) The powers conferred on Lender pursuant to this Section 4.2 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Credit Party for any act or failure to act, except for Lender's own gross negligence or willful misconduct.

4.3 Further Assurances

Borrower agrees, upon request of Lender, to take any and all other actions as Lender may determine to be necessary or appropriate for the attachment, perfection maintaining of the first priority security interest of, and for the ability of Lender to enforce, Lender's security interest in any and all of the Collateral, including, without limitation, (i) executing, obtaining, delivering, filing, registering and recording any and all financing statements, continuation statements, stock powers, instruments and other documents, or causing the execution, filing, registration, recording or delivery of any and all of the foregoing, that are necessary or required under law or otherwise or reasonably requested by Lender to be executed, filed, registered, obtained, delivered or recorded to create, maintain, perfect, preserve, validate or otherwise protect the pledge of the Collateral to Lender and Lender's perfected first priority Lien on the Collateral (and Borrower irrevocably grants Lender the right, at Lender's option, to file any or all of the foregoing), (ii) immediately upon learning thereof, report to Lender any reclamation, return or repossession of goods in excess of $25,000.00 that are part of the Collateral (individually or in the aggregate), (iii) defend the Collateral and Lender's perfected first priority Lien thereon against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to Lender, and pay all reasonable costs and expenses (including, without limitation, allocable costs of staff counsel, and diligence fees and reasonable attorneys' fees and expenses, provided, that, the payment of staff counsel and reasonable attorneys' fees shall be subject to the provisions of Section 15.7(b)) in connection with such defense, which may at Lender's discretion be added to the Obligations, (iv) comply with any provision of any statute, regulation or treaty of any Governmental Authority as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Lender to enforce, Lender's security interest in such Collateral and (v) obtain governmental and other third party waivers, consents and approvals in form and substance satisfactory to Lender, including any consent of any licensor, lessor or other Person obligated on Collateral and any party or parties whose consent is required for the security interest of Lender to attach under Section 4.1.

V. ADMINISTRATION AND MAINTENANCE OF COLLATERAL

5.1 Revolving Facility Collections; Repayment; Borrowing Availability and Lockbox

Borrower shall maintain one or more Lockbox Accounts with the Lockbox Banks, and shall execute with each of the Lockbox Banks a Lockbox Agreement, and such other agreements related thereto as Lender may require. Borrower shall ensure that all collections of their respective Accounts and all other cash payments received by Borrower are paid and delivered directly from Account Debtors and other Persons into the appropriate Lockbox Account. The Lockbox Agreements shall provide that the Lockbox Banks immediately will transfer all funds paid into the Lockbox Accounts into the Concentration Account. Notwithstanding and without limiting any other provision of any Loan Document, Lender shall apply, on a daily basis, all funds transferred into the Concentration Account pursuant to the Lockbox Agreement and this Section 5.1 in such order and manner as determined by Lender. To the extent that any Accounts are collected by Borrower or any other cash payments received by Borrower are not sent directly to the appropriate Lockbox Account but are received by Borrower or any of their Affiliates, such collections and proceeds shall be held in trust for the benefit of Lender and immediately remitted (and in any event within three (3) Business Days from receipt thereof), in the form received, to the appropriate Lockbox Account for immediate transfer to the Concentration Account. Borrower acknowledges and agrees that compliance with the terms of this Section 5.1 is an essential term of this Agreement. All funds transferred to the Concentration Account for application to the Obligations under the Revolving Facility shall be applied to reduce the Obligations under the Revolving Facility, but, for purposes of calculating interest hereunder, shall be subject to a three Business Day clearance period. If as the result of collections of Accounts and any other cash payments received by Borrower pursuant to this Section 5.1 a credit balance exists with respect to the Concentration Account, such credit balance shall not accrue interest in favor of a Borrower. If at any time there is a credit balance in excess of $100,000, in the Concentration Account, Lender agrees to automatically wire transfer (without Borrower's written request) all of such credit balance to the Borrower's operating account specified on Schedule 2.3 within one Business Day of such credit balance reaching $100,000, provided, however, Lender shall not be required to make such "no-notice" transfer more frequently than once per week. Notwithstanding the foregoing, upon the written request of Borrower, Lender shall wire transfer any credit balance in the Concentration Account to Borrower's operating account specified in Schedule 2.3., provided, that if Lender receives the written request of Borrower no later than 12:00 p.m. (Eastern Time), then Lender shall make such transfer the following Business Day and if Lender receives the written request of Borrower after 12:00 p.m. (Eastern time), then Lender shall make such transfer within two (2) Business Days from the date of receipt of such written notice. If applicable, at any time prior to the execution of all or any of the Lockbox Agreements and operation of all or any of the Lockbox Accounts, Borrower and their Affiliates shall direct all collections or proceeds it receives on Accounts or from other Collateral to the Concentration Account.

5.2 Accounts

In determining which Accounts are Eligible Accounts, Lender may rely on all statements and representations made by Borrower with respect to any Account. Unless otherwise indicated in writing to Lender, each Account of Borrower (i) is genuine and in all respects what it purports to be and is not evidenced by a judgment, (ii) arises out of a completed, bona fide sale and delivery of goods or rendering of Services by a Borrower in the ordinary course of business and in accordance with the terms and conditions of all purchase orders, contracts, certifications, participations, certificates of need and other documents relating thereto or forming a part of the contract between a Borrower and the Account Debtor, (iii) is for a liquidated amount (less any contractual allowances) maturing as stated in a claim or invoice covering such sale of goods or rendering of Services, a copy of which has been furnished or is available to Lender, (iv) together with Lender's security interest therein, is not and will not be in the future (by willful act or omission by Borrower), subject to any offset, lien, deduction, defense, dispute, counterclaim or other adverse condition, is absolutely owing to Borrower and is not contingent in any respect or for any reason (except Accounts owed or owing by Medicaid/Medicare Account Debtors that may be subject to offset or deduction under applicable law), and (v) has been billed and forwarded to the Account Debtor for payment in accordance with applicable laws and is in compliance and conformance with any requisite procedures, requirements and regulations governing payment by such Account Debtor with respect to such Account, and, if due from a Medicaid/Medicare Account Debtor, is properly payable directly to a Borrower.

5.3 Healthcare

(a) Borrower has obtained from (i) the Medicare program, approval to receive the provider numbers which will permit Borrower to bill the Medicare program with respect to covered services rendered to patients insured under the Medicare program, (ii) the applicable Medicaid programs, approval to receive the provider numbers/in-patient service contracts which will permit Borrower to bill the Medicaid program with respect to covered services rendered to patients insured under the Medicaid programs, and (iii) the CHAMPUS/TRICARE program, approval to receive the provider numbers which will permit Borrower to bill the CHAMPUS/TRICARE program with respect to covered services rendered to patients insured under the CHAMPUS/TRICARE program. Borrower is in compliance with the conditions of participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs.

(b) There is no pending nor to the knowledge of Borrower, threatened, proceeding or investigation of Borrower relative to EMTALA nor are there any investigations or proceedings pending, or to the knowledge of Borrower, threatened by any Governmental Authority with respect to the Medicare, Medicaid or CHAMPUS/TRICARE programs with respect to the operations of Borrower, except as set forth on Schedule 5.3A hereto. Without limiting or being limited by any other provision of any Loan Document, Borrower has timely filed or caused to be filed all cost and other reports of every kind required by law, agreement or otherwise. Subject to the last sentence of Section 7.18, there are no claims, actions or appeals pending (and Borrower has not filed any claims or reports which could reasonably result in any such claims, actions or appeals) before any commission, board or agency or other Governmental Authority, including, without limitation, any intermediary or carrier, the Provider Reimbursement Review Board or the Administrator of the Centers of Medicare and Medicaid Services, with respect to any state or federal Medicare or Medicaid or CHAMPUS/TRICARE cost reports or claims filed by Borrower, or any disallowance by any commission, board or agency or other Governmental Authority in connection with any audit of such cost reports or claims. No validation review or program integrity review related to Borrower or the consummation of the transactions contemplated herein or to the Collateral have been conducted by any commission, board or agency or other Governmental Authority in connection with the Medicare or Medicaid programs, and to the knowledge of Borrower, no such reviews are scheduled, pending or threatened against or affecting any of the providers, any of the Collateral or the consummation of the transactions contemplated hereby. Neither Credit Parties nor any of their respective officers, directors, or managing employees, employees or agents are, or while this Agreement shall remain in effect shall be, excluded from participation in, or sanctioned or convicted of a crime under or with respect to the Medicare, Medicaid or CHAMPUS/TRICARE programs, nor to the best of Credit Parties' knowledge, is any such exclusion threatened. Borrower has not received any notice from any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor programs, of any pending or threatened investigations, reviews or surveys of Borrower, its directors, officers or managing employees, and Borrower has no actual knowledge that any such investigation, reviews or surveys are pending or threatened.

(c) As of the Closing Date, Borrower has third party contracts with each of the third-party payors listed on Schedule 5.3B (unless noted otherwise), which constitutes (as indicated) each of the payors representing at least five percent (5%) of Borrower's historic third-party payor cash receipts for the twelve month period ended December 31, 2007.

5.4 Medicare and Medicaid Account Debtors and Third-Party Payor Information

Borrower (a) shall maintain applicable Medicare and Medicaid provider numbers, (b) shall maintain applicable CHAMPUS/TRICARE provider numbers, if applicable, and (d) to the extent Borrower shall enter into any other arrangements with non-governmental third-party payors, Borrower shall use commercially reasonable efforts to enter into agreements with such third-party payors in form and substance satisfactory to Lender.

5.5 Collateral Administration

(a) All Collateral (except proceeds of Accounts which shall be deposited with the Lockbox Banks) and records supporting the Collateral will at all times be kept by Borrower at the locations set forth on Schedule 7.18B hereto and shall not, without thirty calendar days prior written notice to Lender, be moved therefrom, and in any case shall not be moved outside the continental United States.

(b) Borrower shall keep accurate and complete records of its Accounts and all payments and collections thereon and shall submit such records to Lender on such periodic bases as Lender may request. In addition, if Accounts of Borrower in an aggregate face amount in excess of $25,000.00 become ineligible because they fall within one of the specified categories of ineligibility set forth in the definition of Eligible Accounts, Borrower shall notify Lender of such occurrence within two Business Days following the discovery of such occurrence or upon any submission to Lender of a Borrowing Certificate and the Borrowing Base shall thereupon be adjusted to reflect such occurrence.

(c) Whether or not an Event of Default has occurred, any of Lender's officers, employees, representatives or agents shall have the right, at any time during normal business hours upon reasonable notice, in the name of Lender, any designee of Lender or Borrower, to verify the validity, amount or any other matter relating to any Collateral. Notwithstanding the foregoing, so long as no Default or Event of Default has occurred and is continuing, Lender agrees to give Borrower at least seven (7) business days' written notice of such visit to Borrower's offices. Borrower shall cooperate fully with Lender in an effort to facilitate and promptly conclude such verification process.

(d) Borrower shall endeavor in the first instance to make collection of its Accounts for Lender. Lender shall have the right at all times after the occurrence and during the continuance of an Event of Default to notify (i) Account Debtors owing Accounts to Borrower other than Medicaid/Medicare Account Debtors that their Accounts have been assigned to Lender and to collect such Accounts directly in its own name and to charge collection costs and expenses, including reasonable attorney's fees, to Borrower, and (ii) Medicaid/Medicare Account Debtors that Borrower has waived any and all defenses and counterclaims they may have or could interpose in any such action or procedure brought by Lender to obtain a court order recognizing the collateral assignment or security interest and Lien of Lender in and to any Account or other Collateral and that Lender is seeking or may seek to obtain a court order recognizing the collateral assignment or security interest and Lien of Lender in and to all Accounts and other Collateral payable by Medicaid/Medicare Account Debtors.

(e) As and when determined by Lender in its Permitted Discretion, Lender will perform the searches described in clauses (i), (ii) and (iii) below against Borrower and Guarantor (the results of which are to be consistent with Borrower's representations and warranties under this Agreement), all at Borrower's expense: (i) UCC searches with the Secretary of State of the jurisdiction of organization of Borrower and Guarantor and, if deemed necessary by Lender, the Secretary of State and local filing offices of each jurisdiction where Borrower or Guarantor maintain their respective executive offices, a place of business or assets; (ii) Lien searches with the United States Patent and Trademark Office and the United States Copyright Office; and (iii) judgment, federal, state and local tax lien searches, in each jurisdiction searched under clause (i) above.

(f) Borrower (i) shall provide prompt written notice to its current bank to transfer all items, collections and remittances to the Concentration Account, (ii) shall direct each Account Debtor to make payments to the appropriate Lockbox Account, and Borrower hereby authorizes Lender, upon any failure to send such notices and directions within ten calendar days after the Closing Date (or ten calendar days after the Person becomes an Account Debtor), to send any and all similar notices and directions to such Account Debtors, and (iii) shall do anything further that may be lawfully required by Lender to create and perfect Lender's Lien on any Collateral and effectuate the intentions of the Loan Documents. At Lender's request, Borrower shall immediately deliver to Lender all Collateral for which Lender must receive possession to obtain a perfected security interest.

VI. CONDITIONS PRECEDENT

6.1 Conditions to Initial Advance and Closing

The obligations of Lender to consummate the transactions contemplated herein and to make the Initial Advance are subject to the satisfaction, in the sole judgment of Lender, of the following:

(a) Lender shall have received information and responses to its due diligence requests, and completed examinations related to the Collateral, the financial statements and the books, records, business, obligations, financial condition and operational state of each Credit Party and any other information reasonably requested by Lender, and all such information and responses as well as the results of such examinations and each Credit Party shall demonstrate to Lender's satisfaction that (i) its operations comply, in all respects deemed material by Lender, in its sole judgment, with all applicable federal, state, foreign and local laws, statutes and regulations, (ii) its operations are not the subject of any governmental investigation, evaluation or any remedial action which could result in any expenditure or liability deemed material by Lender, in its sole judgment, and (iii) it has no liability (whether contingent or otherwise) that is deemed material by Lender, in its sole judgment;

(b) (i) Borrower shall have delivered to Lender (A) the Loan Documents to which Borrower is a party, each duly executed by an authorized officer of such Borrower and the other parties thereto, (B) a Borrowing Certificate for the Initial Advance under the Revolving Facility executed by an authorized officer of Borrower and (C) (1) audited annual consolidated and consolidating financial statements of Borrower for Borrower's most recently ended fiscal year, including notes thereto, consisting of a balance sheet at the end of such completed fiscal year and the related statements of income, retained earnings, cash flows and owner's equity for such completed fiscal year, which financial statements shall be prepared and certified without qualification by an independent certified public accounting firm reasonably satisfactory to Lender/in accordance with GAAP consistently applied with prior periods (except for changes in accounting methodology specified in such financial statements); and (2) unaudited consolidated and consolidating financial statements of Borrower consisting of a balance sheet and statements of income, retained earnings, cash flows and owner's equity for the period from the beginning of the current fiscal year through the end of the most recently ended calendar month, which financial statements shall be prepared in accordance with GAAP consistently applied with prior periods (except for changes in accounting methodology which have been enacted since such prior periods), (ii) Borrower shall have established and maintained the Lockbox Accounts and have entered into Lockbox Agreements, all as contemplated in Section 5.1; and (iii) Guarantor shall have delivered to Lender the Loan Documents to which such Guarantor is a party, each duly executed and delivered by such Guarantor or an authorized officer of such Guarantor, as applicable, and the other parties thereto;

(c) all in form and substance satisfactory to Lender in its Permitted Discretion, Lender shall have received (i) a report of Uniform Commercial Code financing statement, tax and judgment lien searches performed with respect to Borrower and Guarantor in each jurisdiction determined by Lender in its sole discretion, and such report shall show no Liens on the Collateral (other than Permitted Liens), (ii) each document (including, without limitation, any Uniform Commercial Code financing statement) required by any Loan Document or under law or requested by Lender to be filed, registered or recorded to create in favor of Lender, a perfected first priority security interest upon the Collateral, and (iii) evidence of each such filing, registration or recordation and of the payment by Borrower of any necessary fee, tax or expense relating thereto;

(d) Lender shall have received (i) the Organizational and Good Standing Documents of each Credit Party, all in form and substance acceptable to Lender, (ii) a certificate of the corporate secretary or assistant secretary of each Credit Party dated the Closing Date, as to the incumbency and signature of the Persons executing the Loan Documents, in form and substance acceptable to Lender, and (iii) the written legal opinion of counsel for Credit Parties, in form and substance satisfactory to Lender;

(e) Lender shall have received (i) a Solvency Certificate executed by the chief financial officer (or, in the absence of a chief financial officer, the chief executive officer) of Borrower and Guarantor, in form and substance satisfactory to Lender and (ii) an officer's certificate in the form attached hereto as Exhibit D, executed by the chief executive officer or President of Borrower;

(f) Lender shall have completed examinations, the results of which shall be satisfactory in form and substance to Lender, of the Collateral, the financial statements and the books, records, business, obligations, financial condition and operational state of Borrower and Guarantor, and each such Person shall have demonstrated to Lender's satisfaction that (i) its operations comply, in all respects deemed material by Lender, in its sole judgment, with all applicable federal, state, foreign and local laws, statutes and regulations, (ii) its operations are not the subject of any governmental investigation, evaluation or any remedial action which could result in any expenditure or liability deemed material by Lender, in its sole judgment, and (iii) it has no liability (whether contingent or otherwise) that is deemed material by Lender, in its sole judgment;

(g) Lender shall have received all fees, charges and expenses payable to Lender on or prior to the Closing Date pursuant to the Loan Documents;

(h) all in form and substance satisfactory to Lender in its Permitted Discretion, Lender shall have received such consents, approvals and agreements, including, without limitation, any applicable Landlord Waivers and Consents with respect to any and all leases set forth on Schedule 7.4A, from such third parties as Lender shall determine are necessary or desirable with respect to (i) the Loan Documents and the transactions contemplated thereby, and (ii) claims against Borrower or Guarantor or the Collateral;

(i) Borrower shall be in compliance with Section 8.5, and Lender shall have received copies of all insurance policies or binders, original certificates of all insurance policies of Borrower confirming that they are in effect and that the premiums due and owing with respect thereto have been paid in full and endorsements of such policies issued by the applicable Insurers and naming Lender as loss payee or additional insured on those policies specified in Section 8.5;

(j) all corporate and other proceedings, documents, instruments and other legal matters in connection with the transactions contemplated by the Loan Documents (including, but not limited to, those relating to corporate and capital structures of Borrower) shall be satisfactory to Lender;

(k) Lender shall have received, in form and substance satisfactory to Lender, release and termination of any and all Liens, security interest and Uniform Commercial Code financing statements in, on, against or with respect to any of the Collateral (other than Permitted Liens);

(l) Borrower shall have executed and delivered to Lender an IRS Form 8821;

(m) Lender shall be satisfied that there are no material defaults in any of Borrower's obligations under any contract required for the operation of its business;

(n) Lender shall have received the Pledge Agreement, in form and substance satisfactory to Lender, as duly authorized, executed and delivered by the parties thereto; and

(o) Lender shall have received such other documents, certificates, information or legal opinions as Lender may reasonably request, all in form and substance reasonably satisfactory to Lender.

6.2 Conditions to Each Advance

The obligations of Lender to make any Advance, including, without limitation, the Initial Advance, (or otherwise extend credit hereunder) are subject to the satisfaction, in the sole judgment of Lender, of the following additional conditions precedent:

(a) Borrower shall have delivered to Lender a Borrowing Certificate for the Advance executed by an authorized officer of Borrower, which shall constitute a representation and warranty by Borrower as of the Borrowing Date of such Advance that the conditions contained in this Section 6.2 have been satisfied; provided however, that any determination as to whether to fund Advances or extensions of credit shall be made by Lender in its Permitted Discretion;

(b) each of the representation and warranties made by Credit Parties in or pursuant to this Agreement, or under the other Loan Documents or which are contained in any certificate, document or financial or other statement furnished in connection herewith, shall be true and correct, before and after giving effect to such Advance;

(c) no Default or Event of Default shall have occurred or be continuing or would exist after giving effect to the Advance on such date;

(d) immediately after giving effect to the requested Advance, the aggregate outstanding principal amount of Advances shall not exceed the lesser of the Availability and the Facility Cap;

(e) at the time of making such requested Advance, no Material Adverse Change has occurred or is continuing; and

(f) Lender shall have received all fees, charges and expenses payable to Lender on or prior to such date pursuant to the Loan Documents.

VII. REPRESENTATIONS AND WARRANTIES

Credit Parties, jointly and severally, represent and warrant as of the date hereof, the Closing Date, each Borrowing Date:

7.1 Organization and Authority

Each Credit Party is a corporation duly organized, validly existing and in good standing under the laws of its state of formation. Each Credit Party (i) has all requisite corporate or entity power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated in the Loan Documents, (ii) is duly qualified to conduct business in every jurisdiction in which failure so to qualify would reasonably be likely to result in a Material Adverse Change, and (iii) has all requisite power and authority (A) to execute, deliver and perform the Loan Documents to which it is a party, (B) to borrow hereunder, (C) to consummate the transactions contemplated under the Loan Documents, and (D) to grant the Liens with regard to the Collateral pursuant to the Loan Documents to which it is a party.

7.2 Loan Documents

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party, and the consummation of the transactions contemplated thereby, (i) have been duly authorized by all requisite action of each such Person and have been duly executed and delivered by or on behalf of each such Person; (ii) do not violate any provisions of (A) applicable law, statute, rule, regulation, ordinance or tariff, (B) any order of any Governmental Authority binding on any such Person or any of their respective properties, or (C) the certificate of incorporation or bylaws (or any other equivalent governing agreement or document) of any such Person, or any agreement between any such Person and its respective stockholders, members, partners or equity owners or among any such stockholders, members, partners or equity owners; (iii) are not in conflict with, and do not result in a breach or default of or constitute an event of default, or an event, fact, condition or circumstance which, with notice or passage of time, or both, would constitute or result in a conflict, breach, default or event of default under, any indenture, agreement or other instrument to which any such Person is a party, or by which the properties or assets of such Person are bound; (iv) except as set forth therein, will not result in the creation or imposition of any Lien of any nature upon any of the properties or assets of any such Person, and (v) except as set forth on Schedule 7.2, do not require the consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person. When executed and delivered, each of the Loan Documents to which any Credit Party is a party will constitute the legal, valid and binding obligation of Credit Party, enforceable against such Credit Party in accordance with its terms.

7.3 Subsidiaries, Capitalization and Ownership Interests

Except as listed on Schedule 7.3, no Credit Party has any Subsidiaries. Schedule 7.3 states the authorized and issued capitalization of each Credit Party, the number and class of equity securities and/or ownership, voting or partnership interests issued and outstanding of each Credit Party and the record and beneficial owners thereof (including options, warrants and other rights to acquire any of the foregoing). The ownership or partnership interests of each Credit Party that is a limited partnership or a limited liability company are not certificated, the documents relating to such interests do not expressly state that the interests are governed by Article 8 of the Uniform Commercial Code, and the interests are not held in a securities account. Schedule 7.3 sets forth a complete and accurate list of the directors, members, managers and/or partners of each Credit Party. Except as listed on Schedule 7.3, no Credit Party owns an interest in, participates in or engages in any joint venture, partnership or similar arrangements with any Person.

7.4 Properties

Each Credit Party (i) is the sole owner and has good, valid and marketable title to, or a valid leasehold interest in, all of its properties and assets, including the Collateral, whether personal or real, subject to no transfer restrictions or Liens of any kind except for Permitted Liens, and (ii) is in compliance in all material respects with each lease to which it is a party or otherwise bound. Schedule 7.4A lists all real properties (and their locations) owned or leased by or to, and all other material assets or property that are leased or licensed by, any Credit Party and all warehouses, fulfillment houses or other locations at which any of any Credit Party's Inventory is located. Each Credit Party enjoys peaceful and undisturbed possession under all such leases and such leases are all the leases necessary for the operation of such properties and assets, are valid and subsisting and are in full force and effect. Schedule 7.4B lists all Deposit Accounts and investment accounts (and their locations) owned by any Credit Party, and all such Deposit Accounts and investment accounts are subject to no Liens of any kind except as expressly set forth on Schedule 7.4B, all of which Liens constitute Permitted Liens.

7.5 Other Agreements

No Credit Party is (i) a party to any judgment, order or decree or any agreement, document or instrument, or subject to any restriction, which would affect its ability to execute and deliver, or perform under, any Loan Document or to pay the Obligations, (ii) in default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any agreement, document or instrument to which it is a party or to which any of its properties or assets are subject, which default, if not remedied within any applicable grace or cure period would reasonably be likely to result in a Material Adverse Change, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute or result in a conflict, breach, default or event of default under, any of the foregoing which, if not remedied within any applicable grace or cure period would reasonably be likely to result in a Material Adverse Change; (iii) a party or subject to any agreement, document or instrument with respect to, or obligation to pay any, Management or Service Fee with respect to, the ownership, operation, leasing or performance of any of its business or any facility, nor is there any manager with respect to any such facility; or (iv) a party to any contract with any Affiliate other than as set forth on Schedule 7.5.

7.6 Litigation

There is no action, suit, proceeding or investigation pending or, to the knowledge of any Credit Party, threatened against any Credit Party (i) that challenges the validity of any of the Loan Documents, or to enjoin the right of any Credit Party to enter into any Loan Document or to consummate the transactions contemplated thereby, (ii) that would reasonably be likely to be or have, either individually or in the aggregate, any Material Adverse Change, or (iii) that would reasonably be likely to result in any Change of Control. Except as set forth on Schedule 7.6, no Credit Party is a party or subject to any order, writ, injunction, judgment or decree of any Governmental Authority. Except as set forth on Schedule 7.6, there is no action, suit, proceeding or investigation initiated by any Credit Party currently pending.

7.7 Environmental Matters

Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change:

(a) Each Credit Party and its Subsidiaries: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws; (ii) hold all environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them; (iii) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their environmental Permits; and (iv) reasonably believe that: each of their environmental Permits will be timely renewed and complied with, without material expense; any additional environmental Permits that may be required of any of them will be timely obtained and complied with, without material expense; and compliance with any Environmental Law that is or is expected to become applicable to any of them will be timely attained and maintained, without material expense.

(b) To the knowledge of each Credit Party and its Subsidiaries, no Materials of Environmental Concern (i) are present at, on, under, in, or about any real property now owned, leased or operated by such Credit Party or any of its Subsidiaries, or (ii) were present at any formerly owned, leased or operated property during the period of such ownership, lease or operation by such Credit Party or its Subsidiaries or (iii) are present at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage, or disposal) which, in the case of any of clauses (i), (ii) or (iii), would reasonably be expected to (A) give rise to liability of such Credit Party or any of its Subsidiaries under any applicable Environmental Law or otherwise result in costs to such Credit Party or any of its Subsidiaries, (B) interfere with the continued operations of such Credit Party or any of its Subsidiaries, or (C) impair the fair saleable value of any real property owned or leased by such Credit Party or any of its Subsidiaries.

(c) There is no judicial, administrative, or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law to which any Credit Party or any of such Credit Party's Subsidiaries is, or to the knowledge of such Credit Party or any of its Subsidiaries will be, named as a party that is pending or, to the knowledge of such Credit Party or any of its Subsidiaries, threatened.

(d) No Credit Party, nor any of Credit Parties' Subsidiaries, has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, or with respect to any Materials of Environmental Concern.

(e) No Credit Party, nor any of Credit Parties' Subsidiaries, has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(f) No Credit Party, nor any of Credit Parties' Subsidiaries, has assumed or retained, by contract or operation of law, any liabilities of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Material of Environmental Concern.

7.8 Potential Tax Liability; Tax Returns; Governmental Reports

(a) Except as disclosed in Schedule 7.8, no Credit Party (i) has received any oral or written communication from any taxing authority with respect to any investigation or assessment relating to such Credit Party directly, or relating to any consolidated tax return which was filed on behalf of such Credit Party, (ii) is aware of any year which remains open pending tax examination or audit by any taxing authority, and (iii) is aware of any information that could give rise to any tax liability or assessment.

(b) Each Credit Party (i) has filed all federal, state, foreign (if applicable) and local tax returns and other reports which are required by law to be filed by such Credit Party, and (ii) has paid all taxes, assessments, fees and other governmental charges, including, without limitation, payroll and other employment related taxes, in each case that are due and payable, except only for items that such Credit Party is currently contesting in good faith with adequate reserves under GAAP, which contested items are described on Schedule 7.8.

7.9 Financial Statements and Reports

All financial statements and financial information relating to Credit Parties that have been or may hereafter be delivered to Lender by Credit Parties are accurate and complete (as of the date they were prepared) and all financial statements have been prepared in accordance with GAAP consistently applied with prior periods except for any normal quarter and year-end adjustments which may be applied in future periods and for any changes in accounting methodology that may have been applied since any prior period. Credit Parties have no material obligations or liabilities of any kind not disclosed in such financial information or statements, and since the date of the most recent financial statements submitted to Lender, there has not occurred any Material Adverse Change or Liability Event or, to Credit Parties' knowledge, any other event or condition that could reasonably be expected to have a Material Adverse Change or Liability Event.

7.10 Compliance with Law

(a) Each Credit Party has been and is currently in compliance, and is presently taking and will continue to take all actions necessary to assure that it shall, on or before each applicable compliance date and continuously thereafter, comply with HIPAA. Borrower has not received any notice from any Governmental Authority that such Governmental Authority has imposed or intends to impose any enforcement actions, fines or penalties for any failure or alleged failure to comply with HIPAA or its implementing regulations. Each Credit Party (i) is in compliance with all laws, statutes, rules, regulations, ordinances and tariffs of any Governmental Authority applicable to such Credit Party and such Credit Party's business, assets or operations, including, without limitation, ERISA and Healthcare Laws, and (ii) is not in violation of any order of any Governmental Authority or other board or tribunal, except where noncompliance or violation could not reasonably be expected to result in a Material Adverse Change. There is no event, fact, condition or circumstance which, with notice or passage of time, or both, would constitute or result in any noncompliance with, or any violation of, any of the foregoing, in each case except where noncompliance or violation could not reasonably be expected to result in a Material Adverse Change. No Credit Party has received any notice that such Credit Party is not in compliance in any respect with any of the requirements of any of the foregoing. No Credit Party has (a) engaged in any Prohibited Transactions as defined in Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, (b) failed to meet any applicable minimum funding requirements under Section 302 of ERISA in respect of its plans and no funding requirements have been postponed or delayed, (c) any knowledge of any event or occurrence which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Title IV of ERISA to terminate any of the employee benefit plans, (d) any fiduciary responsibility under ERISA for investments with respect to any plan existing for the benefit of Persons other than its employees or former employees, or (e) withdrawn, completely or partially, from any multi-employer pension plans so as to incur liability under the MultiEmployer Pension Plan Amendments of 1980. With respect to each Credit Party, there exists no event described in Section 4043 of ERISA, excluding Subsections 4043(b)(2) and 4043(b)(3) thereof, for which the required thirty (30) day notice period has not been waived. Each Credit Party has maintained in all material respects all records required to be maintained by the Joint Commission on Accreditation of Healthcare Organizations, the Food and Drug Administration, Drug Enforcement Agency and State Boards of Pharmacy and the federal and state Medicare and Medicaid programs as required by the Healthcare Laws and, to the best knowledge of each Credit Party, there are no presently existing circumstances which likely would result in material violations of the Healthcare Laws.

(b) No Credit Party (i) is a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violative of such Section 2, or (iii) is a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

(c) Each Credit Party is in compliance, in all material respects, with the Patriot Act.

7.11 Intellectual Property

Schedule 7.11 lists, as of the Closing Date, all (a) registered Intellectual Property (including applications for registration) owned by Borrower and (b) licenses of rights in Intellectual Property (other than non-customized mass market licenses of rights in Intellectual Property) pursuant to which Borrower licenses rights in Intellectual Property either from or to another Person, whether on an exclusive or non-exclusive basis.

7.12 Licenses and Permits; Labor

Each Credit Party is in compliance with and has all Permits and Intellectual Property necessary or required by applicable law or Governmental Authority for the operation of its businesses as currently conducted. All of the foregoing is in full force and effect and not in known conflict with the rights of others. No Credit Party is (i) in breach of or default under the provisions of any of the foregoing, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute or result in a conflict, breach, default or event of default under, any of the foregoing which, if not remedied within any applicable grace or cure period could reasonably be expected to result in a Material Adverse Change, (ii) a party to or subject to any agreement, instrument or restriction that is so unusual or burdensome that it might have a Material Adverse Change, and/or (iii) and has not been, involved in any labor dispute, strike, walkout or union organization which could reasonably be expected to result in a Material Adverse Change. Borrower has obtained, and currently has, all Permits necessary in the generation of each Account.

7.13 No Default

There does not exist any Default or Event of Default.

7.14 Disclosure

No Loan Document nor any other agreement, document, certificate, or statement furnished to Lender by or on behalf of any Credit Party in connection with the transactions contemplated by the Loan Documents, nor any representation or warranty made any by Credit Party in any Loan Document, contains any untrue statement of material fact or omits to state any fact necessary to make the statements therein not materially misleading as of the date such statements were delivered. There is no fact known to any Credit Party which has not been disclosed to Lender in writing which could reasonably be expected to result in a Material Adverse Change.

7.15 Existing Indebtedness; Investments, Guarantees and Certain Contracts

Except as contemplated by the Loan Documents or as otherwise set forth on Schedule 7.15A, no Credit Party (i) has any outstanding Indebtedness other than Permitted Indebtedness, (ii) is not subject or party to any mortgage, note, indenture, indemnity or guarantee of, with respect to or evidencing any Indebtedness of any other Person, or (iii) owns or holds any equity or long-term debt investments in, and has any outstanding advances to or any outstanding guarantees for the obligations of, or any outstanding borrowings from, any Person. Each Credit Party has performed all material obligations required to be performed by such Credit Party pursuant to or in connection with any items listed on Schedule 7.15A and there has occurred no breach, default or event of default under any document evidencing any such items or any fact, circumstance, condition or event which, with the giving of notice or passage of time or both, would constitute or result in a breach, default or event of default thereunder. Schedule 7.15B sets forth all Indebtedness with a maturity date during the Term, and identifies such maturity date. No Credit Party has any existing accrued and unpaid Indebtedness owing to any Governmental Authority or any other governmental payor.

7.16 Other Agreements

Except as set forth on Schedule 7.16, (i) there are no existing or proposed agreements, arrangements, understandings or transactions between any Credit Party and any of such Credit Party's officers, members, managers, directors, stockholders, partners, other interest holders, employees or Affiliates or any members of their respective immediate families, (ii) none of the foregoing Persons are directly or indirectly, indebted to or have any direct or indirect ownership, partnership or voting interest in, to such Credit Party's knowledge, any Affiliate of such Credit Party or any Person that competes with such Credit Party (except that any such Persons may own stock in, but not exceeding two percent (2%) of the outstanding capital stock of, any publicly traded company that may compete with such Credit Party (iii) no director or officer of any Credit Party has received any compensation of any kind in consideration or otherwise of such Credit Party entering into this Agreement, and (iv) neither Lender nor any of its Affiliates has paid or offered to pay any compensation to any director or officer of any Credit Party in consideration of such Credit Party's entering into the Loan Documents.

7.17 Insurance

Credit Parties have in full force and effect such insurance policies as are customary in its industry and as may be required pursuant to Section 8.5 hereof. All such insurance policies are listed and described on Schedule 7.17.

7.18 Names; Location of Offices, Records and Collateral

During the preceding five years, Borrower has not conducted business under, filed any tax return under, or used any name (whether corporate, partnership or assumed) other than as shown on Schedule 7.18A. Borrower is the sole owner of all of its names listed on Schedule 7.18A, and any and all business done and invoices issued in such names are Borrower's sales, business and invoices. Each trade name of Borrower represents a division or trading style of Borrower. Borrower maintains its places of business and chief executive offices only at the locations set forth on Schedule 7.18B, and all Accounts of Borrower arise, originate and are located, and all of the Collateral and all books and records in connection therewith or in any way relating thereto or evidence the Collateral are located and shall be only, in and at such locations. All of the Collateral is located only in the continental United States. There are no facts, events or occurrences which in any way impair the validity or enforceability thereof or tend to reduce the amount payable thereunder from the face amount of the claim or invoice and statements delivered to Lender with respect thereto. To the best of Credit Parties' knowledge, (A) the Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise thereto was executed, (B) such Account Debtor is solvent, and, (C) subject to the final sentence of this Section 7.18, there are no proceedings or actions which are threatened or pending against any Account Debtor thereunder which might result in any Material Adverse Change in such Account Debtor's financial condition or the collectability thereof. Borrower has obtained and currently has all Permits necessary in the generation of each Account of Borrower and Borrower has disclosed to Lender on each Borrowing Certificate (a "**Denial Disclosure**") the amount of all Accounts of Borrower for which Medicare is the Account Debtor and for which payment has been denied and subsequently appealed pursuant to the procedure described in the definition of Eligible Accounts hereof, and Borrower is pursuing all available appeals in respect of such Accounts, provided, that, Borrower shall not be required to make a Denial Disclosure for up to $50,000 in the aggregate that remain uncorrected at any time for claims denied due to coding and clerical errors for the period covered by such Borrowing Certificate.

7.19 Lien Perfection and Priority

Upon the execution and delivery of this Agreement, and upon the proper filing of the necessary financing statements without any further action, Lender will have a good, valid and perfected first priority Lien and security interest in the Collateral, subject to no transfer or other restrictions or Liens of any kind in favor of any other Person except for Permitted Liens. No financing statement relating to any of the Collateral is on file in any public office except those (i) on behalf of Lender, and (ii) in connection with Permitted Liens.

7.20 Investment Company Act

No Credit Party is required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7.21 Regulations T, U and X

No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying any "margin stock" or "margin security" (within the meaning of Regulations T, U or X issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Loans will be used to purchase or carry any margin stock or margin security or to extend credit to others for the purpose of purchasing or carrying any margin stock or margin security.

7.22 Survival

Each Credit Party makes the representations and warranties contained herein with the knowledge and intention that Lender is relying and will rely thereon. All such representations and warranties will survive the execution and delivery of this Agreement and the making of the Advances under the Revolving Facility.

VIII. AFFIRMATIVE COVENANTS

Each Credit Party, jointly and severally, covenants and agrees that, until all of the Obligations have been fully performed and Paid in Full, and this Agreement has terminated:

8.1 Financial Statements, Borrowing Certificate, Financial Reports and Other Information

(a) Financial Reports. Credit Parties shall furnish to Lender (i) as soon as available and in any event when submitted to the Securities and Exchange Commission but no later than one hundred and five (105) calendar days after the end of each fiscal year of Credit Parties, audited annual consolidated and consolidating financial statements of Credit Parties, including the notes thereto, consisting of a consolidated and consolidating balance sheet at the end of such completed fiscal year and the related consolidated and consolidating statements of income, retained earnings, cash flows and owners' equity for such completed fiscal year, which financial statements shall be prepared by an independent certified public accounting firm satisfactory to Lender and accompanied by related management letters, if available; provided that beginning with the financial statements for the fiscal year ending December 31, 2008, no going concern opinion shall be issued in connection with such financial statements, (ii) as soon as available and in any event within thirty calendar days after the end of each calendar month (fifty calendar days after the end of any month which coincides with the end of a fiscal quarter and sixty days after the end of any month which coincides with the end of a fiscal year), unaudited financial statements of Credit Parties consisting of a balance sheet and statements of income and cash flows as of the end of the immediately preceding calendar month. Monthly financial statements provided to the Lender which have been internally prepared by Borrower for any month which corresponds with the end of a fiscal quarter or fiscal year will be subject to further adjustments by the Credit Parties' outside auditors before being finalized. All such financial statements shall be prepared in accordance with GAAP consistently applied with prior periods except for any normal quarter and year-end adjustments which may be applied in future periods and for any changes in accounting methodology that may have been applied since any prior period. With each such financial statement, Credit Parties shall also deliver a certificate of its chief financial officer or principal accounting officer in substantially the form of Exhibit B hereto (a "**Compliance Certificate**") stating that (A) such person has reviewed the relevant terms of the Loan Documents and the condition of Credit Parties, (B) no Default or Event of Default has occurred or is continuing, or, if any of the foregoing has occurred or is continuing, specifying the nature and status and period of existence thereof and the steps taken or proposed to be taken with respect thereto, and (C) Credit Parties are in compliance with all financial covenants attached as Annex I hereto. Such certificate shall be accompanied by the calculations necessary to show compliance with the financial covenants in a form satisfactory to Lender and (iii) simultaneously with the delivery of monthly financial statements for any given month, an accounts payable aging schedule showing a reconciliation to the amounts reported in the monthly financial statements.

(b) Other Materials. Credit Parties shall furnish to Lender as soon as available, and in any event within ten calendar days after the preparation or issuance thereof or at such other time as set forth below: (i) copies of such financial statements (other than those required to be delivered pursuant to Section 8.1(a)) prepared by, for or on behalf of Credit Parties and any other notes, reports and other materials related thereto, including, without limitation, any pro forma financial statements, (ii) any reports, returns, information, notices and other materials that any Credit Party shall send to its stockholders, members, partners or other equity owners at any time unless such materials are publicly available at www.sec.gov, (iii) all Medicare and Medicaid cost reports and other documents and materials filed by Borrower and any other reports, materials or other information regarding or otherwise relating to Medicaid or Medicare prepared by, for or on behalf of Borrower other than internal working analyses, (iv) simultaneously with the provision of any monthly financial statements provided pursuant to Section 8(a) above to the extent such information has not been already reflected in a Borrowing Certificate submitted to Lender: (A) a report of the status of all payments, denials and appeals of all Medicare and Medicaid Accounts (unless such denials were due to clerical errors in an amount which does not require a Denial Disclosure, and (B) a sales and collection report and accounts receivable aging schedule, including a report of sales, credits issued and collections received, all such reports showing a reconciliation to the amounts reported in the monthly financial statements, (v) promptly upon receipt thereof, copies of any reports submitted to a Borrower by its independent accountants in connection with any interim audit of the books of such Person or any of its Affiliates and copies of each management control letter provided by such independent accountants, (vi) within thirty (30) calendar days after the execution thereof, a copy of any contracts with the federal government or with a Governmental Authority in the State of New York, Vermont or Washington and (vii) such additional information, documents, statements, reports and other materials as Lender may reasonably request from a credit or security perspective or otherwise from time to time.

(c) Notices. Credit Parties shall promptly, and in any event within four calendar days after Borrower or any authorized officer of Borrower obtains knowledge thereof, notify Lender in writing of (i) any pending or threatened litigation, suit, investigation, arbitration, dispute resolution proceeding or administrative proceeding brought or initiated by Borrower or otherwise affecting or involving or relating to Borrower or any of its property or assets to the extent (A) the amount in controversy exceeds $50,000.00, or (B) to the extent any of the foregoing seeks injunctive relief, (ii) any Default or Event of Default, which notice shall specify the nature and status thereof, the period of existence thereof and what action is proposed to be taken with respect thereto, (iii) any other development, event, fact, circumstance or condition that would reasonably be expected to result in a Material Adverse Change, in each case describing the nature and status thereof and the action proposed to be taken with respect thereto, (iv) any notice received by a Borrower from any payor of a claim, suit or other action such payor has, claims or has filed against such Borrower, (v) any matter(s) affecting the value, enforceability or collectability of any of the Collateral, including, without limitation, claims or disputes in the amount of $50,000.00 or more, singly or in the aggregate, in existence at any one time, (vi) any notice given by Borrower to any other lender of such Borrower and shall furnish to Lender a copy of such notice, (vii) receipt of any notice or request from any Governmental Authority or governmental payor regarding any liability or claim of liability in excess of $50,000.00 singly or in the aggregate, (viii) receipt of any notice by Borrower regarding termination of any manager of any facility owned, operated or leased by such Borrower, (ix) if any Account becomes evidenced or secured by an Instrument or Chattel Paper and (x) any pending, threatened or actual investigation or survey of Borrower, its directors, officers or managing employees by any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor programs, (xi) Borrower becoming a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (xii) Borrower becoming subject to reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (xiii) Borrower becoming the subject of any government payor program investigation conducted by any federal or state enforcement agency, (xiv) Borrower becoming a defendant in any qui tam/False Claims Act litigation, (xv) Borrower being served with or received any search warrant, subpoena, civil investigative demand or contact letter by or from any federal or state enforcement agency relating to an investigation or (xvi) Borrower becoming subject to any written complaint filed with or submitted to any Governmental Authority having jurisdiction over such Borrower or filed with or submitted to such Borrower pursuant to such Borrower's policies relating to the filing or submissions of such types of complaints, from employees, independent contractors, vendors, physicians, or any other person that would indicate that such Borrower has violated any law, regulation or law.

(d) Consents. Credit Parties shall use their best efforts to obtain and deliver from time to time all required consents, approvals and agreements from such third parties as Lender shall determine are necessary or desirable in its Permitted Discretion, each of which must be satisfactory to Lender in its Permitted Discretion and acceptable to such third party, with respect to (i) the Loan Documents and the transactions contemplated thereby, (ii) claims against a Borrower or the Collateral, and/or (iii) any agreements, consents, documents or instruments to which Borrower is a party or by which any properties or assets of Borrower or any of the Collateral is or are bound or subject, including, without limitation, Landlord Waivers and Consents with respect to leases.

(e) Operating Budget. Credit Parties shall furnish to Lender on or prior to the Closing Date and for each fiscal year of Credit Parties prior to the commencement of such fiscal year, a draft of consolidated and consolidating month by month projected operating budgets, annual projections, profit and loss statements, balance sheets and cash flow reports of and for Credit Parties for such upcoming fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), in each case prepared in accordance with GAAP consistently applied with prior periods, provided, that, (A) such Budget as submitted to the Board of Directors of Borrower for approval shall be provided to Lender by Borrower not less than sixty (60) days after commencement of such fiscal year and (B) a final version of the budget as approved by the Board of Directors of Borrower for each fiscal year shall be provided to Lender by Borrower not less than ten (10) calendar days after the approval of such budget or any revision thereof by the Board of Directors.

(f) Ancillary Materials to be Furnished Upon Request. Upon written request by Lender, Credit Parties shall use its best efforts to furnish to Lender within ten (10) calendar days after the request therefore the following kinds of information: (1) any other reports, materials or other information regarding or otherwise relating to Medicaid or Medicare prepared by, for, or on behalf of, Borrower or any of its Subsidiaries, including, without limitation, (A) copies of licenses and permits required by any applicable federal, state, foreign or local law, statute, ordinance or regulation or Governmental Authority for the operation of its business (B) Medicare and Medicaid provider numbers and agreements, (C) state surveys pertaining to any healthcare facility operated or owned or leased by Borrower or any of its Affiliates or Subsidiaries, (D) participating agreements relating to medical plans (ii) copies of material licenses and permits required by applicable federal, state, foreign or local law, statute, ordinance or regulation or Governmental Authority for the Operation of Borrower's business.

8.2 [Reserved]

8.3 Conduct of Business and Maintenance of Existence and Assets

Borrower shall (i) conduct its business in accordance with good business practices customary to the industry, (ii) engage principally in the same or similar lines of business substantially as heretofore conducted, (iii) collect its Accounts in the ordinary course of business, (iv) maintain all of its material properties, assets and equipment used or useful in its business in good repair, working order and condition (normal wear and tear excepted and except as may be disposed of in the ordinary course of business and in accordance with the terms of the Loan Documents and otherwise as determined by such Borrower using commercially reasonable business judgment), (v) from time to time to make all necessary or desirable repairs, renewals and replacements thereof, as determined by such Borrower using commercially reasonable business judgment, (vi) maintain and keep in full force and effect its existence and all material Permits and qualifications to do business and good standing in each jurisdiction in which the ownership or lease of property or the nature of its business makes such Permits or qualification necessary and in which failure to maintain such Permits or qualification could reasonably be expected to result in a Material Adverse Change; and (vii) remain in good standing and maintain operations in all jurisdictions in which currently located.

8.4 Compliance with Legal and Other Obligations

Each Credit Party shall (i) comply with all laws, statutes, rules, regulations, ordinances and tariffs of all Governmental Authorities applicable to it or its business, assets or operations, including applicable requirements which where promulgated pursuant to HIPAA (ii) pay all taxes, assessments, fees, governmental charges, claims for labor, supplies, rent and all other obligations or liabilities of any kind, except liabilities being contested in good faith and against which adequate reserves have been established, (iii) perform in accordance with its terms each contract, agreement or other arrangement to which it is a party or by which it or any of the Collateral is bound, except where the failure to comply, pay or perform could not reasonably be expected to result in a Material Adverse Change, (iv) maintain and comply with all Permits necessary to conduct its business and comply with any new or additional requirements that may be imposed on it or its business, and (v) properly file all Medicaid, Medicare and CHAMPUS/TRICARE cost reports. Without limiting the foregoing, Borrower is, and while this Agreement shall remain in effect shall remain, qualified for participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs; Borrower has, and while this Agreement shall remain in effect shall maintain, a current and valid provider contract with such programs; Borrower is, and while this Agreement shall remain in effect shall remain, in compliance with the conditions of participation in such programs; and Borrower has, and while this Agreement shall remain in effect shall maintain, all approvals or qualification necessary for capital reimbursement for any facility operated by Borrower. While this Agreement shall remain in effect, all billing practices of Borrower with respect to any facility operated by Borrower and all third party payors, including the Medicare, Medicaid and CHAMPUS/TRICARE programs and private insurance companies, shall remain in compliance with all applicable laws, regulations and policies of such third party payors and the Medicare, Medicaid and CHAMPUS/TRICARE programs.

8.5 Insurance

Borrower shall keep (i) all of its insurable properties and assets adequately insured in all material respects against losses, damages and hazards as are customarily insured against by businesses engaging in similar activities or owning similar assets or properties and at least the minimum amount required by applicable law, including, without limitation, medical malpractice and professional liability insurance, as applicable; (ii) maintain general public liability insurance at all times against liability on account of damage to persons and property having such limits, deductibles, exclusions and co-insurance and other provisions as are customary for a business engaged in activities similar to those of Credit Parties; and (iii) maintain insurance under all applicable workers' compensation laws; all of the foregoing insurance policies to (A) be satisfactory in form and substance to Lender, (B) expressly provide that they cannot be amended to reduce coverage or canceled without thirty (30) calendar days prior written notice to Lender and that they inure to the benefit of Lender notwithstanding any action or omission or negligence of or by such Credit Party or any insured thereunder. With respect to property insurance covering business interruption, accounts receivable and the books and records in connection therewith, Lender shall be named as loss payee and additional insured and with respect to general liability insurance Lender shall be named as additional insured.

8.6 Books and Records

Each Credit Party shall (i) keep complete and accurate books of record and account in accordance with commercially reasonable business practices in which true and correct entries are made of all of its and their dealings and transactions in all material respects; and (ii) set up and maintain on its books such reserves as may be required by GAAP with respect to doubtful accounts and all taxes, assessments, charges, levies and claims and with respect to its business, and include such reserves in its quarterly as well as year end financial statements.

8.7 Inspections; Periodic Audits and Reappraisals

Each Credit Party shall permit the representatives of Lender, at the expense of Credit Parties, from time to time during normal business hours, but no more frequently than three times per year so long as no Default or Event of Default occurs and is continuing upon reasonable notice, to (i) visit and inspect any of its offices or properties or any other place where Collateral is located to inspect the Collateral and/or to examine or audit all of its books of account, records, reports and other papers, (ii) make copies and extracts therefrom, and (iii) discuss its business, operations, prospects, properties, assets, liabilities, condition and/or Accounts with its officers and independent public accountants (and by this provision such officers and accountants are authorized to discuss the foregoing) upon seven (7) Business Days prior written notice; provided, however, that (A) Borrower shall not be obligated to reimburse Lender for more than three (3) visits, inspections, examinations and audits under the foregoing clause (i) conducted during any fiscal year while no Default or Event of Default exists at a cost of $850 per auditor per day plus all out-of-pocket expenses of Lender (it being agreed and understood that the Borrower shall be Obligated to reimburse Lender for all such visits, inspections, examinations and audits conducted while any Default or Event of Default exists); and (B) no notice shall be required to do any of the foregoing if any Event of Default has occurred and is continuing.

8.8 Further Assurances; Post-Closing

At Credit Parties' cost and expense, each Credit Party shall (i) within five Business Days after Lender's request, take such further actions, obtain such consents and approvals and duly execute and deliver such further agreements, assignments, instructions or documents as Lender may deem necessary in its Permitted Discretion with respect to furtherance of the purposes, terms and conditions of the Loan Documents and the consummation of the transactions contemplated thereby, whether before, at or after the performance or consummation of the transactions contemplated hereby or the occurrence of a Default or Event of Default, (ii) without limiting and notwithstanding any other provision of any Loan Document, execute and deliver, or cause to be executed and delivered, such agreements and documents, and take or cause to be taken such actions, and otherwise perform, observe and comply with such obligations, as are set forth on Schedule 8.8, and (iii) upon the exercise by Lender or any of its Affiliates of any power, right, privilege or remedy pursuant to any Loan Document or under applicable law or at equity which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments and other documents requested by Lender in its Permitted Discretion that may be so required for such consent, approval, registration, qualification or authorization. Without limiting the foregoing, upon the exercise by Lender or any of its Affiliates of any right or remedy under any Loan Document which requires any consent, approval or registration with, consent, qualification or authorization by, any Person, Credit Parties shall execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments and other documents that Lender or its Affiliate may be required to obtain for such consent, approval, registration, qualification or authorization.

8.9 Use of Proceeds

Borrower shall use the proceeds from the Revolving Facility only for the purposes set forth in the first "WHEREAS" clause of this Agreement.

8.10 [Reserved]

8.11 [Reserved]

8.12 Taxes and Other Charges

(a) All payments and reimbursements to Lender made under any Loan Document shall be free and clear of and without deduction for all taxes, levies, imposts, deductions, assessments, charges or withholdings, and all liabilities with respect thereto of any nature whatsoever, excluding taxes to the extent imposed on Lender's net income. If any Credit Party shall be required by law to deduct any such amounts from or in respect of any sum payable under any Loan Document to Lender, then the sum payable to Lender shall be increased as may be necessary so that, after making all required deductions, Lender receives an amount equal to the sum it would have received had no such deductions been made. Notwithstanding any other provision of any Loan Document, if at any time after the Closing (i) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (ii) any new law, regulation, treaty or directive enacted or any interpretation or application thereof, or (iii) compliance by Lender with any new request or new directive (whether or not having the force of law) from any Governmental Authority after the date of Closing: (A) subjects Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever directly arising from any Loan Document or from payments directly received by the Lender from any Credit Party pursuant to the Loan Documents (except for net income taxes, franchise taxes imposed in lieu of net income taxes, and any other taxes on the general affairs of the Lender which may be imposed generally by federal, state or local taxing authorities with respect to interest or commitment fees or other fees payable hereunder or changes in the rate of tax on the overall net income of Lender), or (B) imposes on Lender any other condition or increased cost directly in connection with the transactions contemplated thereby or participations therein (specifically excluding any general costs imposed on Lender by any government entity that are not directly related to the obligations hereunder); and the result of any of the foregoing is to directly increase the cost to Lender of making or continuing any Loan hereunder or to reduce any amount receivable hereunder, then, in any such case, Credit Parties shall promptly, and in any event within ten (10) Business days of Credit Party's receipt of notice from Lender, pay to Lender any additional amounts necessary to compensate Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Lender. If Lender becomes entitled to claim any additional amounts pursuant to this Section 8.12 it shall promptly notify Credit Parties of the event by reason of which Lender has become so entitled and contain a calculation of such additional amounts that are proposed to be due and payable and shall answer any questions and provide any explanation reasonably requested by Borrower in good faith to understand the nature and purported reason for such additional amounts.

(b) Credit Parties shall promptly, and in any event within five Business Days after any Credit Party or any authorized officer of any Credit Party obtains knowledge thereof, notify Lender in writing of any oral or written communication from any taxing authority or otherwise with respect to any (i) tax investigations, relating to such Credit Party directly, or relating to any consolidated tax return which was filed on behalf of such Credit Party, (ii) notices of tax assessment or possible tax assessment, (iii) years that are designated open pending tax examination or audit, and (iv) information that could give rise to any tax liability or assessment.

8.13 Payroll Taxes

Without limiting or being limited by any other provision of any Loan Document, each Credit Party at all times shall retain and use a Person acceptable to Lender to process, manage and pay its payroll taxes and shall cause to be delivered to Lender within ten calendar days after the end of each calendar month a report of its payroll taxes for the immediately preceding calendar month and evidence of payment thereof. Notwithstanding the foregoing, being copied on Borrower's payroll reports within the period specified in the preceding sentence shall satisfy this requirement; provided that such payroll report sets forth the status of payroll taxes.

8.14 New Subsidiaries

If at any time after the Closing Date Borrower shall form or acquire any new Subsidiary, Borrower shall promptly, and in any event not later than fifteen calendar days after the creation or acquisition of such Subsidiary or such longer period as Lender may determine in writing, execute, and cause such new Subsidiary to execute, and deliver to Lender such joinder agreements and amendments to this Agreement and the other Loan Documents, including executing and delivering allonges to any Notes to the extent issued hereunder in form and substance satisfactory to Lender and providing such other documentation as Lender may reasonably request, including, without limitation, UCC searches, as applicable, and filings, legal opinions and corporate authorization documentation, and to take such other actions in each case as Lender deems necessary or advisable to (a) join and make such new Subsidiary a co-Borrower hereunder and thereunder, subject to all the rights and benefits and obligations and burdens of a Borrower hereunder, (b) grant to Lender a perfected first priority security interest in the Collateral of such new Subsidiary subject to no Liens other than the Permitted Liens.

8.15 [Reserved]

IX. NEGATIVE COVENANTS

Each Credit Party, jointly and severally, covenants and agrees that, until the indefeasible payment in full in cash, and the full performance of all, of the Obligations and termination of this Agreement:

9.1 Financial Covenants

Borrower shall not violate the financial covenants set forth on Annex I to this Agreement, which is incorporated herein and made a part hereof.

9.2 Permitted Indebtedness

Borrower shall not create, incur, assume or suffer to exist any Indebtedness, other than Permitted Indebtedness. Borrower shall not make prepayments on any existing or future Indebtedness to any Person other than to Lender or to the extent specifically permitted by this Agreement or any subsequent agreement between Borrower and Lender.

9.3 Permitted Liens

Borrower shall not create, incur, assume or suffer to exist any Lien upon, in or against, or pledge of, any of the Collateral or any of its other properties or assets of Borrower including but not limited to Deposit Accounts, cash or other money and Investment Property, whether now owned or hereafter acquired, except Permitted Liens.

9.4 Investments; New Facilities or Collateral; Subsidiaries

Except as set forth on Schedule 9.4, Borrower shall not, directly or indirectly, enter into any agreement to, (i) purchase, own, hold, invest in or otherwise acquire obligations or stock or securities of, or any other interest in, or all or substantially all of the assets of, any Person or any joint venture, or (ii) make or permit to exist any loans, advances or guarantees to or for the benefit of any Person or assume, guarantee, endorse, contingently agree to purchase or otherwise become liable for or upon or incur any obligation of any Person (other than those created by the Loan Documents and Permitted Indebtedness and other than (A) trade credit extended in the ordinary course of business, (B) advances for business travel and similar temporary advances made in the ordinary course of business to officers, directors and employees, (C) investments in Cash Equivalents and (D) the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business). Borrower shall not, directly or indirectly, purchase, own, operate, hold, invest in or otherwise acquire any facility, property or assets or any Collateral that is not located at the locations set forth on Schedule 7.18B unless Borrower shall provide to Lender at least ten (10) Business Days prior written notice. Borrower shall not have any Subsidiaries other than those Subsidiaries, if any, existing at Closing and set forth on Schedule 7.3., unless Borrower and new Subsidiary fully complies with Section 8.14 hereof.

Notwithstanding the foregoing, Borrower shall be permitted to make Permitted Acquisitions with Lender's prior written consent; provided, however, that the consent of Lender shall not be required if the cash consideration paid in respect of the Permitted Acquisition does not exceed $500,000 and Borrower fully complies with Section 8.14 hereof.

9.5 Dividends; Redemptions

Borrower shall not (i) declare, pay or make any Distribution, (ii) apply any of its funds, property or assets to the acquisition, redemption or other retirement of any Capital Stock, (iii) otherwise make any payments or Distributions to any stockholder, member, partner or other equity owner in such Person's capacity as such, or (iv) make any payment of any Management or Service Fee; provided however, that absent the occurrence and continuation of a Default or Event of Default, and if a Default or Event of Default would not arise therefrom, Borrower may: (x) make Permitted Distributions, (y) declare, pay or make Distributions payable in its stock, or split-ups or reclassifications of its stock; and (z) redeem its capital stock from terminated employees pursuant to, but only to the extent required under, the terms of the related employment agreements.

9.6 Transactions with Affiliates

Except as set forth on Schedule 9.6, Borrower shall not enter into or consummate any transaction of any kind with any of its Affiliates or Guarantor or any of their respective Affiliates other than: (i) salary, bonus, severance, employee stock option and other compensation, consulting and employment arrangements with directors or officers in the ordinary course of business, provided, that, no payment of any cash bonus or severance shall be permitted if a Default or Event of Default has occurred and remains in effect or would be caused by or result from such payment, and no payment of any severance shall be made, individually or in the aggregate, in excess of $250,000 in any twelve (12) month period, (ii) Distributions permitted pursuant to Section 9.5, and (iii) the making of payments permitted under and pursuant to a written agreement entered into by and between Borrower and one or more of its Affiliates that both (A) reflects and constitutes a transaction on overall terms at least as favorable to Borrower as would be the case in an arm's-length transaction between unrelated parties of equal bargaining power; provided, that, notwithstanding the foregoing Borrower shall not (Y) enter into or consummate any transaction or agreement pursuant to which it becomes a party to any mortgage, note, indenture or guarantee evidencing any Indebtedness of any of its Affiliates or otherwise to become responsible or liable, as a guarantor, surety or otherwise, pursuant to agreement for any Indebtedness of any such Affiliate, or (Z) make any payments to any of its Affiliates in excess of $50,000 in the aggregate during any consecutive twelve calendar month period without the prior written consent of Lender (other than payments permitted pursuant to clause (i) or (ii) above).

9.7 Charter Documents; Fiscal Year; Dissolution; Use of Proceeds

No Credit Party shall (i) amend, modify, restate or change its certificate of incorporation or formation or bylaws or similar charter documents without the prior written consent of the Lender, which consent shall not be unreasonably withheld, (ii) change its fiscal year unless such Credit Party demonstrates to Lender's satisfaction compliance with the covenants contained herein for both the fiscal year in effect prior to any change and the new fiscal year period by delivery to Lender of appropriate interim and annual pro forma, historical and current compliance certificates for such periods and such other information as Lender may reasonably request, (iii) amend, alter or suspend or terminate or make provisional in any material way, any material Permit without the prior written consent of Lender, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Lender acknowledges that the following will not be deemed to be a violation of this covenant: (A) any suspension of any license or Permit in any state caused by the departure of any scientific or medical personnel, and (B) any amendment of a license or permit in the ordinary course of business to enable Borrower to pursue additional opportunities; provided that neither (A) nor (B) shall result in the impairment of Borrower's ability to collect any Account or account receivable, (iv) wind up, liquidate or dissolve (voluntarily or involuntarily) or commence or suffer any proceedings seeking or that would result in any of the foregoing, (v) use any proceeds of any Advance for "purchasing" or "carrying" "margin stock" as defined in Regulations U, T or X of the Board of Governors of the Federal Reserve System, or (vi) without providing at least thirty calendar days prior written notice to Lender, change its name or organizational identification number, if it has one.

9.8 Truth of Statements

No Credit Party shall (a) furnish to Lender any certificate or other document created or produced by Borrower that contains any untrue statement of a material fact or that omits to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished as of the date it was provided to Lender; and (b) furnish any document created or produced by a third party that Borrower knows (A) contains any untrue statement of a material fact or (B) omits to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished.

9.9 IRS Form 8821

No Credit Party shall alter, amend, restate, or otherwise modify, or withdraw, terminate or re-file the IRS Form 8821 required to be delivered pursuant to the Conditions Precedent in Section 6.1 hereof.

9.10 Transfer of Assets

Notwithstanding any other provision of this Agreement or any other Loan Document, Borrower shall not, nor shall it permit any of its Subsidiaries to, sell, lease, transfer, assign or otherwise dispose of any interest in any properties or assets (other than obsolete fixed assets or excess fixed assets no longer needed in the conduct of the business in the ordinary course of business and sales of Inventory in the ordinary course of business), or agree to do any of the foregoing at any future time, except that:

(a) Borrower may lease or sublease (as lessor or sub-lessor) real or personal property pursuant to a true lease not constituting Indebtedness and not entered into as part of a sale and leaseback transaction, in each case in the ordinary course of business and which could not reasonably be expected to result in a Material Adverse Effect.

(b) Borrower may arrange for warehousing, fulfillment or storage of Inventory at locations not owned or leased by Borrower, in each case in the ordinary course of business;

(c) Borrower may license or sublicense Intellectual Property to third parties in the ordinary course of business; provided, that, such licenses or sublicenses shall not interfere with the business or other operations of Borrower; and

(d) Borrower may consummate such other sales or dispositions of property or assets in excess of $50,000 (including any sale or transfer or disposition of all or any part of its assets and thereupon and within one year thereafter rent or lease the assets so sold or transferred) only to the extent prior written notice has been given to Lender and to the extent Lender has given its prior written consent thereto, subject in each case to such conditions as may be set forth in such consent.

9.11 OFAC

No Credit Party nor any Subsidiary of any Credit Party (i) will be or become a Person whose Property or interests in Property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079(2001), (ii) will engage in any dealings or transactions prohibited by Section 2 of such executive order, or otherwise be associated with any such Person in any manner violative of Section 2 of such executive order, or (iii) otherwise will become a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

9.12 Payroll Accounts

Borrower shall not maintain a greater balance in any payroll account than is necessary to support Borrower's current payroll and payroll for one additional payroll cycle (bi-monthly or weekly as applicable).

9.13 US Lab Litigation

Borrower shall not pay more than $100,000 in the aggregate with respect to any award or settlement in connection with the litigation with US Labs described in Schedule 7.6. Notwithstanding the foregoing, Borrower may pay amounts in excess of the $100,000 set forth in the preceding sentence (the "Excess Award"); provided, that, Borrower shall, simultaneously with the payment of such Excess Award, have received proceeds at least in the amount of such Excess Award from: (a) a capital contribution, (b) Parent Indebtedness or (c) Indebtedness permitted under clause (v) of the definition of Permitted Indebtedness.

X. EVENTS OF DEFAULT

The occurrence of any one or more of the following shall constitute an "**Event of Default**:"

(a) any Credit Party shall fail to pay any amount on the Obligations when due (whether on any payment date, at maturity, by reason of acceleration, by notice of intention to prepay, by required prepayment or otherwise);

(b) any representation, statement or warranty made or deemed made by any Credit Party in any Loan Document or in any other certificate, document or report delivered in conjunction with any Loan Document, shall not be true and correct in all material respects or shall have been false or misleading in any material respect on the date when made or deemed to have been made;

(c) any Credit Party or other party thereto other than Lender shall be in violation, breach or default of, or shall fail to perform, observe or comply with any covenant, obligation or agreement set forth in, any Loan Document and such violation, breach, default or failure shall not be cured within the applicable period set forth in the applicable Loan Document; provided that, with respect to the affirmative covenants set forth in Article VIII (other than Sections 8.1(c), 8.3, 8.8, 8.9**,** for which there shall be no cure period and Section 8.5 for which there shall be a five (5) Business Day cure period), there shall be a thirty calendar day cure period commencing from the earlier of (i) Receipt by such Person of written notice of such breach, default, violation or failure, and (ii) the time at which such Person or any authorized officer thereof knew or became aware, or should have known or been aware, of such failure, violation, breach or default, but no Advances will be made during the cure period;

(d) (i) any of the Loan Documents ceases to be in full force and effect, or (ii) any Lien created thereunder ceases to constitute a valid perfected first priority Lien on the Collateral in accordance with the terms thereof, or Lender ceases to have a valid perfected first priority security interest in any of the Collateral pledged to Lender pursuant to the Loan Documents; provided, that, with respect to non-material breaches or violations that constitute Events of Default under clause (ii) of this Section 10(d), there shall be a five (5) Business Day cure period commencing from the earlier of (A) Receipt by the applicable Person of written notice of such breach or violation or of any event, fact or circumstance constituting or resulting in any of the foregoing, and (B) the time at which such Person or any authorized officer thereof knew or became aware, or should have known or been aware, of such breach or violation and resulting Event of Default or of any event, fact or circumstance constituting or resulting in any of the foregoing;

(e) one or more tax judgments, decrees, arbitrations or other binding award is rendered against any Credit Party in an amount in excess of $25,000 individually or $75,000 in the aggregate in any consecutive 12-month period, which is/are not satisfied, stayed, vacated or discharged of record within thirty calendar days of being rendered but no Advances will be made before the judgment is stayed, vacated or discharged unless otherwise agreed to in writing by Lender except for the US Lab Award;

(f) (i) any default occurs, which is not cured or waived, (x) in the payment when due of any amount with respect to any Indebtedness (other than the Obligations) of any Credit Party having an aggregate principal balance of at least $50,000, (y) in the performance, observance or fulfillment of any provision contained in any agreement, contract, document or instrument to which any Credit Party is a party or to which any of their properties or assets are subject or bound under or pursuant to which any Indebtedness having an aggregate principal balance of at least $50,000 was issued, created, assumed, guaranteed or secured and such default continues for more than any applicable grace period or permits the holder of any Indebtedness to accelerate the maturity thereof, or (ii) any Indebtedness of any Credit Party is declared to be due and payable or is required to be prepaid (other than by a regularly scheduled payment) prior to the stated maturity thereof, or any obligation of such Person for the payment of Indebtedness (other than the Obligations) is not paid when due or within any applicable grace period, or any such obligation becomes or is declared to be due and payable before the expressed maturity thereof, or there occurs an event which, with the giving of notice or lapse of time, or both, would cause any such obligation to become, or allow any such obligation to be declared to be, due and payable;

(g) any Credit Party shall (i) be unable to pay its debts generally as they become due, (ii) make a general assignment for the benefit of its creditors, (iii) commence, or consent to, a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property, or (iv) file a petition seeking reorganization or liquidation or similar relief under any Debtor Relief Law;

(h) a court of competent jurisdiction shall (A) enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of any Credit Party or the whole or any substantial part of any such Person's properties, which shall continue unstayed and in effect for a period of sixty calendar days, (B) shall approve a petition filed against any Credit Party seeking reorganization, liquidation or similar relief under the any Debtor Relief Law, which is not dismissed within sixty calendar days or, (C) under the provisions of any Debtor Relief Law, assume custody or control of any Credit Party or of the whole or any substantial part of any such Person's properties, which is not irrevocably relinquished within sixty calendar days, or (ii) there is commenced against any Credit Party any proceeding or petition seeking reorganization, liquidation or similar relief under any Debtor Relief Law and either (A) any such proceeding or petition is not unconditionally dismissed within sixty calendar days after the date of commencement, or (B) any Credit Party takes any action to indicate its approval of or consent to any such proceeding or petition, but no Advances will be made before any such order, judgment or decree described above is stayed, vacated or discharged, any such petition described above is dismissed, or any such custody or control described above is relinquished;

(i) (i) any Change of Control occurs or any binding agreement (that does not require Lender's consent as a condition to closing) to cause or that may result in any such Change of Control is entered into, (ii) any Material Adverse Change occurs or is reasonably expected to occur, (iii) any Liability Event occurs or is reasonably expected to occur, or (iv) any Credit Party ceases any material portion of its business operations as currently conducted;

(j) Lender receives any indication or evidence that (i) any Credit Party may have directly or indirectly been engaged in any type of activity, which, in Lender's Permitted Discretion, might result in forfeiture of any property with a value in excess of $25,000 to any Governmental Authority which shall have continued unremedied for a period of ten calendar days after written notice from Lender (but no Advances will be made before any such activity ceases) or (ii) any Credit Party or any of their respective directors or senior officers is criminally indicted or convicted under any law that could lead to a forfeiture of any Collateral;

(k) uninsured damage to, or loss, theft or destruction of, any portion of the Collateral occurs that exceeds $10,000 in the aggregate;

(l) the issuance of any process for levy, attachment or garnishment or execution upon or prior to any judgment against any Credit Party or any of their property or assets in excess of $50,000.

Upon the occurrence of an Event of Default, notwithstanding any other provision of any Loan Document, Lender may, without notice or demand, do any of the following: (i) terminate its obligations to make Advances hereunder and (ii) all or any of the Loans and/or Notes, all interest thereon and all other Obligations shall automatically, without any further action by Lender, be due and payable immediately (except in the case of an Event of Default under Section 10(d), (g), or (h), in which event all of the foregoing shall automatically and without further act by Lender be due and payable), and (ii) prohibit any action permitted to be taken under Article IX hereof, in each case without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Credit Parties.

XI. RIGHTS AND REMEDIES AFTER DEFAULT

11.1 Rights and Remedies

(a) In addition to the acceleration provisions set forth in Article X above, upon the occurrence and continuation of an Event of Default, Lender shall have the right to exercise any and all rights, options and remedies provided for in any Loan Document, under the UCC or at law or in equity, including, without limitation, the right to (i) at Credit Parties' expense, require that all or any part of the Collateral be assembled and made available to Lender at any place designated by Lender, (ii) reduce or otherwise change the Facility Cap, and/or (iii) relinquish or abandon any Collateral or any Lien thereon. Notwithstanding any provision of any Loan Document, Lender, in its sole discretion, shall have the right, at any time that Credit Parties fail to do so, and from time to time, without prior notice, to: (i) obtain insurance covering any of the Collateral to the extent required hereunder; (ii) pay for the performance of any of Obligations; (iii) discharge taxes or Liens on any of the Collateral that are in violation of any Loan document unless Credit Parties are in good faith with due diligence by appropriate proceedings contesting those items; and (iv) pay for the maintenance and preservation of the Collateral. Such expenses and advances shall be added to the Obligations until reimbursed to Lender and shall be secured by the Collateral, and such payments by Lender shall not be construed as a waiver by Lender of any Event of Default or any other rights or remedies of Lender. Credit Parties hereby waive any and all rights that they may have to a judicial hearing in advance of the enforcement of any of Lender's rights and remedies hereunder, including, without limitation, its right following the occurrence of an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

(b) Credit Parties agrees that notice received by it at least fifteen calendar days before the time of any intended public sale, or the time after which any private sale or other disposition of Collateral is to be made, shall be deemed to be reasonable notice of such sale or other disposition. If permitted by applicable law, any perishable Collateral which threatens to speedily decline in value or which is sold on a recognized market may be sold immediately by Lender without prior notice to Credit Parties. At any sale or disposition of Collateral, Lender may (to the extent permitted by applicable law) purchase all or any part thereof free from any right of redemption by any Credit Party which right is hereby waived and released. Credit Parties covenant and agree not to, and not to permit or cause any of their Subsidiaries to, interfere with or impose any obstacle to Lender's exercise of its rights and remedies with respect to the Collateral. Lender, in dealing with or disposing of the Collateral or any part thereof, shall not be required to give priority or preference to any item of Collateral or otherwise to marshal assets or to take possession or sell any Collateral with judicial process.

11.2 Application of Proceeds

In addition to any other rights, options and remedies Lender has under the Loan Documents, the UCC, at law or in equity, all dividends, interest, rents, issues, profits, fees, revenues, income and other proceeds collected or received from collecting, holding, managing, renting, selling, or otherwise disposing of all or any part of the Collateral or any proceeds thereof upon exercise of its remedies hereunder shall be applied in the following order of priority: (i) first, to the payment of all costs and expenses of such collection, storage, lease, holding, operation, management, sale, disposition or delivery and of conducting Credit Parties' business and of maintenance, repairs, replacements, alterations, additions and improvements of or to the Collateral, and to the payment of all sums which Lender may be required or may elect to pay, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments that Lender may be required or authorized to make under any provision of this Agreement (including, without limitation, in each such case, in-house documentation and diligence fees and legal expenses, search, audit, recording, professional and filing fees and expenses and reasonable attorneys' fees and all expenses, liabilities and advances made or incurred in connection therewith); (ii) second, to the payment of all other Obligations in such order or preference as Lender may determine; and (iii) third, to the payment of any surplus then remaining to Credit Parties, unless otherwise provided by law or directed by a court of competent jurisdiction; provided, that, Credit Parties shall be liable for any deficiency if such proceeds are insufficient to satisfy the Obligations or any of the other items referred to in this section.

11.3 Rights of Lender to Appoint Receiver

Without limiting and in addition to any other rights, options and remedies Lender has under the Loan Documents, the UCC, at law or in equity, upon the occurrence and continuation of an Event of Default, Lender shall have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by Lender to enforce its rights and remedies in order to manage, protect, preserve, sell or dispose the Collateral and continue the operation of the business of Credit Parties and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership including the compensation of the receiver and to the payments as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated. To the extent not prohibited by applicable law, each Credit Party hereby irrevocably consents to and waives any right to object to or otherwise contest the appointment of a receiver as provided above. Each Credit Party (i) grants such waiver and consent knowingly after having discussed the implications thereof with counsel, (ii) acknowledges that (A) the uncontested right to have a receiver appointed for the foregoing purposes is considered essential by Lender in connection with the enforcement of its rights and remedies hereunder and under the other Loan Documents and (B) the availability of such appointment as a remedy under the foregoing circumstances was a material factor in inducing Lender to make the Loans to such Credit Party and (iii) to the extent not prohibited by applicable law, agrees to enter into any and all stipulations in any legal actions, or agreements or other instruments required or reasonably appropriate in connection with the foregoing, and to cooperate fully with Lender in connection with the assumption and exercise of control by any receiver over all or any portion of the Collateral.

11.4 Rights and Remedies not Exclusive

Lender shall have the right in its sole discretion to determine which rights, Liens and remedies Lender may at any time pursue, relinquish, subordinate or modify, and such determination will not in any way modify or affect any of Lender's rights, Liens or remedies under any Loan Document, applicable law or equity. The enumeration of any rights and remedies in any Loan Document is not intended to be exhaustive, and all rights and remedies of Lender described in any Loan Document are cumulative and are not alternative to or exclusive of any other rights or remedies which Lender otherwise may have. The partial or complete exercise of any right or remedy shall not preclude any other further exercise of such or any other right or remedy.

11.5 Standards for Exercising Remedies

To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonably manner, Credit Parties hereby acknowledge and agree that it is not commercially unreasonable for Lender (a) to fail to incur expenses reasonably deemed significant by Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third-party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove Liens against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Credit Parties, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Lender against risks of loss, collection or disposition of Collateral or to provide to Lender a guaranteed return from the collection or disposition of Collateral or (l) to the extent deemed appropriate by Lender, to obtain the services of brokers, investment bankers, consultants or other professionals to assist Lender in the collection or disposition of any of the Collateral. Credit Parties further acknowledge that the purpose of this Section 11.5 is to provide non-exhaustive indications of what acts or omissions by Lender would not be commercially unreasonable in Lender's exercise of remedies against the Collateral and that other acts or omissions by Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.5. Without limitation upon the foregoing, nothing contained in this Section 11.5 shall be construed to grant any rights to Credit Parties or to impose any duties upon Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 11.5.

XII. WAIVERS AND JUDICIAL PROCEEDINGS

12.1 Waivers

Except as expressly provided for herein, Credit Parties hereby waive setoff, counterclaim, demand, presentment, protest, all defenses with respect to any and all instruments and all notices and demands of any description, and the pleading of any statute of limitations as a defense to any demand under any Loan Document. Credit Parties hereby waive any and all defenses and counterclaims they may have or could interpose in any action or procedure brought by Lender to obtain an order of court recognizing the assignment of, or Lien of Lender in and to, any Collateral, whether or not payable by a Medicaid/Medicare Account Debtor. With respect to any action hereunder, Lender conclusively may rely upon, and shall incur no liability to Credit Parties in acting upon, any request or other communication that Lender reasonably believes to have been given or made by a person authorized on Credit Parties' behalf, whether or not such person is listed on the incumbency certificate delivered pursuant to Section 6.1 hereof. In each such case, Credit Parties hereby waive the right to dispute Lender's action based upon such request or other communication, absent manifest error. Without limiting the generality of the foregoing, Borrower expressly waives all rights, benefits and defenses, if any, applicable or available to Borrower under either California Code of Civil Procedure Sections 580a or 726, which provide, among other things, that the amount of any deficiency judgment which may be recovered following either a judicial or nonjudicial foreclosure sale is limited to the difference between the amount of any indebtedness owed and the greater of the fair value of the security or the amount for which the security was actually sold. Without limiting the generality of the foregoing, Borrower further expressly waives all rights, benefits and defenses, if any, applicable or available to Borrower under either California Code of Civil Procedure Sections 580b, providing, generally, that no deficiency may be recovered on a real property purchase money obligation, or 580d, providing, generally, that no deficiency may be recovered on a note secured by a deed of trust on real property if the real property is sold under a power of sale contained in the deed of trust.

12.2 Delay; No Waiver of Defaults

No course of action or dealing, renewal, release or extension of any provision of any Loan Document, or single or partial exercise of any such provision, or delay, failure or omission on Lender's part in enforcing any such provision shall affect the liability of any Credit Party or operate as a waiver of such provision or affect the liability of any Credit Party or preclude any other or further exercise of such provision. No waiver by any party to any Loan Document of any one or more defaults by any other party in the performance of any of the provisions of any Loan Document shall operate or be construed as a waiver of any future default, whether of a like or different nature, and each such waiver shall be limited solely to the express terms and provisions of such waiver. Notwithstanding any other provision of any Loan Document, by completing the Closing under this Agreement and/or by making Advances, Lender does not waive any breach of any representation or warranty under any Loan Document, and all of Lender's claims and rights resulting from any such breach or misrepresentation are specifically reserved.

12.3 Jury Waiver

EACH PARTY TO THIS AGREEMENT HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER THE LOAN DOCUMENTS OR IN ANY WAY CONNECTED WITH OR INCIDENTAL TO THE DEALINGS OF THE PARTIES WITH RESPECT TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

12.4 Cooperation in Discovery and Litigation

In any litigation, arbitration or other dispute resolution proceeding relating to any Loan Document, Borrower waives any and all defenses, objections and counterclaims it may have or could interpose with respect to (i) any of its directors, officers, employees or agents being deemed to be employees or managing agents of Borrower for purposes of all applicable law or court rules regarding the production of witnesses by notice for testimony (whether in a deposition, at trial or otherwise), (ii) Lender's counsel examining any such individuals as if under cross-examination and using any discovery deposition of any of them as if it were an evidence deposition, and (iii) using commercially reasonable efforts to produce in any such dispute resolution proceeding, all Persons, documents (whether in tangible, electronic or other form) and other things under its control that properly relate to any matters in dispute. Notwithstanding the foregoing, Credit Parties (A) do not waive any rights of any directors, officers, employees or agents that such Persons may have individually, (B) do not agree that any alternative dispute resolution procedures other than a court trial will be automatically applicable to the situation at hand in the event of a dispute and will only agree to such alternative dispute resolution procedures at such time after the facts and circumstances are known, and (C) with respect to item (iii) do not agree to engage in any electronic discovery procedures unless agreed to at such time in the future and at the expense of someone other than the Borrower.

XIII. EFFECTIVE DATE AND TERMINATION

13.1 Termination and Effective Date Thereof

(a) Subject to Lender's right to cease making Advances pursuant to Section 2.1 or upon or after any Event of Default, this Agreement shall continue in full force and effect until the Obligations are Paid in Full, unless terminated sooner as provided in this Section 13.1(a). Borrower may terminate this Agreement at any time upon not less than thirty calendar days' prior written notice to Lender and upon full performance and indefeasible Payment in Full of all Obligations after Receipt by Lender of such written notice. All of the Obligations shall be immediately due and payable upon any termination by Borrower pursuant to this Section 13.1(a) on the Termination Date which shall be the first Business Day after the thirty (30) day notice period has elapsed, on which the Obligations have fully performed and indefeasibly Paid in Full. Upon such full performance and Payment in full of the Obligations Lender shall not unreasonably delay the filing of a release of its liens. Notwithstanding any other provision of any Loan Document, no termination of this Agreement shall affect Lender's rights or any of the Obligations existing as of the effective date of such termination, and the provisions of the Loan Documents shall continue to be fully operative until the Obligations have been fully performed and Paid in Full. The Liens granted to Lender under the Loan Documents and the financing statements filed pursuant thereto and the rights and powers of Lender shall continue in full force and effect notwithstanding the fact that Borrower's borrowings hereunder may from time to time be in a zero or credit position until all of the Obligations have been fully performed and indefeasibly Paid in Full.

(b) Upon the occurrence of a Revolver Termination, Credit Parties shall immediately pay Lender (in addition to the then outstanding principal, accrued interest and other Obligations relating to the Revolving Facility pursuant to the terms of this Agreement and any other Loan Document), as yield maintenance for the loss of bargain and not as a penalty, an amount equal to the applicable Minimum Termination Fee.

13.2 Survival

All obligations, covenants, agreements, representations, warranties, waivers and indemnities made by Credit Parties in any Loan Document shall survive the execution and delivery of the Loan Documents, the Closing, the making of the Advances and any termination of this Agreement until all Obligations are fully performed and indefeasibly paid in full in cash. The obligations and provisions of Sections 3.6, 12.1, 12.3, 12.4, 13.1, 13.2, 15.4, 15.7 and 15.10 shall survive termination of the Loan Documents and any payment, in full or in part, of the Obligations.

XIV. GUARANTY

14.1 Guaranty

Guarantor hereby unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of each Credit Party, including, without limitation, Credit Parties, now or hereafter existing under any Loan Document, whether for principal, interest (including, without limitation, all interest that accrues after the commencement of any proceeding of Borrower or any other Credit Party under any Debtor Relief Laws), fees, commissions, expense reimbursements, indemnifications or otherwise (such obligations, to the extent not paid by Borrower, the **"Guaranteed Obligations"**), and agrees to pay any and all costs, fees and expenses (including reasonable counsel fees and expenses) incurred by Lender in enforcing any rights under the guaranty set forth in this Article XIV. Without limiting the generality of the foregoing, Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by Borrower or any other Credit Party to Lender under any Loan Document, but for the fact that they are unenforceable or not allowable due to the existence of any proceeding under any Debtor Relief Laws involving Borrower or any other Credit Party.

14.2 Guaranty Absolute

Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law regulation or order now or hereafter in effect in any jurisdiction affecting any such terms or the rights of Lender with respect thereto. The obligations of Guarantor under this Article XIV are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against any other guarantor to enforce such obligations, irrespective of whether any action is brought against any Credit Party or whether any Credit Party is joined in any such action or actions. The liability of Guarantor under this Article XIV shall be irrevocable, absolute and unconditional irrespective of, and, in consideration of the direct and indirect benefits from the financing arrangements contemplated herein enjoyed by such Guarantor. Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following: (a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto; (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Credit Party or otherwise; (c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations; (d) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of any Credit Party; (e) promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Article XIV and any requirement that Lender exhaust any right or take any action against any other Credit Party or any other Person or any Collateral; or (f) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by Lender that might otherwise constitute a defense available to, or a discharge of, any Credit Party or any other guarantor or surety, other than the defense of payment.

This Article XIV is a continuing guaranty and shall (a) remain in full force and effect until the indefeasible cash payment in full of the Guaranteed Obligations and all other amounts payable under this Article XIV and irrevocable termination of the Loan Agreement in accordance with its terms, (b) be binding upon Guarantor, its successors and assigns and (c) inure to the benefit of, and be enforceable by, Lender and its successors, assigns, pledgees, transferees. This Article XIV shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned to Lender or any other Person upon the insolvency, bankruptcy or reorganization of Borrower or any other Credit Party or otherwise, all as though such payment had not been made. Guarantor hereby waives any right to revoke this Article XIV, and acknowledges that this Article XIV is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

14.3 Subrogation

Guarantor will not exercise any rights that it may now or hereafter acquire against any other Credit Party or any other guarantor or that arise from the existence, payment, performance or enforcement of its respective obligations under this Article XIV, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against any other Credit Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law including, without limitation, the right to take or receive from any other Credit Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Article XIV shall have been indefeasibly paid in full in cash and all commitments to lend hereunder shall have terminated. Guarantor agrees that any payment of any Indebtedness of Borrower now or hereafter held by such Guarantor is hereby subordinated in right of payment to the irrevocable and indefeasible payment in full in cash of the Guaranteed Obligations unless otherwise agreed to in writing by Lender or provided for in this agreement. If any amount shall be paid to a Guarantor in violation of the immediately preceding sentences, such amount shall be held in trust for the benefit of Lender and shall forthwith be paid to Lender to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Article XIV, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Article XIV thereafter arising. If (i) a Guarantor shall make payment to Lender of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Article XIV shall be indefeasibly paid in full in cash and (iii) Lender's commitment to lend hereunder shall have been terminated, Lender will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment by such Guarantor

XV. MISCELLANEOUS

15.1 Governing Law; Jurisdiction; Service of Process; Venue

The Loan Documents shall be governed by and construed in accordance with the internal laws of the State of Maryland without giving effect to its choice of law provisions. Any judicial proceeding against Credit Parties with respect to the Obligations, any Loan Document or any related agreement may be brought in any federal or state court of competent jurisdiction located in the State of Maryland. By execution and delivery of each Loan Document to which it is a party, each Credit Party (i) accepts the non-exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any judgment rendered thereby, (ii) waives personal service of process, (iii) agrees that service of process upon it may be made by certified or registered mail, return receipt requested, pursuant to Section 15.5 hereof, (iv) waives any objection to personal jurisdiction and venue of any action instituted hereunder and agrees not to assert any defense based on lack of jurisdiction, venue or convenience, and (v) agrees that this loan was made in Maryland, that Lender has accepted in Maryland Loan Documents executed by such Credit Party and has disbursed Advances under the Loan Documents in Maryland. Nothing shall affect the right of Lender to serve process in any manner permitted by law or shall limit the right of Lender to bring proceedings against such Credit Party in the courts of any other jurisdiction having jurisdiction, including any jurisdiction in which Collateral is located for purposes of exercising rights and remedies with respect to such Collateral. Any judicial proceedings against Lender involving, directly or indirectly, the Obligations, any Loan Document or any related agreement shall be brought only in a federal or state court located in the State of Maryland. All parties acknowledge that they participated in the negotiation and drafting of this Agreement, that the parties were represented by counsel of their choice in connection with the negotiation and drafting of this Agreement, that the parties to this Agreement are sophisticated parties entering into a commercial transaction, and that, accordingly, no party shall move or petition a court construing this Agreement to construe it more stringently against one party than against any other.

15.2 Successors and Assigns; Participations; New Lenders

The Loan Documents shall inure to the benefit of Lender, Transferees and all future holders of the Loan, any Note, the Obligations and/or any of the Collateral, and each of their respective successors and assigns. Each Loan Document shall be binding upon the Persons' other than Lender that are parties thereto and their respective successors and assigns, and no such Person may assign, delegate or transfer any Loan Document or any of its rights or obligations thereunder without the prior written consent of Lender. No rights are intended to be created under any Loan Document for the benefit of any third party donee, creditor or incidental beneficiary of any Credit Party. Nothing contained in any Loan Document shall be construed as a delegation to Lender of any other Person's duty of performance. CREDIT PARTIES ACKNOWLEDGE AND AGREE THAT LENDER AT ANY TIME AND FROM TIME TO TIME MAY (I) DIVIDE AND RESTATE ANY NOTE, AND/OR (II) SELL, ASSIGN OR GRANT PARTICIPATING INTERESTS IN OR TRANSFER ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER ANY LOAN DOCUMENT, LOANS, ANY NOTE, THE OBLIGATIONS AND/OR THE COLLATERAL TO OTHER PERSONS (EACH SUCH TRANSFEREE, ASSIGNEE OR PURCHASER, A **"TRANSFEREE"**). Each Transferee shall have all of the rights and benefits with respect to the Loans, Obligations, any Notes, Collateral and/or Loan Documents held by it as fully as if the original holder thereof, and either Lender or any Transferee may be designated as the sole agent to manage the transactions and obligations contemplated therein. Notwithstanding any other provision of any Loan Document, Lender may disclose to any Transferee all information, reports, financial statements, certificates and documents obtained under any provision of any Loan Document. In the event of any transfer of any portion of Lender's right and interest in the Obligations of this Agreement, Lender agrees to so notify the Borrower of such transfer and include such transferee's name and contact information, except if such transfer is to an Affiliate of Lender or any of Lender's financing sources.

15.3 Application of Payments

To the extent that any payment made or received with respect to the Obligations is subsequently invalidated, determined to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other Person under any Debtor Relief Law, common law or equitable cause or any other law, then the Obligations intended to be satisfied by such payment shall be revived and shall continue as if such payment had not been received by Lender. Any payments with respect to the Obligations received shall be credited and applied in such manner and order as Lender shall decide in its sole discretion.

15.4 Indemnity

Each Credit Party jointly and severally shall indemnify Lender, its Affiliates and its and their respective managers, members, officers, employees, Affiliates, agents, representatives, successors, assigns, accountants and attorneys (collectively, the "**Indemnified Persons**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel, allocable costs of in-house counsel, and in-house diligence fees and expenses, subject to the provisions governing payment of in-house counsel and outside counsel fees set forth in Section 15.7(b)) which may be imposed on, incurred by or asserted against any Indemnified Person with respect to or arising out of, or in any litigation, proceeding or investigation instituted or conducted by any Person with respect to any aspect of, or any transaction contemplated by or referred to in, or any matter related to, any Loan Document or any agreement, document or transaction contemplated thereby, whether or not such Indemnified Person is a party thereto, except to the extent that any of the foregoing results directly from the gross negligence or willful misconduct of such Indemnified Person as determined by a final non-appealable judgment entered by a court of competent jurisdiction, in which case, any previously made reimbursements made pursuant to this indemnification clause for claims which were due to such gross negligence or willful misconduct shall be immediately recoverable from such Indemnified Person. If any Indemnified Person uses in-house counsel for any purpose for which any Credit Party is responsible to pay or indemnify, each Credit Party expressly agrees that its indemnification obligations include reasonable charges for the costs allocable for such work of such in-house counsel, subject to the provisions governing payment of in-house counsel and outside counsel fees set forth in Section 15.7(b). Lender agrees to give Credit Parties reasonable notice of any event of which Lender becomes aware for which indemnification may be required under this Section 15.4, and Lender may elect (but is not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to Credit Parties' consent, which consent shall not be unreasonably withheld or delayed. Any Indemnified Person may, in its reasonable discretion, take such actions as it deems necessary and appropriate to investigate or defend any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of such Indemnified Person or the Collateral. Notwithstanding the foregoing, if any insurer agrees to undertake the defense of an event (an "**Insured Event**"), Lender agrees not to exercise its right to select counsel to defend the event if that would cause any Credit Party's insurer to deny coverage; provided, however, that Lender reserves the right to retain counsel to represent any Indemnified Person with respect to an Insured Event at its sole cost and expense. To the extent that Lender obtains recovery from a third party other than an Indemnified Person of any of the amounts that any Credit Party has paid to Lender pursuant to the indemnity set forth in this Section 15.4, then Lender shall promptly pay to such Credit Party the amount of such recovery.

15.5 Notice

Any notice or request under any Loan Document shall be given to any party to this Agreement at such party's address set forth beneath its signature on the signature page to this Agreement, or at such other address as such party may hereafter specify in a notice given in the manner required under this Section 15.5. Any notice or request hereunder shall be given only by, and shall be deemed to have been received upon (each, a **"Receipt"**): (i) registered or certified mail, return receipt requested, on the date on which 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 sender's receipt of confirmation of proper transmission, as applicable.

15.6 Severability; Captions; Counterparts; Facsimile Signatures

If any provision of any Loan Document is adjudicated to be invalid under applicable laws or regulations, such provision shall be inapplicable to the extent of such invalidity without affecting the validity or enforceability of the remainder of the Loan Documents which shall be given effect so far as possible. The captions in the Loan Documents are intended for convenience and reference only and shall not affect the meaning or interpretation of the Loan Documents. The Loan Documents may be executed in one or more counterparts (which taken together, as applicable, shall constitute one and the same instrument) and by facsimile transmission, which facsimile signatures shall be considered original executed counterparts. Each party to this Agreement agrees that it will be bound by its own facsimile signature and that it accepts the facsimile signature of each other party.

15.7 Expenses

(a) Credit Parties shall pay, whether or not the Closing occurs, all costs and expenses incurred by Lender and/or its Affiliates, including, without limitation, documentation and diligence fees and expenses, all search, audit, appraisal, recording, professional and filing fees and expenses and all other out-of-pocket charges and expenses (including, without limitation, UCC and judgment and tax lien searches and UCC filings and fees for post-Closing UCC and judgment and tax lien searches and wire transfer fees and audit expenses), and reasonable attorneys' fees and expenses, (i) in any effort to enforce, protect or collect payment of any Obligation or to enforce any Loan Document or any related agreement, document or instrument, (ii) in connection with entering into, negotiating, preparing, reviewing and executing the Loan Documents and/or any related agreements, documents or instruments, (iii) arising in any way out of administration of the Obligations, (iv) in connection with instituting, maintaining, preserving, enforcing and/or foreclosing on Lender's Liens in any of the Collateral or securities pledged under the Loan Documents, whether through judicial proceedings or otherwise, (v) in defending or prosecuting any actions, claims or proceedings arising out of or relating to Lender's transactions with Credit Parties, (vi) in seeking, obtaining or receiving any advice with respect to its rights and obligations under any Loan Document and any related agreement, document or instrument, and/or (vii) in connection with any modification, restatement, supplement, amendment, waiver or extension of any Loan Document and/or any related agreement, document or instrument. All of the foregoing shall be charged to Credit Parties' account and shall be part of the Obligations, and each such amount so charged shall be deemed an Advance under the Revolving Facility and added to the Obligations, regardless of whether a Revolver Termination has occurred. Lender acknowledges that it has agreed to a cap of $15,000 solely with respect to fees and expenses associated with the business due diligence of originating and closing this Agreement which has been paid as a deposit to Lender. Lender agrees that, upon written request of Borrower, it will provide a summary description of any legal matters which were charged to the account of the Borrower.

(b) If Lender or any of its Affiliates uses in-house counsel for any purpose under any Loan Document for which Credit Parties are responsible to pay or indemnify, Credit Parties expressly agree that their Obligations include reasonable charges for such work commensurate with the allocable costs of such in-house counsel. Notwithstanding anything to the contrary contained in this Agreement, so long as no Default or Event of Default has occurred and is continuing, Borrower shall not be required to pay or indemnify Lender for the allocable cost of the work of staff counsel if Lender has engaged outside counsel for the same work.

15.8 Entire Agreement

This Agreement and the other Loan Documents to which Credit Parties are a party constitute the entire agreement between Credit Parties and Lender with respect to the subject matter hereof and thereof, and supersede all prior agreements and understandings, if any, relating to the subject matter hereof or thereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing signed by Credit Parties and Lender. No provision of this Agreement may be changed, modified, amended, restated, waived, supplemented, discharged, canceled or terminated orally or by any course of dealing or in any other manner other than by an agreement in writing signed by Lender and Credit Parties. Each party hereto acknowledges that it has been advised by counsel in connection with the negotiation and execution of this Agreement and is not relying upon oral representations or statements inconsistent with the terms and provisions hereof.

15.9 Lender Approvals

Unless expressly provided herein to the contrary, any approval, consent, waiver or satisfaction of Lender with respect to any matter that is subject of any Loan Document may be granted or withheld by Lender in its sole and absolute discretion.

15.10 Confidentiality and Publicity

(a) Lender understands and acknowledges that this Agreement is a material obligation of the Credit Parties, and as such, must be filed with the Securities and Exchange Commission ("**SEC**") and through such action will become publicly available. Credit Parties agree to submit to Lender and Lender reserves the right to review and approve all materials that Credit Parties or any of their Affiliates prepares that contain Lender's name or describe or refer to any Loan Document, any of the terms thereof or any of the transactions contemplated thereby. Notwithstanding the foregoing, Lender acknowledges and agrees that that a description of the principle terms of this Agreement will be required to be stated in the Guarantor's quarterly and annual reports filed with the SEC, and Guarantor and its counsel shall have the final authority in any wording so disclosed; provided, however, that Guarantor will attempt to clear such language with the Lender prior to any filing. Lender further acknowledges and agrees that once such language in any SEC filings has been finalized, it can continue to appear in subsequent SEC filings without any further review by Lender. Credit Parties shall not, and shall not permit any of their Affiliates to, use Lender's name (or the name of any of Lender's Affiliates) in connection with any of its business operations, including without limitation, advertising, marketing or press releases or such other similar purposes, without Lender's prior written consent. Lender similarly agrees that it shall not, and shall not permit any of its Affiliates to, use Credit Parties names or logos (or the names of any Credit Parties' Affiliates) in any advertising, marketing or press releases or such similar purposes, without Credit Parties prior written consent. Nothing contained in any Loan Document is intended to permit or authorize Credit Parties or any of their Affiliates to contract on behalf of Lender.

(b) Credit Parties hereby agree that Lender or any Affiliate of Lender may disclose any and all information concerning the Loan Documents, as well as any information regarding Credit Party and its operations, received by Lender in connection with the Loan Documents to its lenders or funding or financing sources.

15.11 Release of Lender

Notwithstanding any other provision of any Loan Document, each Credit Party voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself, its managers, members, directors, officers, employees, stockholders, Affiliates, agents, representatives, accountants, attorneys, successors and assigns and their respective Affiliates (collectively, the **"Releasing Parties"**), hereby fully and completely releases and forever discharges the Indemnified Parties and any other Person or Insurer which may be responsible or liable for the acts or omissions of any of the Indemnified Parties, or who may be liable for the injury or damage resulting therefrom (collectively, with the Indemnified Parties, the **"Released Parties"**), of and from any and all actions, causes of action, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, matured or unmatured, vested or contingent, that any of the Releasing Parties has against any of the Released Parties as of the date of the Closing. Each Credit Party acknowledges that the foregoing release is a material inducement to Lender's decision to extend to such Credit Party the financial accommodations hereunder and has been relied upon by Lender in agreeing to make the Loans.

15.12 Agent

Lender and its successors and assigns hereby (i) designate and appoint CapitalSource Finance LLC, a Delaware limited liability company, and its successors and assigns ("**CapitalSource**"), to act as agent for Lender and its successors and assigns under this Agreement and all other Loan Documents, (ii) irrevocably authorize CapitalSource to take all actions on its behalf under the provision of this Loan Agreement and all other Loan Documents, and (iii) to exercise all such powers and rights, and to perform all such duties and obligations hereunder and thereunder. CapitalSource, on behalf of Lender, shall hold all Collateral, payments of principal and interest, fees, charges and collections received pursuant to this Agreement and all other Loan Documents. Each Credit Party acknowledges that Lender and its successors and assigns transfer and assign to CapitalSource the right to act as Lender's agent to enforce all rights and perform all obligations of Lender contained herein and in all of the other Loan Documents. Credit Parties shall within ten Business Days after Lender's reasonable request, take such further actions, obtain such consents and approvals and duly execute and deliver such further agreements, amendments, assignments, instructions or documents as Lender may request to evidence the appointment and designation of CapitalSource as agent for Lender and other financial institutions from time to time party hereto and to the other Loan Documents.

15.13 Reserved

15.14 Agreement Controls

In the event of any inconsistency between this Agreement and any other Loan Documents, the terms of this Agreement shall control.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the parties has duly executed this Revolving Credit and Security Agreement as of the date first written above.

BORROWER:

NEOGENOMICS, INC., a Florida corporation

By: /s/ Steven C. Jones
Name: Steven C. Jones
Its: CFO

GUARANTOR:

NEOGENOMICS, INC., a Nevada corporation

By: /s/ Steven C. Jones
Name: Steven C. Jones
Its: CFO

Attention:
Telephone:
Facsimile:
E-Mail:

CAPITALSOURCE FINANCE LLC

By: /s/ Arturo Velez
Name: Arturo Velez
Its: Authorized Signatory

CapitalSource Finance LLC
4445 Willard Avenue, 12th Floor
Chevy Chase, MD 20815
Attention: Healthcare Finance Group, Portfolio Manager
Telephone: (301) 841-2700
Facsimile: (301) 841-2340
E-Mail: _____

EXHIBITS

Exhibit A	Form of Borrowing Certificate
Exhibit B	Form of Compliance Certificate
Exhibit C	Form of Solvency Certificate
Exhibit D	Form of Officer's Certificate

SCHEDULES

Schedule 2.3	Borrower's Accounts
Schedule 5.3A	Proceedings or Investigations
Schedule 5.3B	Third-Party Contracts
Schedule 7.11	Intellectual Property
Schedule 7.15A	Existing Indebtedness, Investments, Guarantees and Certain Contracts
Schedule 7.15B	Indebtedness with a Maturity Date During the Term
Schedule 7.16	Other Agreements
Schedule 7.17	Insurance
Schedule 7.18A	Borrower's Names
Schedule 7.18B	Places of Business and Chief Executive Offices
Schedule 7.18B	Borrower's Locations
Schedule 7.2	Consents, Approvals or Authorizations
Schedule 7.3	Capitalization; List of Subsidiaries
Schedule 7.4A	Leases
Schedule 7.4B	Deposit Accounts and Investment Accounts
Schedule 7.5	Affiliate Contracts/Agreements
Schedule 7.6	Litigation
Schedule 7.8	Tax Matters
Schedule 8.8	Post-Closing Matters
Schedule 9.2	Indebtedness
Schedule 9.3	Liens

ANNEX I

FINANCIAL COVENANTS

1. Minimum Fixed Charge Coverage Ratio (Adjusted EBITDA/Fixed Charges)

For the Test Period ending April 30, 2008, the Fixed Charge Coverage Ratio shall not be less than 0.0 to 1.0; for the Test Period ending May 31, 2008, the Fixed Charge Coverage Ratio shall not be less than 0.25 to 1.0; for the Test Period ending June 30, 2008, the Fixed Charge Coverage Ratio shall not be less than 0.75 to 1.0; and for the Test Period ending July 31, 2008, and each Test Period ending on the last day of each calendar month thereafter the Fixed Charge Coverage Ratio shall not be less than 1.25 to 1.0.

2. Minimum Cash Velocity

For each calendar month, the collections of Accounts of Borrower collectively shall not be less than an amount equal to the product of (x) 0.80 multiplied by (y) the average revenues of Borrower for the immediately preceding three months; provided that, upon any violation of or failure to comply with this covenant, Lender shall have the right, in its sole discretion, to consider for all purposes under the Agreement as though Borrower actually collected Accounts equal to such minimum required amount.

3. Minimum Liquidity

As of Closing and at all times thereafter Minimum Liquidity shall not be less than $750,000; provided, however, (i) such Minimum Liquidity amount will be reduced to $500,000 after Borrower has demonstrated that Borrower has achieved a Fixed Charge Coverage Ratio of 1.0 to 1.0 for any Test Period and (ii) Lender agrees that it shall eliminate testing of this covenant in the event that Borrower is in compliance with this Agreement (including all financial covenants set forth herein) for six consecutive calendar months; provided, further, that, such consecutive six-month calendar period shall not begin before April 1, 2008.

For purposes of the covenants set forth in this Annex I, the terms listed below shall have the following meanings:

"Adjusted EBITDA" shall mean, for any period, the sum, without duplication, of the following for Borrower collectively on a consolidated basis: Net Income, plus, (a) Interest Expense, (b) taxes on income, whether paid, payable or accrued, (c) depreciation expense, (d) amortization expense, (e) all other non-cash, recurring charges and expenses, excluding accruals for cash expenses made in the ordinary course of business, (f) loss from any sale of assets, other than sales in the ordinary course of business, (g) non-cash stock option and warrant based compensation expense and (h) other extraordinary or non-recurring charges that would not have otherwise been incurred in ordinary course of business as determined in accordance to GAAP, including but not limited to, severance payments up to the amounts permitted in Section 9.6, minus (a) gains from any sale of assets, other than sales in the ordinary course of business and (b) other extraordinary or non-recurring gains, in each case determined in accordance with GAAP.

"Cash Equivalents" shall mean, as of any date of determination, (a) securities issued, or directly 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 six months from the date of acquisition, (b) U.S. dollar denominated time deposits, certificates of deposit and bankers' acceptances of (i) any domestic commercial bank of recognized standing having capital and surplus in excess of $500,000,000, or (ii) any bank (or the parent company of such bank) whose short-term commercial paper rating from Standard & Poor's Ratings Services (**"S&P"**) is at least A-2 or the equivalent thereof or from Moody's Investors Service, Inc. (**"Moody's"**) is at least P-2 or the equivalent thereof in each case with maturities of not more than six months from the date of acquisition (any bank meeting the qualifications specified in clauses (b)(i) or (ii), an **"Approved Bank"**), (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a), above, entered into with any Approved Bank, (d) commercial paper issued by any Approved Bank or by the parent company of any Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within six months after the date of acquisition and (e) investments in money market funds substantially all of whose assets are comprised of securities of the type described in clauses (a) through (d) above.

"Fixed Charge Coverage Ratio" shall mean, as of any date of determination, for Borrower collectively on a consolidated basis, the ratio of (a) Adjusted EBITDA for the Test Period ended of as of such date, to (b) Fixed Charges for the Test Period ended as of such date.

"Fixed Charges" shall mean, for any period, the sum of the following for Borrower collectively on a consolidated basis for such period: (a) Total Debt Service, (b) un-financed Capital Expenditures paid in cash, (c) income taxes paid in cash or accrued, and (d) dividends and Distributions paid or accrued or declared (except for Accumulated Distributions from previous Accumulated Distribution Fiscal Quarters).

"Interest Expense" shall mean, for any period, for Borrower collectively on a consolidated basis for such period: (a) total interest expense (including without limitation attributable to Capital Leases in accordance with GAAP), (b) financing fees with respect to all outstanding Indebtedness excluding amortization of capitalized financing fees associated with the initial closing of this Agreement to interest expense in accordance with GAAP, and commissions, discounts and other fees owed with respect to letters of credit and bankers' acceptance financing and net costs under Interest Rate Agreements. Notwithstanding the foregoing Interest Expense shall not include any amortization of non-cash warrant compensation that may be a result of warrants attached to any debt instrument.

"Interest Rate Agreement" shall mean any interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to hedge the position with respect to interest rates.

"Minimum Liquidity" shall mean, as of any date of determination, the sum of the following for Borrower collectively on a consolidated basis as of such date: (a) unrestricted cash on hand, plus (b) unrestricted Cash Equivalents, plus (c) unused Availability.

"Net Income" shall mean, for any period, the net income (or loss) of Borrower collectively on a consolidated basis determined in accordance with GAAP; provided, however, that there shall be excluded (i) the income (or loss) of any Person in which any other Person (other than Borrower) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to a Borrower by such Person, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Borrower or is merged into or consolidated with a Borrower or that Person's assets are acquired by a Borrower, (iii) the income of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions of that income by that Subsidiary is not at the time permitted by operation of the terms of the charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iv) compensation expense resulting from the issuance of capital stock, warrants, stock options or stock appreciation rights issued to former or current employees or consultants, including officers, of a Borrower, or the exercise of such options or rights, in each case to the extent the obligation (if any) associated therewith is not expected to be settled by the payment of cash by a Borrower or any affiliate thereof, and (v) compensation expense resulting from the repurchase of capital stock, options and rights described in clause (iv) of this definition of Net Income.

"Test Period" shall mean the three most recent calendar months then ended (taken as one accounting period), or such other period as specified in the Agreement or any Annex thereto, provided, that, for the Test Period ending April 30, 2008, Test Period shall mean the two most recent calendar months then ended (taken as one accounting period).

"Total Debt Service" shall mean, for any period, the sum of the following for Borrower collectively on a consolidated basis: (i) payments of principal on Indebtedness for such period, plus (ii) Interest Expense for such period.

EXHIBIT A
TO
REVOLVING CREDIT AND SECURITY AGREEMENT

BORROWING CERTIFICATE
dated as of _____, _____

NEOGENOMICS, INC., a Florida corporation, (the "**Borrower**"), by the undersigned duly authorized officer, hereby certifies to Lender in accordance with the Revolving Credit and Security Agreement dated as of _____, 200__, between Borrower, NeoGenomics, Inc., a Nevada corporation, and CapitalSource Finance LLC ("**Lender**") (as amended, supplemented or modified from time to time, the **"Loan Agreement;"** all capitalized terms not defined herein have the meanings given them in the Loan Agreement) and other Loan Documents that:

A. Borrowing Base and Compliance

Pursuant to the Loan Documents, Lender has been granted a lien on all Accounts of Borrower. The amounts, calculations and representations set forth below and on Schedule 1 are true and correct in all respects and were determined in accordance with the Loan Agreement and GAAP. All of the Accounts referred to (other than those entered as ineligible on Schedule 1) are Eligible Accounts. Attached are reports with detailed aging and categorizing of Borrower's accounts receivable and payables and supporting documentation with respect to the amounts, calculation and representations set forth on Schedule 1, all as reasonably requested by Lender pursuant to the Loan Agreement.

B. Borrowing Notice ***(to be completed and effective only if Borrower is requesting an Advance)***

(1) In accordance with Sections 2.3 and 6.2(a) of the Loan Agreement, Borrower hereby irrevocably requests from Lender an Advance under the Revolving Facility pursuant to the Loan Agreement in the aggregate principal amount of $_____ (**"Requested Advance"**) to be made on _____, _____ (the **"Borrowing Date"**), which day is a Business Day.

(2) Immediately after giving effect to the Requested Advance, the aggregate outstanding principal amount of Advances will not exceed the lesser of (i) the Availability and (ii) the Facility Cap.

(3) Borrower certifies to Lender as of the applicable Borrowing Date (I) to the solvency of Borrower after giving effect to the Requested Advance and the transactions contemplated by the Loan Agreement and the other Loan Documents, and (II) as to Borrower's financial resources and ability to meet its respective obligations and liabilities as they become due, to the effect that as of the applicable Borrowing Date and after giving effect to the Requested Advance and the transactions contemplated by the Loan Agreement and the other Loan Documents:

(a) the assets of Borrower, at a fair valuation, exceed the total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person; and

(b) no unreasonably small capital base with which to engage in its anticipated business exists with respect to Borrower.

(4) Attached hereto are all consents, approvals and agreements from third parties necessary or desirable with respect to the requested Advance.

C. General Certifications

Borrower further certifies to Lender that: (a) the certifications, representations, calculations and statements herein will be true and correct as of the date hereof and on the Borrowing Date (if applicable); (b) all conditions and provisions of Section 6.2 and, if applicable, Section 6.1 of the Loan Agreement are as of the date hereof, and will be as of the Borrowing Date (if applicable), fully satisfied, including, without limitation, receipt by Lender of all fees, charges and expenses payable to Lender on or prior to such Borrowing Date pursuant to the Loan Documents; **[(c) Borrower has paid all payroll taxes through the payroll period ended _____; (d) Borrower is in substantial compliance with all material regulatory provisions; (e) no Medicare or Medicaid recoupments and/or recoupments of any third-party payor in excess of the limits specified in the Loan Agreement are being sought, requested or claimed, or, to Borrower's knowledge, threatened against Borrower or Borrower's affiliates except the following amounts: Medicare _____; Medicaid _____; Third-Party Payor _____.**

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed as of the day first written above.

NEOGENOMICS, INC.

Prepared by:	Approved by:
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT B
TO
REVOLVING CREDIT AND SECURITY AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

Date: [_____]

This certificate (the "**Compliance Certificate**") is given by **NEOGENOMICS, INC.,** a Florida corporation (the "**Borrower**") pursuant to Section 8.1(a) of that certain Revolving Credit, Term Loan and Security Agreement, dated as of _____ ___, 2008 (the "**Loan Agreement**") by and among Borrower, NeoGenomics, Inc., a Nevada corporation, and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company ("**Lender**"). Capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement.

The officer executing this Compliance Certificate is the chief financial officer of Borrower and as such is duly authorized to execute and deliver this Compliance Certificate on behalf of Borrower. By so executing this Compliance Certificate, Borrower hereby certifies to the Lender that:

(a) the financial statements delivered with this Compliance Certificate in accordance with Section 8.1(a) of the Loan Agreement fairly present the consolidated results of operations and financial condition of the Borrower and its respective subsidiaries on a consolidated basis for the period(s) ending on and as of the dates of such financial statements;

(b) the Borrower has reviewed the relevant terms of the Loan Documents and the condition of the Borrower;

(c) no Default or Event of Default has occurred or is continuing, except as set forth in Schedule 2 hereto, which includes a description of the nature, status and period of existence of such Default or Event of Default, if any, and what action the Borrower has taken, is undertaking and proposes to take with respect thereto; and

(d) the Borrower is in compliance with all financial covenants set forth in the Loan Agreement and then applicable, as demonstrated, with respect to Annex I of the Loan Agreement by the calculations of such covenants in Schedule 1 hereto, except as set forth in Schedule 2.

[Signature page follows.]

IN WITNESS WHEREOF, the Borrower has caused this Compliance Certificate to be executed by its duly authorized officer on behalf of the Borrower this ____ day of _____ 200__.

NEOGENOMICS, INC.

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO COMPLIANCE CERTIFICATE

Date: _____ __, 20__

For calendar month and Test Period ended _____

I. MINIMUM FIXED CHARGE COVERAGE

ADJUSTED EBITDA

A. Net Income

1.	Net income (or loss)	$_____
2.	Income (or loss) of any Person in which any other Person (other than any Borrower) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to a Borrower by such Person	$_____
3.	Income (or loss) of any Person accrued prior to the date it becomes a Borrower or is merged into or consolidated with a Borrower or that Person's assets are acquired by any Borrower	$_____
4.	Income of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions of that income by that Subsidiary is not at the time permitted by operation of the terms of the charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary	$_____
5.	Compensation expense resulting from the issuance of capital stock, warrant, stock options or stock appreciation rights issued to former or current employees, including officers, consultants and Board Members of a Borrower, or the exercise of such options or rights, in each case to the extent the obligation (if any) associated therewith is not expected to be settled by the payment of cash by a Borrower or any affiliate thereof	$_____
6.	Compensation expense resulting from the repurchase of capital stock, options and rights described in clause (iv) of the definition of Net Income	$_____
7.	**Net Income**: (A.1) minus (A.2 through A.6)	$_____

B. Interest Expense

1.	Total interest expense (including attributable to Capital Leases in accordance with GAAP) and fees with respect to all outstanding Indebtedness	$_____
2.	Commissions, discounts and other fees owed with respect to letters of credit and bankers' acceptance financing and net costs under Interest Rate Agreements	$_____
3.	Non-cash amortization of warrant expense (that has been categorized as interest expense) that may arise as a result of warrants being attached to outstanding Indebtedness	
4.	Non-cash amortization of capitalized financing fees arising out of the initial closing of the Agreement which have been previously paid and have been categorized as interest expense in accordance to GAAP.	

5. **Interest Expense**: (B.1) minus (B.2 through B.4) $_____

C. Taxes on income, whether paid, payable or accrued $_____

D. Depreciation expense $_____

E. Amortization expense $_____

F. All other non-cash, recurring charges and expenses, excluding accruals for cash expenses made in the ordinary course of business $_____

G. Loss from any sale of assets, other than sales in the ordinary course of business $_____

H. Non-cash stock option and warrant-based compensation expense $_____

I. Other extraordinary or non-recurring charges that would not have otherwise been incurred in the ordinary course of business as determined in accordance with GAAP, including, but not limited to, severance payments up to the amounts permitted in Section 9.6 of the Loan Agreement

J. Gains from any sale of assets, other than sales in the ordinary course of business

K. Other extraordinary or non-recurring gains $_____

L. **ADJUSTED EBITDA:** (A.7) plus ((B.5) and (C through I)) minus (J and K) $_____

II. FIXED CHARGE COVERAGE RATIO

A. **ADJUSTED EBITDA** *(See ADJUSTED EBITDA calculation, (I.K)* $_____

B. **Fixed Charges**

1. **Total Debt Service**

a. Payments of principal on Indebtedness $_____

b. Interest Expense (I.B.3) $_____

c. **Total Debt Service**: (B.1.a) plus (B.1.b) $_____

2. Unfinanced Capital Expenditures paid in cash $_____

3. Income taxes paid in cash or accrued $_____

4. Dividends and distributions paid or accrued or declared (except for Accumulated Distributions) $_____

5. **Fixed Charges**: Sum of (B.1.c) through (B.4) **$**_____

C. **FIXED CHARGE COVERAGE RATIO:** (A) divided by (B.5) _____

	D.	**MINIMUM RATIO REQUIRED:**	_____
	E.	**COMPLIANCE:**	__Yes/__No
III.	**CASH VELOCITY**		
	A.	Collections of Borrower's Accounts	$_____
	B.	Average Revenue of Borrower over the preceding three _____	
	C.	**MINIMUM REQUIRED (80% OF III.B.):**	$_____
	D.	**COMPLIANCE:**	__Yes/__No
IV.		**MINIMUM LIQUIDITY**	
	A.	Unrestricted cash on hand	$_____
	B.	Unrestricted Cash Equivalents	$_____
	C.	Unused Availability	$_____
	D.	**LIQUIDITY:** Sum of (A) through (C)	$_____
	E.	**MINIMUM LIQUIDITY REQUIRED**	
	F.	**COMPLIANCE:** (As evidenced by bank statements attached as detail)	__Yes/__No

SCHEDULE 2 TO COMPLIANCE CERTIFICATE

Date: _____ __, 20__

CONDITIONS OR EVENTS WHICH CONSTITUTE
A DEFAULT OR AN EVENT OF DEFAULT

If any condition or event exists that constitutes a Default or an Event of Default, specify nature and period of existence and what action the Borrower has taken, is taking or proposes to take with respect thereto; if no such condition or event exists, state "None."

EXHIBIT C
TO
REVOLVING CREDIT AND SECURITY AGREEMENT

OFFICER'S CERTIFICATE

The undersigned, **ROBERT P. GASPARINI**, certifies that he is the president of **NEOGENOMICS, INC., a Florida Corporation,** ("**Borrower**"), makes this certificate in connection with and pursuant to Section 6.1 of the Loan Agreement dated as of the date hereof (the "**Loan Agreement**") between Borrower, NeoGenomics, Inc., a Nevada corporation, and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company ("**Lender**"), and certifies to Lender as follows:

All conditions and provisions of Article VI of the Loan Agreement are fully satisfied, including receipt by Lender of all fees, charges and expenses payable to Lender on or prior to the date hereof pursuant to the Loan Documents. In furtherance of and without limiting the foregoing, as of the date hereof, (A) the Loan Documents, other documents required pursuant thereto and security interests and Liens created thereby are in full force and effect, (B) each representation and warranty of the Borrower in the Loan Documents is true and correct in all material respects as if made on and as of the date hereof (except where such representation or warranty is otherwise expressly made as of a particular date, in which case it is, was or will be true and correct on and as of such other date), before and after giving effect to the making of the Initial Advance and/or the consummation of the transactions to be consummated on the date hereof, (C) the Borrower is in compliance with all, and not in violation, breach or default of any, covenants, agreements and/or other provisions of any of the Loan Documents, (D) no Default or Event of Default under any Loan Document has occurred and is continuing or exists on the date hereof or would exist after giving effect to the Initial Advance and/or the consummation of the transactions to be consummated on the date hereof, (E) the Borrower is in compliance with the provisions of Annex I of the Loan Agreement, (F) no Material Adverse Change or Material Adverse Effect has occurred and there are no liabilities or obligations with respect to the Borrower of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, individually or in the aggregate, could constitute a Material Adverse Effect, (G) no material adverse deviation from the financial projections of the Borrower previously furnished to Lender has occurred, and (H) no event(s), fact(s), condition(s) or circumstance(s) has occurred which, individually or in the aggregate, make it improbable that the Borrower will be able to observe or perform in all material respects any of the Obligations under the Loan Documents.

Capitalized terms used, but not defined herein, shall have the meanings given such terms in the Loan Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Officer's Certificate to be executed as of February 1, 2008.

NEOGENOMICS, INC.

By: /s/ Robert P. Gasparini
Robert P. Gasparini
President and Chief Scientific Officer

EXHIBIT D
TO
REVOLVING CREDIT AND SECURITY AGREEMENT
SOLVENCY CERTIFICATE

NEOGENOMICS, INC.

The undersigned, Steven C. Jones, hereby certifies that he is the Chief Financial Officer of **NEOGENOMICS, INC.**, a Florida corporation (the "Borrower"), and that he makes this certificate on behalf of the Borrower pursuant to Section 6.1 of that certain Revolving Credit and Security Agreement dated as of February 1, 2008 (the "Agreement"), by and between the Borrower, NeoGenomics, Inc., a Nevada corporation (together with its subsidiaries, the "Company"), and CapitalSource Finance LLC, a Delaware limited liability company, and further certifies to the solvency of the Borrower after giving effect to the transactions and the Indebtedness (as defined in the Agreement) contemplated by the Agreement and the other Loan Documents (as defined in the Agreement) and as to the Borrower's financial resources and ability to meet its obligations and liabilities as they become due, to the effect that as of the Closing Date (as defined in the Agreement) and the Borrowing Date for the Initial Advance and after giving effect to the transactions and the Indebtedness contemplated by the Agreement and the other Loan Documents:

(1) the assets of the Borrower, at a fair valuation, exceed the total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of the Borrower; and

(2) no unreasonably small capital base with which to engage in the Borrower's anticipated business exists with respect to the Borrower.

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate as of February 1, 2008.

NEOGENOMICS, INC.

/S/ Steven C. Jones
Name: Steven C. Jones
Title: Chief Financial Officer

I, Jerome Dvonch, as Secretary of the Company, do hereby certify that Steven C. Jones is the duly elected, qualified and acting Chief Financial Officer of the Borrower, and that the signature of Steven C. Jones set forth above is his true and correct signature.

IN WITNESS WHEREOF, the undersigned has caused this Incumbency Certificate to be duly executed this 1st day of February , 2008.

/s/ Jerome Dvonch
Name: Jerome Dvonch
Title: Secretary

SCHEDULES

Schedule 1.2 **Accounts Payable Over 120 Days That Are Permitted Indebtedness:**

Aspen Capital Advisors not to exceed $65,000
Kirkpatrick & Lockhart Preston Gates Ellis, LLP not to exceed $500,000
Path Labs of Fort Myers not to exceed $80,000
HCSS, LLC dba Bridge Labs not to exceed $40,000

Schedule 2.3 **Borrower's Operating Account for Disbursements**

[***]

Schedule 5.3B **Third-Party Contracts With Payor's Representing at Least 5% of Cash Receipts**

Medicare
United Healthcare

Schedule 7.3 **Subsidiaries of NeoGenomics, Inc., a Nevada Corporation (Holding Company)**

NeoGenomics, Inc., dba NeoGenomics Laboratories, a Florida Corporation

Subsidiaries of NeoGenomics, Inc., a Florida Corporation (Operating Company)

None

Capitalization of NeoGenomics, Inc, a Nevada Corporation as of 12/31/07

Common Shares Authorized:	100,000,000
Common Sock Outstanding:	31,391,410
Preferred Stock Authorized:	10,000,000
Preferred Stock Outstanding:	None
Warrants Outstanding:	3,085,083
Options Outstanding :	5,805,363

Capitalization of NeoGenomics, Inc, a Florida Corporation

Common Shares Authorized:	100
Common Sock Outstanding:	100

Board of Directors of NeoGenomics, Inc, a Nevada Corporation

Michael T. Dent, M.D.	George G. O'Leary
Robert P. Gasparini	Peter M. Peterson
Marvin E. Jaffe, M.D.	William J. Robison
Steven C. Jones	

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Board of Directors of NeoGenomics, Inc, a Florida Corporation

Michael T. Dent, M.D.
Robert P. Gasparini

Schedule 7.4A **Locations of Leased Properties**

12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite 150
Irvine, CA 92618

Schedule 7.4B

[***]

Schedule 7.5 **Affiliate Contracts**

On March 11, 2005, NeoGenomics entered into an agreement with HCSS, LLC and eTelenext, Inc. to enable NeoGenomics to use eTelenext, Inc's laboratory information system (LIS). HCSS, LLC is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS, LLC is owned 66.7% by Dr. Michael T. Dent, our Chairman. By becoming the first customer of HCSS in the small laboratory network, the Company saved approximately $152,000 in up front licensing fees. Under the terms of the agreement, the Company paid $22,500 over three months to customize this software and pays an annual membership fee of $6,000 per year and monthly transaction fees of between $2.50 - - $10.00 per completed test, depending on the volume of tests performed. As of December, 2007, the Company was incurring approximately $8,000 - $10,000/month in fees. The eTelenext system is an elaborate LIS that is in use at many larger labs. By utilizing the eTelenext system, the Company has vastly increased the productivity of its technologists.

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

The Company has consulting arrangements with two members of its Board of Directors, Mr. Steven Jones and Mr. George O'Leary, to provide various consulting services. Although there are no written agreements, per se, each of these arrangements has been approved by the Company's Board of Directors. Mr. Jones receives approximately $150/hour and is paid through Aspen Capital Advisors. Mr. O'leary receives approximately $1,000/day and is paid through SKS Consulting. The maximum amounts payable by the Company under the consulting agreements referenced in this paragraph will not exceed $500,000 per fiscal year.

Schedule 7.6 **Litigation**

US Labs

On October 26, 2006, Accupath Diagnostics Laboratories, Inc. d/b/a US Labs, a California corporation ("US Labs") filed a complaint in the Superior Court of the State of California for the County of Los Angeles (the "Court") against the Company and Robert Gasparini, as an individual, and certain other employees and non-employees of NeoGenomics with respect to claims arising from discussions with current and former employees of US Labs. US Labs alleges, among other things, that NeoGenomics engaged in "unfair competition" by having access to certain salary information of four recently hired sales personnel prior to the time we hired such individuals. We believe that US Labs' claims against NeoGenomics lack any merit and that there are well-established laws that affirm the rights of employees to seek employment with any company they desire and employers to offer such employment to anyone they desire. US Labs seeks unspecified monetary relief. As part of the complaint, US Labs also sought preliminary injunctive relief against NeoGenomics and requested that the Court bar NeoGenomics from, among other things: a) inducing any further US Labs' employees to resign employment with US Labs, b) soliciting, interviewing or employing US Labs' employees for employment, c) directly or indirectly soliciting US Labs' customers with whom four new employees of NeoGenomics did business while employed at US Labs; and d) soliciting, initiating and/or maintaining economic relationships with US Labs' customers that are under contract with US Labs.

On November 15, 2006, the Court heard arguments on US Labs request for a preliminary injunction and denied the majority of US Labs' requests for such injunction on the grounds that US Labs was not likely to prevail at trial. The Court did, however, issue a much narrower preliminary injunction which prevents NeoGenomics from "soliciting" the US Labs' customers of such new sales personnel until such time as a full trial could be held. This preliminary injunction is limited only to the "solicitation" of the US Labs' customers of the sales personnel in question and does not in any way prohibit NeoGenomics from doing business with any such customers to the extent they have sought or seek a business relationship with NeoGenomics on their own initiative. Furthermore, NeoGenomics is not in any way prohibited from recruiting any additional personnel from US Labs through any lawful means.

US Labs has commenced contempt proceedings against NeoGenomics with respect to certain contacts the new salespeople have had with some of their former customers. In April 2007, the court determined that two contacts the salespeople had made in the early days of the injunction were impermissible (out of approximately 9 contacts that were challenged), and levied a fine of $2,000. An attorneys' fees motion related to that proceeding was heard in July 2007 and NeoGenomics was ordered to reimburse US Labs for $34,000 of attorney's fees with respect to the proceedings involving the two customer contacts in question. US Labs has commenced additional contempt proceedings, and arguments were begun for approximately six more contacts in early November. These arguments were concluded in early December, and the court determined that three contacts were impermissible and NeoGenomics was ordered to pay a fine of $3,000. In two of such cases, NeoGenomics believes that the customers approached NeoGenomics first, and plans to appeal such rulings. While US Labs has not yet filed a motion for the recovery of attorney's fees, we expect them to do so. One of the issues presented in this case is that the Court has never ordered US Labs to disclose the identities of the customers that NeoGenomics should be enjoined from soliciting. Instead US Labs has used the strategy of challenging every single customer contact, whether or not it was appropriate under the injunction.

The contempt applications do not relate to any underlying allegations against NeoGenomics, and do not affect the ultimate outcome of the case. We believe that none of US Labs' claims will be affirmed at trial; however, even if they were, NeoGenomics does not believe such claims would result in a material impact to our business. NeoGenomics further believes that this lawsuit is nothing more than a blatant attempt by a large corporation to impede the progress of a smaller and more nimble competitor, and we intend to vigorously defend ourselves. In early January 2008, we received word from our D&O Insurance Carrier, Navigators, that they would begin reimbursing 50% of the reasonable attorneys fees incurred since the time we tendered our claim in early July 2007. We expect such reimbursements to begin shortly. NeoGenomics has also tendered a claim to FCCI Commercial Insurance Company under its General Liability Insurance Policy seeking reimbursement of attorney's fees. On December 28, 2007, the Company was served with a complaint by FCCI, the Company's general liability insurer, seeking a declaratory judgment that FCCI has no duty to defend Bob Gasparini and the Company. No damages were sought in the suit by FCCI. NeoGenomics believes that the FCCI suit is an improper attempt to persuade NeoGenomics relinquish coverage. However, based on conversations with Counsel, NeoGenomics believes that it has a good chance of getting coverage under this policy, and is in the process of preparing a motion for summary judgment.

Discovery commenced on the main action in December 2006 and is ongoing. Trial is set for April 15, 2008. While the Company did receive unsolicited and inaccurate salary information for three individuals that were ultimately hired, no evidence of misappropriation of trade secrets has been discovered by either side. Under California law, salary information is not subject to trade secret protection. As such, the Company filed a motion for Summary Judgment in early November seeking to end the case before it is tried. Arguments for the Motion for Summary Judgment are scheduled for March 2008. In the event the Motion for Summary Judgment fails for any reason and this case does go to trial, NeoGenomics expects ultimately to prevail.

Dr. Peter Kohn

In October 2004, Dr. Peter Kohn resigned as Lab Director of NeoGenomics. His employment contract with the Company ended September 30, 2004 and was not renewed. There was communication between Mr. Thomas White, former CEO and Dr. Kohn in October regarding health coverage and unused vacation time. In November 2004, the company received correspondence from Terry and Frazier, LLP, Dr. Kohn's attorney relating to health care coverage, unused vacation time and business expenses related to November 2004. Mr. White responded that the Company would use the unpaid vacation time to cover Dr. Kohn's health insurance until the issue is resolved and that the business expenses fell outside the contract terms and therefore would not be reimbursed. Dr. Kohn's contract stipulated that this agreement superseded all prior agreements and therefore prior claims related to prior agreements were resolved with the signing of the most recent agreement. The Company believes that it has a strong documented case relating to its position regarding Dr. Kohn's claims which would hold up in any court proceeding. However, in the event that the Company is found to be liable for some or all of Dr. Kohn's claims, the amounts in question would not be material to the ongoing operations of the Company. The Company booked accrued severance expense of $12,352 to cover Dr. Kohn's unused vacation pay up to the date of his termination and paid approximately $400/month to cover his health insurance against this accrual until June of 2007 when the Company was notified that Dr. Kohn had gotten insurance elsewhere.

On January 12, 2005, the Company received a complaint filed in the Circuit Court for Seminole County, Florida by its former Laboratory Director, Dr. Peter Kohn. The complaint alleged that the Company owed Dr. Kohn approximately $22,000 in back vacation pay and other unspecified damages. The Company believes that it owes Dr. Kohn no more than approximately $12,352, of which it has already paid substantially all of this by virtue of the Company continuing to pay Dr. Kohn's health insurance premiums.

On March 5, 2007, the Company received an amended complaint filed in the Circuit Court for Seminole County, Florida by Dr. Kohn. The complaint alleges the following (a) that Dr. Kohn is owed $12,600 for 22 unused vacation days and 4 unused sick days resulting from his first contract from Oct 2002 to Sept 2003; (b) that Dr. Kohn is owed $14,054 for 25 unused vacation days and four unused sick days (at a rate of $484.64/day), (c) that Dr. Kohn is owed $10,664 for thirty days of notice time from Oct 7, 2004 to Nov 5, 2004 and $917 for rent reimbursement and $442 for meal and auto expense, and (d) that Dr. Kohn is entitled to recoup legal fees.

The Company believes that all of Dr. Kohn's claims related to the first contract (see (a) above) are unenforceable since the second contract clearly stated that it superseded all prior claims. With respect to Dr. Kohn's claims in paragraph (b) above, the Company has acknowledged that it owed Dr. Kohn $12,352 as of the date of termination for 25 days of unused vacation time and has been using this money to pay his insurance premiums. The Company further believes that Dr. Kohn's claims from (c) above are without merit, since the contract had already lapsed on Sept 30, 2004 and the Company received an email message from Dr. Kohn saying that he had resigned. Thus, either of the above reasons would have obviated the need for 30 days notice. Similarly, the Company does not believe that Dr. Kohn is entitled to attorneys fees.

In March 2007, the Company filed a motion to dismiss most of the third amended complaint, except for the count dealing with the unused vacation pay from the second contract (count b above), which the Company has acknowledged that it owed to Dr. Kohn. On May 1, 2007, the judged dismissed two of the four counts that the Company had requested be dismissed. On June 13, 2007, the Company filed its answer to Dr. Kohn's remaining claims and the both sides are currently engaged in discovery. No trial has been set for the remaining matters. Should Dr. Kohn continue to pursue this action, the Company intends to vigorously pursue its defense of this matter, and even if the Company were found liable for Dr. Kohn's claims, the Company does not believe the amounts in question would be material to the ongoing operations of the Company.

Schedule 7.11 **Intellectual Property**

The Company has received a registered trademark for the name "NeoGenomics" for use in the business in which it currently operates and related businesses.

Schedule 7.15A **Existing Indebtedness, Investments, Guarantees and Certain Contracts**

Existing Indebtedness of Guarantor

None

Existing Indebtedness and Contracts for Indebtedness by Borrower

	Lessor (Capitalized Leases)	Asset Description	Amount of lease	Start Date	Term	Term Date	Payment
1	US Express Lease	Computer Equipment	$ 11,204	Mar-07	36	Mar-10	$ 413
2	Balboa Capital	Furniture & fixtures	19,820	Apr-07	60	Mar-12	441
3	VAR 222707 - PC Connections	Computer Equipment	6,245	Feb-07	36	Jan-10	372
4	VAR res 13107 - PC Connections	Computer Equipment	3,554	Feb-07	36	Jan-10	299
5	California Beckman	Cytomics PC 500	136,118	Mar-07	60	Feb-12	2,792
6	Baytree	BMC Software/customer svc	15,783	Mar-07	36	Mar-10	552
7	Royal bank of america	Abbott molecular Thermobrite	80,936	Feb-07	48	Jan-11	2,289
8	Beckman Coulter Lease	Flow Cytometer	125,064	Apr-06	60	Mar-11	2,691
9	Marlin Lease	Ikonisys comupter support equip	48,230	Sep-06	60	Aug-11	1,201
10	B of A Lease	Computer hardware & servers	98,405	Sep-06	60	Aug-11	2,366
11	AEL Lease	IkoniScope	100,170	Sep-06	60	Aug-11	2,316
12	GE Capital Corp	IkoniScope	100,170	Sep-06	60	Aug-11	2,105
13	Beckman Coulter	Coulter Hematology Analyzer	18,375	Nov-06	60	Oct-11	761
14	Bank of America	Computer hardware & servers	8,954	Nov-06	60	Oct-11	228
15	Royal Bank (BMT) 24K Lease	Computer hardware & servers	23,494	Dec-06	48	Nov-10	718
16	Royal Bank (BMT) 18K Lease	Computer hardware & servers	17,661	Dec-06	48	Nov-10	549
17	Toshiba Lease	Phone system	42,784	Jan-07	60	Dec-11	998
18	Key Equipment	Genetic imaging system	124,820	Aug-07	60	Jul-12	3,090
19	Great America	Genetic imaging system	55,920	Aug-07	60	Jul-12	1,392
20	Bank of America	Seacoast billing software	74,788	Sep-07	36	Aug-10	3,125
21	Think Leasing/H&IT Capital	Ikoniscope, Great Plains s/w, etc.	292,993	Jan-08	60	Jan-13	6,534
			$1,405,489				$ 35,234

Investments Held by Guarantor

$200,000 Convertible Note Receivable from Power3 Medical Products, Inc.

Investments Held by Subsidiary

None

Schedule 7.15B **Indebtedness with a Maturity Date During the Term** – See Schedule 7.15A

Schedule 7.16 **Other Agreements -** See Schedule 7.5

Schedule 7.17 **Insurance**

Commercial Insurance Schedule

	Broker / Agent	Carrier (Ins. Co)	Type	Policy Number	Limit	Effective Date	Expiration Date	Note:
1	Gulfshore Insurance	Admiral Insurance Co.	Professional Liability	E000000559302	$1 mil / $3 mil	10/9/2007	10/9/2008	All Locations
2	Gulfshore Insurance	Travelers Indemnity Co. of CT	Workers' Comp	IACRUB-4649C88-4-07	EL-$500,000	5/4/2007	5/4/2008	All Locations
3	N/A	Brickstreet Mutual Ins. Co	WV Workers Comp	WC10203816-01	EL-$500,000	2/19/2007	2/19/2008	WV Stae Ins. Co.
4	Lott & Gaylor	FCCI - FL	Commercial Property	CP0003390-1	$1.7 mil	4/15/2007	4/15/2008	FL only
5	Lott & Gaylor	FCCI - FL	General Liability	GL00052821-1	$1 mil / $2 mil	4/15/2007	4/15/2008	FL only
6	Lott & Gaylor	FCCI - FL	Crime	CR0000676-1	$50,000	4/15/2007	4/15/2008	FL Admin only
7	Lott & Gaylor	FCCI - TN	commercial Property	CPP0006352-2	$225,841	5/31/2007	5/31/2008	TN Only
8	Lott & Gaylor	FCCI - TN	commercial liability	CPP0006352-2	$1 mil / $2 mil	5/31/2007	5/31/2008	TN Only
9	Gulfshore Insurance	Mount Vernon Ins.	commercial Property	CF2166377	$593,000	9/21/2007	9/21/2008	CA Only
10	Gulfshore Insurance	Admiral Insurance Co.	commercial liability	CA00001186101	$1 mil / $2 mil	9/21/2007	9/21/2008	CA Only
11	Lott & Gaylor	FCCI - Ins. Co.	Umbrella	UMB0005093-1	$1 mil in excess of primary	4/15/2007	4/15/2008	FL/TN
12	Gulfshore Insurance	Mt. Hawley Ins. Co.	Umbrella	MXL0365587	$3 mil excess of underlying	8/10/2007	4/15/2008	All States
13	Gulfshore Insurance	Travelers Indemnity Co.	Auto	BA4547L23A	$1,000,000	6/28/2007	6/28/2008	All States/Any Auto
14	Lott & Gaylor	American Home Assurance Co.	Executive D&O	108-55-03	$2 mil single limit	6/15/2007	6/15/2008	All States

Schedule 7.18A **Borrower's Names**

NeoGenomics, Inc.
NeoGenomics Laboratories

Schedule 7.18B **Chief Executive Offices and Other Places of Business**

Chief Executive Offices
12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

Other Places of Business
618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite 150
Irvine, CA 92618

Schedule 8.8 **Post-Closing Matters**

Schedule 9.2 **Permitted Indebtedness**

All Capital Leases listed in Schedule 7.15A

Schedule 9.3 **Permitted Liens**

Purchase Money on all Equipment financed through the Capital Leases listed on Schedule 7.15A

Schedule 9.4 **New Facilities**

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Execution Copy

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made this 12th day of March, 2008 by and between NeoGenomics, Inc. a Nevada corporation ("Employer" and collectively with any entity that is wholly or partially owned by the Employer, the "Company"), 12701 Commonwealth Drive, Suite #5, Fort Myers, Florida 33913 and Robert P. Gasparini ("Employee"), an individual who resides at 20205 Wildcat Run Drive, Estero, FL 33928, and is effective as of the date set forth below.

RECITALS:

WHEREAS, The Company is engaged in the business of providing genetic and molecular diagnostic testing services to doctors, hospitals and other healthcare institutions; and

WHEREAS, The Employee has been employed by the Employer for the last three years and the parties desire to renew the Employee's employment contract, and the Employee is willing to continue to be employed by the Employer, and the Employer is willing to continue to employ the Employee, in accordance with the terms, covenants, and conditions as set forth in this Agreement.

Now, therefore, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Employer and the Employee agree as follows:

1. **Employment Period**. Subject to the terms and conditions set forth herein and unless sooner terminated as hereinafter provided, Company shall employ Employee and Employee agrees to serve as an employee of Company for a four-year period, beginning on January 1, 2008 (the "Effective Date") to and including the 4th anniversary of the Effective Date (the "Initial Employment Term"), and after the Initial Employment Term, the Agreement shall automatically renew for consecutive one year periods ("renewal term"), unless a written notice of a party's intention to terminate this Agreement at the expiration of the Initial Employment Term (or any renewal term) is delivered by either party at least three (3) months prior to the expiration of the Initial Employment Term or any renewal term, as applicable. For purposes of this Agreement, the Initial Employment Term and any renewal term thereof are collectively referred to herein as the "Employment Period" or the "Term". This Agreement shall supersede all previous agreements between the Employer and the Employee and shall take priority over all previous agreements relating to the subject matter of this Agreement, provided, however, that all prohibitions against Employee misappropriating or misusing confidential information, trade secrets and soliciting clients of Employer and/or competing with Employer after termination shall continue to be enforceable back to the original date of execution of such other agreements.

2. **Employment and Duties.** The Employer shall employ the Employee as an employee at will, as such term is construed under Florida law in the capacity of President and Chief Scientific Officer. The Employee accepts this employment, subject to the general supervision of and pursuant to the orders and direction of the Employer. The Employee shall perform such duties as are customarily performed by one holding such positions in the same or similar businesses or enterprises as that engaged in by the Employer. The Employee shall also render such other and unrelated services and duties as the Employer may assign from time to time. The Employee will report to the Company's Chief Executive Officer and if there is no Chief Executive Officer, then to the Board of Directors of the Company (the "Board of Directors" or the "Board").

3. **Compensation and Benefits of the Employee.** The Employer shall compensate Employee for Employee's services rendered under this Agreement as follows:

a. **Base Salary**. Unless otherwise adjusted by the Compensation Committee of the Board of Directors of the Company, Employee shall be paid a base salary by Employer at such times as is consistent with normal Company policy according to the following schedule:

1.) A Base Salary equating to two hundred twenty five thousand dollars ($225,000) per annum until the end of the Term or until the conditions outlined in Section 3a(2) or Section 3a(3) have been met. Such Base Salary will be retroactive to the Effective Date.

2.) Beginning on the first day of the fiscal quarter after any fiscal quarter in which the Company has achieved quarterly revenues as prepared in accordance with GAAP of $7,000,000 and continuing until the end of the Term or until the conditions outlined in Section 3a(3) have been met, a salary equating to two hundred fifty thousand dollars ($250,000) per annum.

3.) Beginning on the first day of the fiscal quarter after any fiscal quarter in which the Company has achieved quarterly revenues as prepared in accordance with GAAP of $12,000,000 and continuing until the end of the Term, a salary equating to two hundred seventy five thousand dollars ($275,000) per annum.

b. **Bonus**. Employee will be eligible for an annual cash bonus based on performance. The amount of such bonus shall be based on the available resources of the Company and shall be at the discretion of the Compensation Committee of the Board of Directors; provided, however, if the Employee meets the annual performance goals specified in writing by the Board of Directors for any given fiscal year (which shall be based on the approved Company budget for such year), the Employee shall be entitled to the cash bonuses outlined below.

1.) For any given fiscal year during the Term, if the Company's actual revenue for such fiscal year, after excluding the effects of any Revenue Exclusions (as defined in Section 3c(1) below), exceeds the annual revenue goals approved in writing by the Board of Directors for such fiscal year based on the board-approved Company budget for such year, Employee shall receive a cash bonus of at least fifteen percent (15%) of his Base Salary as such Base Salary was in effect as of the end of such fiscal year; and .

2.) For any given fiscal year during the Term, if the Company's actual net income from continuing operations, after excluding the effects of any Net Income Exclusions (as defined in Section 3c(2) below), exceeds the annual net income goals approved in writing by the Board of Directors for such fiscal year based on the Board-approved Company budget for such year, Employee shall receive a cash bonus of at least fifteen percent (15%) of his Base Salary as such Base Salary was in effect as of the end of such fiscal year.

The Company agrees that such cash bonus, if any, will be paid no later than ninety (90) days after the end of any given fiscal year.

c. **Benefits**. Employee will be entitled to participate in and the Company shall pay for all medical and other benefits that the Company has established for employees of the

Company, including, but not limited to one hundred percent (100%) of any health insurance premium for the Employee in accordance with the Company's policy for such reimbursement as well as any other benefits established for officers of the Company by the Board of Directors. All benefits that may be payable by the Company are identified in the Employee Handbook and are subject to change without notice or explanation. In addition to the forgoing, the Company shall pay for the following additional benefits for the Employee:

1.) Long-term disability insurance in an amount sufficient to cover sixty percent (60%) of the Employee's Base Salary, which shall include any long-term disability insurance premiums paid by the Employee within the six month period prior to the Effective Date.

2) Term life insurance subject to a cap of $2.0 million in death benefits.

3.) Up to six thousand dollars ($6,000) of estate planning expenses incurred by the Employee, which shall include any estate planning expenses incurred by the Employee within the six month period prior to the Effective Date.

d. **Stock Options**. On the Effective Date, the Employee will be granted an option to purchase 784,000 shares of the Company's common stock (the "Options") on the terms and conditions listed below. Such Options will have a strike price of $0.80/share and the vesting and other terms of such Options shall be as outlined below.

1.) **Time-based Options** - 384,000 of such options will be time-based options and will vest 8,000 options per month for the forty eight (48) months of the Initial Employment Term. For the purposes of this Agreement each month's time-based options will be deemed vested at 5:00 PM on the last day of each calendar month during such monthly vesting period. These time-based options will be Incentive Stock Options (ISOs) to the extent allowable under current SEC and IRS guidelines, and that the remainder, if any, will be in the form of non-qualified stock options. The grant of these time-based options will be made pursuant to the Company Stock Option Plan and will be evidenced by a separate Option Agreement, which the Company will execute within sixty (60) days of the date of this Agreement, provided that it has received an executed copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement from the Employee. So long as the Employee remains employed by the Company, such time-based options will have a seven-year term with which to be exercised from the grant date.

2.) **Performance-based Options** - 400,000 of such options will be performance-based options and will vest according to the schedule outlined below. These performance-based options will be non-qualified options (NQOs) and will be granted under a board approved form of stock option agreement that is outside of the Company's Stock Option Plan, which the Company will execute within sixty 60 days of the date of this Agreement, provided that it has received an executed copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement from the Employee. So long as the Employee remains employed by the Company, such performance-based options will have a seven-year term with which to be exercised from the grant date. Employee understands and acknowledges that if the performance metrics for any given year are not met, then such options shall be forfeited and may not be rolled into successive years.

Vesting of Performance-Based Options

50,000 if the Company achieves the consolidated revenue goal for FY 2008 outlined by the Board of Directors as part of the Company's FY 2008 budget after excluding the effects of any Revenue Exclusions for such fiscal year and;

50,000 if the Company achieves the consolidated net income goal for FY 2008 outlined by the Board of Directors as part of the Company's FY 2008 budget after excluding the effects of any Net Income Exclusions for such fiscal year;

50,000 if the Company achieves the consolidated revenue goal for FY 2009 outlined by the Board of Directors as part of the Company's FY 2009 budget after excluding the effects of any Revenue Exclusions for such fiscal year and;

50,000 if the Company achieves the consolidated net income goal for FY 2009 outlined by the Board of Directors as part of the Company's FY 2009 budget after excluding the effects of any Net Income Exclusions for such fiscal year;

50,000 if the Company achieves the consolidated revenue goal for FY 2010 outlined by the Board of Directors as part of the Company's FY 2010 budget after excluding the effects of any Revenue Exclusions for such fiscal year and;

50,000 if the Company achieves the consolidated net income goal for FY 2010 outlined by the Board of Directors as part of the Company's FY 2010 budget after excluding the effects of any Net Income Exclusions for such fiscal year;

50,000 if the Company achieves the consolidated revenue goal for FY 2011 outlined by the Board of Directors as part of the Company's FY 2011 budget after excluding the effects of any Revenue Exclusions for such fiscal year and;

50,000 if the Company achieves the consolidated net income goal for FY 2011 outlined by the Board of Directors as part of the Company's FY 2011 budget after excluding the effects of any Net Income Exclusions for such fiscal year;

The Employee understands that upon termination of his employment, he will only have up to ninety (90) days to exercise any vested options. All Options awarded pursuant to this paragraph will contain a provision that allows for immediate vesting of such Options in the event of a change of control of the Company.

e. **Revenue and Net Income Exclusions Defined**. For the purposes of Section 3b and 3d above, to the extent the Company acquires any companies or businesses during any given fiscal year and the financial impact of such acquisition was not previously factored into the annual operating budget approved by the Board of Directors, the following revenue and net income adjustments shall be made to the Company's fiscal results in measuring whether or not the Company has met or exceeded the specific performance targets outlined in Sections 3b or 3d.

1.) "Revenue Exclusions" shall be defined as the pro rated annualized quarterly GAAP revenue of any company or business acquired by the Company for the most recent fiscal

quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly revenue shall be prorated by multiplying the total annualized quarterly revenue described above by a fraction, the numerator of which is the number of days of the financial results of the acquired business or company that are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365.

2.) "Net Income Exclusions" shall be defined as the pro rated annualized quarterly GAAP net income of any company or business acquired by the Company for the most recent fiscal quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly net income shall be prorated by multiplying the total annualized quarterly net income described above by a fraction, the numerator of which is the number of days of the financial results of the acquired business or company that are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365. Net income exclusions shall also include a) any non-cash stock compensation expenses over and above what was included in any budget, and b) any extraordinary or non-recurring expenses that were not included in the budget for any given year and in the reasonable judgment of the Compensation Committee could not have been foreseen by Management during the process to set the budget for such year.

f. **Paid Time-Off and Holidays.** Employee's paid time-off ("PTO") and holidays shall be consistent with the standards set forth in the Employee Handbook, as revised from time to time or as otherwise published by the Company. Notwithstanding the previous sentence, Employee will be eligible for four (4) weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis throughout the year, provided, however, that it is the Company's policy that no more than forty (40) hours of paid time-off can be accrued and carried forward for any given employee as of the anniversary of their employment date in any given year. Thus, when accrued PTO reaches two hundred (200) hours, Employee will cease accruing PTO until accrued PTO is one hundred sixty (160) hours or less at which point Employee will again accrue PTO until he reaches two hundred (200) hours. In addition to paid time off, there are also six (6) paid national holidays and two (2) "floater" days available to Company employees. Employee agrees to schedule such paid time-off so that it minimally interferes with the Company's operations. Such PTO does not include Board of Directors excused absences.

g. **Reimbursement of Normal Business Expenses.** The Company will reimburse all normal business expenses of the Employee not covered by the above paragraphs, including, but not limited to, cell phone expenses and business related travel, meals and entertainment expenses in accordance with the Company's polices for such reimbursement.

4. Best Efforts of the Employee and Place of Employment. Employee agrees to perform all of the duties pursuant to the express and implicit terms of this contract to the reasonable satisfaction of Employer. Employee further agrees to perform such duties faithfully and to the best of his ability, talent, and experience, and devote his full-working time and attention on Employer's business (at least forty (40) hours per week). Employee shall render such duties at the Employer's primary place of business in Fort Myers, FL or such other place or places as the interest, needs, business, or opportunity of Employer shall require.

5. Termination. The parties agree that any termination of the Employee under this Agreement will be governed as follows:

a. **By the Company for Cause**. The Company shall have the right to terminate this Agreement and to discharge the Employee for Cause (as defined below), at any time during the Employment Period. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Employee's employment hereunder upon:

(i) failure to materially perform and discharge the duties and responsibilities of Employee under this Agreement after receiving written notice and allowing Employee ten (10) business days to create a plan to cure such failure(s), such plan being acceptable to the Board of Directors, and a further thirty (30) days to cure such failure(s), if so curable, *provided, however*, that after one such notice has been given to Employee and the thirty (30) day cure period has lapsed, the Company is no longer required to provide time to cure subsequent failures under this provision, or

(ii) any breach by Employee of the material provisions of this Agreement; or

(iii) misconduct which, in the good faith opinion and sole discretion of the Board of Directors, is injurious to the Company; or

(iv) felony conviction involving the personal dishonesty or moral turpitude of Employee; or a determination by the Board, after consideration of all available information, that Employee has willfully and knowingly violated Company policies or procedures involving discrimination, harassment, or work place violence; or

(v) engagement in illegal drug use or alcohol abuse which prevents Employee from performing his duties in any manner, or

(vi) any misappropriation, embezzlement or conversion of the Company's opportunities or property by the Employee; or

(vii) willful misconduct, recklessness or gross negligence by the Employee in respect of the duties or obligations of the Employee under this Agreement and/or the Confidentiality, Non-Solicitation or Non-Competition Agreement.

Any termination for Cause pursuant to this Section shall be given to the Employee in writing and shall set forth in detail all acts or omissions upon which the Company is relying to terminate the Employee for Cause. If an Employee is terminated for Cause, the Employee shall only be entitled to receive his accrued and unpaid Salary, bonus and other benefits through the termination date and the Company shall have no further obligations under this Agreement from and after the date of termination.

b. **Termination by Company Without Cause**. At any time during the Employment Period, the Company shall have the right to terminate this Agreement and to discharge the Employee without Cause effective upon delivery of written notice to the Employee. If the Company terminates the Employee without "Cause" for any reason, then the Company agrees that as severance it will continue to pay the Executive's Base Salary in accordance with Section 3a. and maintain the Executive's employee benefits in accordance with Section 3c. (the "Severance Payments") for twelve (12) months from the notice of

termination. Employee further agrees that in the event that he obtains employment during any period where Severance Payments are being made, he will promptly notify the Company. Provided that such employment does not violate the terms of the Confidentiality, Non-Solicitation and Non-Competition Agreement, such severance payments will continue to be paid. Other than the Severance Payments, the Company shall have no further obligation to the Employee after the date of such termination; *provided, however*, that the Employee shall only be entitled to continuation of the Severance Payments as long as he is in compliance with the provisions of the Confidentiality, Non-Compete and Non-Solicit Agreement, which is part of this Agreement. If termination without cause shall occur at anytime, then the pro rata portion of any unvested Time-based options (as specified in Section 3(d)(1)) up until the date of notice of termination that are due to vest in the year or month of termination shall vest.

The Employee acknowledges and agrees that any and all payments to which he would be entitled under this Paragraph 5b are conditioned upon and subject to his execution of a general waiver and release, in such reasonable form as counsel for the Company shall determine, of all claims the Employee has or may have against the Company.

c. **By Resignation of the Employee.** The Employee may terminate his employment hereunder, upon giving sixty (60) days written notice to the Company. The Employee agrees that during such sixty (60) day period no more than one week of unused vacation may be utilized and that all other unused vacation up to the time of termination shall be forfeited. In the event of such a termination, the Employee shall comply with any reasonable request of the Company to assist in providing for an orderly transition of authority, but such assistance shall not delay the Employee's termination of employment longer than sixty (60) days beyond the Employee's original notice of termination. Upon such a termination, the Employee shall become entitled to any accrued but unpaid salary and other benefits up to and including the date of termination and the pro rata portion of any unvested Time-based options (as specified in Section 3(d)(1)) up until the date of separation that are due to vest in the year or month of separation shall vest.

d. **Disability of the Employee.** This Agreement may be terminated by the Company upon the Disability of the Employee. "Disability" shall mean any mental or physical illness, condition, disability or incapacity which prevents the Employee from reasonably discharging his duties and responsibilities under this Agreement for a period of ninety (90) days in any one hundred eighty (180) day period. In the event that any disagreement or dispute shall arise between the Company and the Employee as to whether the Employee suffers from any Disability, then, in such event, the Employee shall submit to the physical or mental examination of a physician licensed under the laws of the State of Florida, who is agreeable to the Company and the Employee, and such physician shall determine whether the Employee suffers from any Disability. In the absence of fraud or bad faith, the determination of such physician shall be final and binding upon the Company and the Employee. The entire cost of such examination shall be paid solely by the Company. In the event the Company has purchased disability insurance for Employee, the Employee shall be deemed disabled if he is disabled as defined by the terms of the disability policy. On the date that the Employee is deemed to have a Disability, this Agreement will be deemed to have been terminated and the Employee shall be entitled to receive from the Company his accrued and unpaid Base Salary, bonus and other benefits through the termination date. If a termination of the Employee by Disability shall occur at anytime,

than the pro rata portion of any unvested Time-based options (as specified in Section 3d(1)) up until the date of the Employee's termination that were due to vest in the year or month of the Employee's termination shall vest. In addition, if a termination of the Employee by Disability shall occur after September 30th of any given year, than the pro rata portion of any unvested performance-based options (as specified in Section 3d(2)) up until the date of the Employee's termination that would have vested at the end of such year if the Employee were still employed by the Company and the Company met the relevant performance metric, shall vest. Other than as set forth in the immediately preceding tthree sentences, the Company shall have no further salary or bonus payment or other benefits obligations under this Agreement from and after the date of termination due to Disability.

c. **Death of the Employee.** In the event of the death of Employee, the employment of the Employee by the Company shall automatically terminate on the date of the Employee's death and the Company shall be obligated to pay Employee's estate (i) the Employee's accrued and unpaid Base Salary, bonus and other benefits through the termination date. If the death of the Employee shall occur at anytime, than the pro rata portion of any unvested Time-based options up until the date of the Employee's death that were due to vest in the year or month of the Employee's death shall vest. Other than as set forth in the immediately preceding two sentences, the Company shall have no further obligations under this Agreement from and after the date of termination due to the death of the Employee.

6. Confidentiality, Non-Compete & Non-Solicitation Agreement. Employee agrees to the terms of the Confidentiality, Non-Compete and Non-Solicitation Agreement attached hereto as Addendum A and has signed that Agreement. Such Confidentiality, Non-Compete & Non-Solicitation Agreement is hereby incorporated into and part of this Agreement.

7. Importance of Certain Clauses. Employee and Employer state that the covenants contained in the Confidentiality, Non-Compete and Non-Solicitation Agreement attached hereto and incorporated into this Agreement are material terms of this Agreement and all parties understand the importance of such provisions to the ongoing business of Employer. As such, because Employer's continued business and viability depend on the protection of such secrets and non-competition, these clauses are interpreted by the parties to have the widest and most expansive applicability as may be allowed by law and Employee understands and acknowledges his or her understanding of same.

8. Consideration. Employee acknowledges and agrees that the provision of employment under this Agreement and the execution by the Employer of this Agreement constitute full, adequate and sufficient consideration to Employee for the Employee's duties, obligations and covenants under this Agreement and under the Confidentiality, Non-Competition & Non-Solicit Agreement incorporated into this Agreement.

9. Exit Interview. Upon the effective date of termination of employment (unless due to Employee's death), the Employee shall participate in an exit interview with Employer and certify in writing that the Employee has complied with his contractual obligations and intends to comply with his continuing obligations under this Agreement, including, but not limited to, the terms of the Confidentiality, Non-Compete and Non-Solicit Agreement. The Employee shall also provide the Employer with information concerning the Employee's subsequent employer and the capacity in which the Employee will be employed. The Employee's failure to comply shall be a material breach of this Agreement, for which the Employer, in addition to any other civil remedy, may seek equitable relief.

10. Withholding. All payments made to the Employee shall be made net of any applicable withholding for income taxes and the Employee's share of FICA, FUTA or other taxes. The Company shall withhold such amounts from such payments to the extent required by applicable law and remit such amounts to the applicable governmental authorities in accordance with applicable law.

11. Representations of Employee. Employee represents and warrants to the Company that (a) nothing in his past legal and/or work and/or personal experiences, which if became broadly known in the marketplace, would impair his ability to serve as the President of a publicly-traded company or materially damage his credibility with public shareholders; (b) that there are no restrictions, agreements, or understandings whatsoever to which he is a party which would prevent or make unlawful his execution of this Agreement or employment hereunder, (c) that Employee's execution of this Agreement and employment hereunder shall not constitute a breach of any contract, agreement or understanding, oral or written, to which he is a party or by which he is bound, (d) that Employee is free and able to execute this Agreement and to continue employment with the Company, and (e) that Employee has not used and will not use confidential information or trade secrets belonging to any prior employers to perform services for Company.

12. Effect of Partial Invalidity. The invalidity of any portion of this Agreement shall not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall remain in full force and effect.

13. Entire Agreement. This Agreement including Addendum A reflects the complete agreement between the parties regarding the subject matter identified herein and shall supersede all other previous agreements, either oral or written, between the parties. The parties stipulate that neither of them, nor any person acting on their behalf has made any representations except as are specifically set forth in this Agreement and each of the parties acknowledges that it or he has not relied upon any representation of any third party in executing this Agreement, but rather have relied exclusively on his own judgment in entering into this Agreement.

14. Assignment. Employer may assign its interest and rights under this Agreement at its sole discretion and without approval of Employee to a successor in interest by Employer's merger, consolidation or other form of business combination with or into a third party where Employer's stockholders before such event do not control a majority of the resulting business entity after such event. All rights and entitlements arising from this Agreement, including but not limited to those protective covenants and prohibitions set forth in the Confidentiality, Non-Compete and Non-Solicitation Agreement attached as Addendum A and incorporated into this Agreement shall inure to the benefit of any purchaser, assignor or transferee of this Agreement and shall continue to be enforceable to the extent allowable under applicable law. Neither this Agreement, nor the employment status conferred with its execution is assignable or subject to transfer in any manner by Employee.

15. Notices. All notices, requests, demands, and other communications shall be in writing and shall be given by registered or certified mail, postage prepaid, i) if to the Company, at the Company's then current headquarters location, and ii) if to the Employee, at the most recent address on file with the Company for the Employee or to such subsequent addresses as either party shall so designate in writing to the other party.

16. Remedies. If any action at law, equity or in arbitration, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party may, if the court or

arbitrator hearing the dispute, so determines, have its reasonable attorneys' fees and costs of enforcement recouped from the non-prevailing party.

17. **Amendment/Waiver.** No waiver, modification, amendment or change of any term of this Agreement shall be effective unless it is in a written agreement signed by both parties. No waiver by Employer of any breach or threatened breach of this Agreement shall be construed as a waiver of any subsequent breach unless it so provides by its terms.

18. **Governing Law, Venue and Jurisdiction.** This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Florida without regard to any conflicts of laws, statutes, rules, regulations or ordinances. Employee consents to personal jurisdiction and venue in the Circuit Court in and for Lee County, Florida regarding any action arising under the terms of this Agreement and any and all other disputes between Employee and Employer.

19. **Arbitration.** Any and all controversies and disputes between Employee and Employer arising from this Agreement or regarding any other matter whatsoever shall be submitted to arbitration before a single unbiased arbitrator skilled in arbitrating such disputes under the American Arbitration Association, utilizing its Commercial Rules. Any arbitration action brought pursuant to this section shall be heard in Fort Myers, Lee County, Florida. The Circuit Court in and for Lee County, Florida shall have concurrent jurisdiction with any arbitration panel for the purpose of entering temporary and permanent injunctive relief, but only with respect to any alleged breach of the Confidentiality, Non-Compete and Non-Solicitation Agreement.

20. **Headings.** The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not affect in any way the meaning or interpretation of this Agreement.

21. **Miscellaneous Terms.** The parties to this Agreement declare and represent that:

a. They have read and understand this Agreement;

b. They have been given the opportunity to consult with an attorney if they so desire;

c. They intend to be legally bound by the promises set forth in this Agreement and enter into it freely, without duress or coercion;

d. They have retained signed copies of this Agreement for their records; and

e. The rights, responsibilities and duties of the parties hereto, and the covenants and agreements contained herein, shall continue to bind the parties and shall continue in full force and effect until each and every obligation of the parties under this Agreement has been performed.

22. **Counterparts.** This Agreement may be executed in counterparts and by facsimile, or by pdf, each of which shall be deemed an original for all intents and purposes.

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

EMPLOYEE:

Robert P. Gasparini

NEOGENOMICS, INC.

By: _____

Name: Steven C. Jones

Title: Member, Compensation Committee Board of Directors

Addendum A

Form of Confidentiality, Non-Compete and Non-Solicitation Agreement

Execution Copy

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "**Agreement**") dated this 12th day of March, 2008 is entered into by and between Robert P. Gasparini ("**Employee**") and NeoGenomics, Inc., a Nevada corporation ("**Employer**" or the "**Parent Company**" and collectively with NeoGenomics, Inc., a Florida corporation (the "**Operating Company**") and any entity that is wholly or partially owned by the Employer or Parent Company or otherwise affiliated with the Employer or Parent Company, the "**Company**"). Hereinafter, each of the Employee or the Company maybe referred to as a "**Party**" and together be referred to as the "**Parties**".

RECITALS:

WHEREAS, the Parties have entered into that certain employment agreement, dated March 12, 2008, that creates an employment relationship between the Company and Employee (the "**Employment Agreement**"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's Confidentiality, Non-Solicitation and Non-Compete Agreement; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company; and

WHEREAS, the Employee acknowledges that the terms of the Employment Agreement including, but not limited to the Company's commitments to the Employee with respect to base salary, fringe benefits and stock options are sufficient consideration to the Employee for the entry into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon the Employee's Start Date (as defined in the Employment Agreement) and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties ("**Term**"), whether termination is by the Company with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee.

2. **Definitions.**

a. The term "**Confidential Information**" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable

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under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, Customer lists and names and other information, Customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans thereof, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any affiliated entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company to Employee or developed by the Employee on behalf of the Company as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information. Nevertheless, Confidential Information shall not include any information of any kind which (1) is in the possession of the Employee prior to the date of this Agreement, as shown by the Employee's files and records, or (2) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any violation of this Agreement or inaction or action of the receiving party, or (3) is rightfully received from a third party without any obligation of confidentiality; or (4) independently developed after termination without reference to the Confidential Information or materials based thereon; or (5) is disclosed pursuant to the order or requirement of a court, administrative agency, or other government body; or (6) is approved for release by the non-disclosing party.

b. The term "**Customer**" shall mean any person or entity which has purchased or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year immediately preceding the termination of the Employee's employment with the Company.

c. The term "**Prospective Customer**" shall mean any person or entity which has evidenced an intention to order products or services with the Company within one year immediately preceding the termination of the Employee's employment with the Company.

d. The term "**Restricted Area**" shall include any geographical location anywhere in the United States. If the Restricted Area specified in this Agreement should be judged unreasonable in any proceeding, then the period of Restricted Area shall be reduced so that the restrictions may be enforced as is judged to be reasonable.

e. The phrase "**directly or indirectly**" shall include the Employee either on his/her own account, or as a partner, owner, promoter, joint venturer, employee, agent, consultant, advisor, manager, executive, independent contractor, officer, director, or a stockholder of 5% or more of the voting shares of an entity in the Business of Company.

f. The term "**Business**" shall mean the business of providing non-academic, for-profit

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cancer genetic and molecular laboratory testing services, including, but not limited to, cytogenetics, flow cytometry, fluorescence in-situ hybridization ("FISH"), and morphological studies, to hematologists, oncologists, urologists, pathologists, hospitals and other medical reference laboratories.

3. **Duty of Confidentiality.**

a. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company and its business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company and for no other purpose, (iii) take all reasonable precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company, (iv) observe all security policies implemented by the Company from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company's Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company's legitimate business interest in preserving its Confidential Information.

b. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company with prompt notice of such request or order so that the Company may seek to prevent disclosure.

c. Employee acknowledge(s) that this "Confidential Information" is of value to the Company by providing it with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes "**Trade Secrets**" under Section 688.002 and Chapter 812 of the Florida Statutes.

4. **Limited Right of Disclosure.** Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("**Representative(s)**"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s).

5. **Return of Company Property and Confidential Materials.** All tangible property, including cell phones, laptop computers and other Company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and must be returned to the Company in accordance with the instructions of the Company either upon termination of the Employee's

EMPLOYEE'S INITIALS

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employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment for any reason whatsoever Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all Confidential Information to the Company as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. **Agreement Not To Circumvent.** Employee agrees not to pursue any transaction or business relationship that is directly competitive to the Business of the Company that makes use of any Confidential Information during the Term of this Agreement, other than through the Company or on behalf of the Company. It is further understood and agreed that, after the Employee's employment with the Company has been terminated, the Employee will direct all communications and requests from any third parties regarding Confidential Information or Business opportunities which use Confidential Information through the Company's then chief executive officer or president. Employee acknowledges that any violation of this covenant may subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "**Work Product**"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the Business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to another entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as

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aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to another entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the Business of the Company, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its affiliated entities are engaged in the Business of providing genetic and molecular testing services. The covenants contained in this Paragraph 8 (the "**Restrictive Covenants**") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period of two (2) years following termination of such employment (such period of time is hereinafter referred to as the "**Restrictive Period**"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants.

a. **Non-Solicitation.** Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) solicit or induce any Customer or Prospective Customer of the Company to patronize or do business with any other company (or business) that is in the Business conducted by the Company in any market in which the Company does Business; or

(ii) request or advise any Customer or vendor, or any Prospective Customer or prospective vendor, of the Company, who was a Customer, Prospective Customer, vendor or prospective vendor within one year immediately preceding the termination of the Employee's employment with the Company, to withdraw, curtail, cancel or refrain from doing Business with the Company in any capacity; or

(iii) recruit, solicit or otherwise induce any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, Customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or detrimentally modify such employment, agency or business relationship with the Company; or

iv) employ or solicit for employment any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity seeks to employ such person) employed or retained by the Company. Notwithstanding the foregoing, to the extent the Employee works for a larger corporation after his termination from the Company and he does not have any personal knowledge and/or control over the solicitation of or the employment of a Company employee or agent, then this provision shall not be enforceable.

EMPLOYEE'S INITIALS

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b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he will not, directly or indirectly, for himself , or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in or accept employment from any business that is in the Business of the Company in the Restricted Area during his last twelve months of employment. The parties agree that this non-competition provision is intended to cover situations where a future business opportunity in which the Employee is engaged or a future employer of the Employee is selling the same or similar products and services in the Business which may compete with the Company's products and services to Customers and Prospective Customers of the Company in the Restricted Area. This provision shall not cover future business opportunities or employers of the Employee that sell different types of products or services in the Restricted Area so long as such future business opportunities or employers are not in the Business of the Company.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event that the Company is (1) acquired by another company and the Employee is terminated without "Cause" (as defined below) within 12 months of the date the Company is so acquired or (2) liquidated, then the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder.

For the purposes of this Agreement, the Company and any company who acquires the Company shall have "Cause" to terminate the Employee's employment if any of the events listed in Paragraph 5(a)(i) – 5(a)(vii) of the Employment Agreement have occurred.

c. **Acknowledgements of Employee.**

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and the Employment Agreement, and it may cause irreparable harm and loss to the Company for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's successor in interest by way of merger, business combination or consolidation where a majority of the surviving entity is not owned by Company's shareholders who owned a majority of the Company's voting shares prior to such transaction and Employee acknowledges and agrees that successors are intended beneficiaries of this Agreement.

EMPLOYEE'S INITIALS
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(v) Employee agrees that if any portion of the Restrictive Covenants is held by a court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, such shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee acknowledges that any violations of the Restrictive Covenants, in any capacity identified herein, may be a material breach of this Agreement and may subject the Employee, and/or any individual(s), partnership, corporation, joint venture or other type of business with whom the Employee is then affiliated or employed, to monetary and other damages.

(vii) Employee agrees that any failure of the Company to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is judged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of Confidential Information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company for which monetary damages may be an insufficient remedy. Therefore, in addition to any other remedy available, the Company will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment.

EMPLOYEE'S INITIALS

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Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction has determined conclusively that the Company or any successor is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 1 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company shall not constitute a defense to the enforcement by the Company of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 1 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. Governing Law, Venue and Personal Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee. This Agreement shall inure to the benefit of Company's s successors.

12. Entire Agreement. This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all prior negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

13. Severability. In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

14. Waiver. The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee unless such waiver so provides by its terms. The refusal or failure of the Company to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company of any other restrictive covenant provision set forth in this Agreement.

EMPLOYEE'S INITIALS

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15. Consideration. Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

16. Notices. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

17. Acknowledgements. Employee acknowledge(s) that he has reviewed this Agreement prior to signing it, that he knows and understands the contents, purposes and effect of this Agreement, and that he has been given a signed copy of this Agreement for his records. Employee further acknowledges and agrees that he has entered into this Agreement freely, without any duress or coercion.

18. Counterparts. This Agreement may be executed in counterparts, by facsimile or pdf each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: Robert Gasparini 3/12/08
Employee Signature Date

Employee Name: Robert Gasparini

Employee Address: 20205 Wildcat Run Drive
Estero, FL 33928

NeoGenomics, Inc.
12701 Commonwealth Drive, Suite #9
Fort Myers, FL 33913

By: 3/12/08
Date

Name: Steven C. Jones

Title: Member, Compensation Committee
Board of Directors

EMPLOYEE'S INITIALS
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Execution Copy

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (" Agreement ") is made this 24th day of June, 2008 by and between NeoGenomics, Inc. a Nevada corporation (" Employer " and collectively with any entity that is wholly or partially owned by the Employer, the " Company "), 12701 Commonwealth Drive, Suite #5, Fort Myers, Florida 33913 and Jerome J. Dvonch (" Employee "), an individual who resides at 11169 Lakeland Circle, Fort Myers, FL 33913, and is effective as of the date set forth below.

RECITALS:

WHEREAS, The Company is engaged in the business of providing genetic and molecular diagnostic testing services to doctors, hospitals and other healthcare institutions; and

WHEREAS , The Employee has been employed by the Employer for the last three years and the parties desire to renew the Employee's employment contract, and the Employee is willing to continue to be employed by the Employer, and the Employer is willing to continue to employ the Employee, in accordance with the terms, covenants, and conditions as set forth in this Agreement.

Now, therefore, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Employer and the Employee agree as follows:

1. Employment Period . Subject to the terms and conditions set forth herein and unless sooner terminated as hereinafter provided, Company shall employ Employee and Employee agrees to serve as an employee of Company for a four-year period, beginning on July 1, 2008 (the " Effective Date ") to and including the 4th anniversary of the Effective Date (the " Initial Employment Term "), and after the Initial Employment Term, the Agreement shall automatically renew for consecutive one year periods (" renewal term "), unless a written notice of a party's intention to terminate this Agreement at the expiration of the Initial Employment Term (or any renewal term) is delivered by either party at least one (1) month prior to the expiration of the Initial Employment Term or any renewal term, as applicable. For purposes of this Agreement, the Initial Employment Term and any renewal term thereof are collectively referred to herein as the " Employment Period " or the " Term ". This Agreement shall supersede all previous agreements between the Employer and the Employee and shall take priority over all previous agreements relating to the subject matter of this Agreement, provided, however, that all prohibitions against Employee misappropriating or misusing confidential information, trade secrets and soliciting clients of Employer and/or competing with Employer after termination shall continue to be enforceable back to the original date of execution of such other agreements.

2. **Employment and Duties.** The Employer shall employ the Employee as an employee at will, as such term is construed under Florida law in the capacity of Director of Finance and Principle Accounting Officer. The Employee accepts this employment, subject to the general supervision of and pursuant to the orders and direction of the Employer. The Employee shall perform such duties as are customarily performed by one holding such positions in the same or similar businesses or enterprises as that engaged in by the Employer. The Employee shall also render such other and unrelated services and duties as the Employer may assign from time to time. The Employee will report to the Company's Chief Financial Officer and if there is no Chief Financial Officer, then to the Chief Executive Officer, and if there is not Chief Executive Officer, then to the President.

3. Compensation and Benefits of the Employee. The Employer shall compensate Employee for Employee's services rendered under this Agreement as follows:

a. **Base Salary** . Unless otherwise adjusted by the Employee's supervisor or the Compensation Committee of the Board of Directors of the Company (the "Board"), beginning on the Effective Date, Employee shall be paid a base salary by Employer equating to $150,000 per annum. Such Base Salary will be paid at such times as is consistent with normal Company policy. Employee understands that he will not be eligible for a further increase in Base Salary until 24 months from the Effective Date.

b. **Bonus** . Employee will be eligible for an annual cash bonus based on performance. The amount of such bonus shall be based on the available resources of the Company and shall be at the discretion of the Compensation Committee of the Board of Directors.

c. **Benefits** . Employee will be entitled to participate in and the Company shall pay for all medical and other benefits that the Company has established for employees of the Company, including, but not limited to one hundred percent (100%) of any health insurance premium for the Employee in accordance with the Company's policy for such reimbursement as well as any other benefits established for officers of the Company by the Board of Directors. All benefits that may be payable by the Company are identified in the Employee Handbook and are subject to change without notice or explanation.

d. **Stock Options** . On the Effective Date, the Employee will be granted an option to purchase 100,000 shares of the Company's common stock (the " Options ") on the terms and conditions listed below. Such Options will have a strike price of $1.01/share and the vesting and other terms of such Options shall be as outlined below.

1.) **Time-based Options** - 48,000 of such options will be time-based options and will vest 1,000 options per month on the last day of each month over the four years of the Initial Employment Term.

2.) **Performance-based Options** - 52,000 of such options will be performance-based options and will vest according to the schedule outlined below. Employee understands and acknowledges that if the performance metrics for any given year are not met, then such options shall be forfeited and may not be rolled into successive years.

Vesting of Performance-Based Options

6,500	if the Company achieves the consolidated revenue goal for FY 2008 outlined by the Board of Directors as part of the Company's FY 2008 budget after excluding the effects of any Revenue Exclusions for such fiscal year and ;
6,500	if the Company achieves the consolidated net income goal for FY 2008 outlined by the Board of Directors as part of the Company's FY 2008 budget after excluding the effects of any Net Income Exclusions for such fiscal year ;
6,500	if the Company achieves the consolidated revenue goal for FY 2009 outlined by the Board of Directors as part of the Company's FY 2009 budget after excluding the effects of any Revenue Exclusions for such fiscal year and ;

6,500	if the Company achieves the consolidated net income goal for FY 2009 outlined by the Board of Directors as part of the Company's FY 2009 budget after excluding the effects of any Net Income Exclusions for such fiscal year ;
6,500	if the Company achieves the consolidated revenue goal for FY 2010 outlined by the Board of Directors as part of the Company's FY 2010 budget after excluding the effects of any Revenue Exclusions for such fiscal year and ;
6,500	if the Company achieves the consolidated net income goal for FY 2010 outlined by the Board of Directors as part of the Company's FY 2010 budget after excluding the effects of any Net Income Exclusions for such fiscal year ;
6,500	if the Company achieves the consolidated revenue goal for FY 2011 outlined by the Board of Directors as part of the Company's FY 2011 budget after excluding the effects of any Revenue Exclusions for such fiscal year and;
6,500	if the Company achieves the consolidated net income goal for FY 2011 outlined by the Board of Directors as part of the Company's FY 2011 budget after excluding the effects of any Net Income Exclusions for such fiscal year ;

All Options awarded pursuant to this paragraph will be Incentive Stock Options (ISOs) to the extent allowable under current SEC and IRS guidelines, and that the remainder, if any, will be in the form of non-qualified stock options. The grant of these time-based options will be made pursuant to the Company Stock Option Plan and will be evidenced by a separate Option Agreement, which the Company will execute within sixty (60) days of the date of this Agreement, provided that it has received an executed copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement from the Employee. So long as the Employee remains employed by the Company, such time-based options will have a seven-year term with which to be exercised from the grant date. The Employee understands that upon termination of his employment, he will only have up to ninety (90) days to exercise any vested options.

e. **Revenue and Net Income Exclusions Defined** . For the purposes of Section 3d above, to the extent the Company acquires any companies or businesses during any given fiscal year and the financial impact of such acquisition was not previously factored into the annual operating budget approved by the Board of Directors, the following revenue and net income adjustments shall be made to the Company's fiscal results in measuring whether or not the Company has met or exceeded the specific performance targets outlined in Sections 3d.

1.) " Revenue Exclusions " shall be defined as the pro rated annualized quarterly GAAP revenue of any company or business acquired by the Company for the most recent fiscal quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly revenue shall be prorated by multiplying the total annualized quarterly revenue described above by a fraction, the numerator of which is the number of days of the financial results of the acquired business or company that are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365.

2.) " Net Income Exclusions " shall be defined as the pro rated annualized quarterly GAAP net income of any company or business acquired by the Company for the most recent fiscal quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly net income shall be prorated by multiplying the total annualized quarterly net income described above by a fraction, the numerator of which is the number of days of the financial results of the acquired business or company that are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365. Net income exclusions shall also include a) any non-cash stock compensation expenses over and above what was included in any budget, and b) any extraordinary or non-recurring expenses that were not included in the budget for any given year and in the reasonable judgment of the Compensation Committee could not have been foreseen by Management during the process to set the budget for such year.

f. **Paid Time-Off and Holidays.** Employee's paid time-off (" PTO ") and holidays shall be consistent with the standards set forth in the Employee Handbook, as revised from time to time or as otherwise published by the Company. Notwithstanding the previous sentence, Employee will be eligible for four (4) weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis throughout the year, provided, however, that it is the Company's policy that no more than forty (40) hours of paid time-off can be accrued and carried forward for any given employee as of the anniversary of their employment date in any given year. Thus, when accrued PTO reaches two hundred (200) hours, Employee will cease accruing PTO until accrued PTO is one hundred sixty (160) hours or less - at which point Employee will again accrue PTO until he reaches two hundred (200) hours. In addition to paid time off, there are also six (6) paid national holidays and two (2) "floater" days available to Company employees. Employee agrees to schedule such paid time-off so that it minimally interferes with the Company's operations. Such PTO does not include Board of Directors excused absences.

g. **Reimbursement of Normal Business Expenses** . The Company will reimburse all normal business expenses of the Employee not covered by the above paragraphs, including, but not limited to, cell phone expenses and business related travel, meals and entertainment expenses in accordance with the Company's polices for such reimbursement.

4. Best Efforts of the Employee and Place of Employment. Employee agrees to perform all of the duties pursuant to the express and implicit terms of this contract to the reasonable satisfaction of Employer. Employee further agrees to perform such duties faithfully and to the best of his ability, talent, and experience, and devote his full-working time and attention on Employer's business (at least forty (40) hours per week). Employee shall render such duties at the Employer's primary place of business in Fort Myers, FL or such other place or places as the interest, needs, business, or opportunity of Employer shall require.

5. Termination. The parties agree that any termination of the Employee under this Agreement will be governed as follows:

a. **By the Company for Cause** . The Company shall have the right to terminate this Agreement and to discharge the Employee for Cause (as defined below), at any time during the Employment Period. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Employee's employment hereunder upon:

(i) failure to materially perform and discharge the duties and responsibilities of Employee under this Agreement after receiving written notice and allowing Employee ten (10) business days to create a plan to cure such failure(s), such plan being acceptable to the Board of Directors, and a further thirty (30) days to cure such failure(s), if so curable, *provided, however* , that after one such notice has been given to Employee and the thirty (30) day cure period has lapsed, the Company is no longer required to provide time to cure subsequent failures under this provision, or

(ii) any breach by Employee of the material provisions of this Agreement; or

(iii) misconduct which, in the good faith opinion and sole discretion of the Board of Directors, is injurious to the Company; or

(iv) felony conviction involving the personal dishonesty or moral turpitude of Employee; or a determination by the Board, after consideration of all available information, that Employee has willfully and knowingly violated Company policies or procedures involving discrimination, harassment, or work place violence; or

(v) engagement in illegal drug use or alcohol abuse which prevents Employee from performing his duties in any manner, or

(vi) any misappropriation, embezzlement or conversion of the Company's opportunities or property by the Employee; or

(vii) willful misconduct, recklessness or gross negligence by the Employee in respect of the duties or obligations of the Employee under this Agreement and/or the Confidentiality, Non-Solicitation or Non-Competition Agreement.

Any termination for Cause pursuant to this Section shall be given to the Employee in writing and shall set forth in detail all acts or omissions upon which the Company is relying to terminate the Employee for Cause. If an Employee is terminated for Cause, the Employee shall only be entitled to receive his accrued and unpaid Salary, bonus and other benefits through the termination date and the Company shall have no further obligations under this Agreement from and after the date of termination.

b. **Termination by Company Without Cause** . At any time during the Employment Period, the Company shall have the right to terminate this Agreement and to discharge the Employee without Cause effective upon delivery of written notice to the Employee. If the Company terminates the Employee without "Cause" for any reason, then the Company agrees that as severance it will continue to pay the Executive's Base Salary in accordance with Section 3a. and maintain the Executive's employee benefits in accordance with Section 3c. (the " Severance Payments ") for six (6) months from the notice of termination. Employee further agrees that in the event that he obtains employment during any period where Severance Payments are being made, he will promptly notify the Company. Provided that such employment does not violate the terms of the Confidentiality, Non-Solicitation and Non-Competition Agreement, such severance payments will continue to be paid. If a termination of the Employee by the Company Without Cause shall occur at anytime, than the pro rata portion of any unvested Time-based options (as specified in Section 3d(1)) up until the date of the Employee's termination that were due to vest in the year of the Employee's termination shall vest. Other than as set forth in the immediately preceding three sentences, the Company shall have no further salary or bonus payment or other benefits obligations under this Agreement after the date of termination; *provided, however* , that the Employee shall only be entitled to continuation of the Severance Payments as long as he is in compliance with the provisions of the Confidentiality, Non-Compete and Non-Solicit Agreement, which is part of this Agreement.

The Employee acknowledges and agrees that any and all payments to which he would be entitled under this Paragraph 5b are conditioned upon and subject to his execution of a general waiver and release, in such reasonable form as counsel for the Company shall determine, of all claims the Employee has or may have against the Company.

c. **By Resignation of the Employee** . The Employee may terminate his employment hereunder, upon giving sixty (60) days written notice to the Company. The Employee agrees that during such sixty (60) day period no more than one week of unused vacation may be utilized and that all other unused vacation up to the time of termination shall be forfeited. In the event of such a termination, the Employee shall comply with any reasonable request of the Company to assist in providing for an orderly transition of authority, but such assistance shall not delay the Employee's termination of employment longer than sixty (60) days beyond the Employee's original notice of termination. Upon such a termination, the Employee shall become entitled to any accrued but unpaid salary and other benefits up to and including the date of termination.
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d. **Disability of the Employee.** This Agreement may be terminated by the Company upon the Disability of the Employee. "Disability" shall mean any mental or physical illness, condition, disability or incapacity which prevents the Employee from reasonably discharging his duties and responsibilities under this Agreement for a period of ninety (90) days in any one hundred eighty (180) day period. In the event that any disagreement or dispute shall arise between the Company and the Employee as to whether the Employee suffers from any Disability, then, in such event, the Employee shall submit to the physical or mental examination of a physician licensed under the laws of the State of Florida, who is agreeable to the Company and the Employee, and such physician shall determine whether the Employee suffers from any Disability. In the absence of fraud or bad faith, the determination of such physician shall be final and binding upon the Company and the Employee. The entire cost of such examination shall be paid solely by the Company. In the event the Company has purchased disability insurance for Employee, the Employee shall be deemed disabled if he is disabled as defined by the terms of the disability policy. On the date that the Employee is deemed to have a Disability, this Agreement will be deemed to have been terminated and the Employee shall be entitled to receive from the Company his accrued and unpaid Base Salary, bonus and other benefits through the termination date. If a termination of the Employee by Disability shall occur at anytime, than the pro rata portion of any unvested Time-based options (as specified in Section 3d(1)) up until the date of the Employee's termination that were due to vest in the year of the Employee's termination shall vest. Other than as set forth in the immediately preceding two sentences, the Company shall have no further salary or bonus payment or other benefits obligations under this Agreement from and after the date of termination due to Disability.

e. **Death of the Employee.** In the event of the death of Employee, the employment of the Employee by the Company shall automatically terminate on the date of the Employee's death and the Company shall be obligated to pay Employee's estate (i) the Employee's accrued and unpaid Base Salary, bonus and other benefits through the termination date. If the death of the Employee shall occur at anytime, than the pro rata portion of any unvested Time-based options up until the date of the Employee's death that were due to vest in the year of the Employee's death shall vest. Other than as set forth in the immediately preceding two sentences, the Company shall have no further obligations under this Agreement from and after the date of termination due to the death of the Employee.

6. Confidentiality, Non-Compete & Non-Solicitation Agreement. Employee agrees to the terms of the Confidentiality, Non-Compete and Non-Solicitation Agreement attached hereto as Addendum A and has signed that Agreement. Such Confidentiality, Non-Compete & Non-Solicitation Agreement is hereby incorporated into and part of this Agreement.

7. Importance of Certain Clauses. Employee and Employer state that the covenants contained in the Confidentiality, Non-Compete and Non-Solicitation Agreement attached hereto and incorporated into this Agreement are material terms of this Agreement and all parties understand the importance of such provisions to the ongoing business of Employer. As such, because Employer's continued business and viability depend on the protection of such secrets and non-competition, these clauses are interpreted by the parties to have the widest and most expansive applicability as may be allowed by law and Employee understands and acknowledges his or her understanding of same.

8. Consideration. Employee acknowledges and agrees that the provision of employment under this Agreement and the execution by the Employer of this Agreement constitute full, adequate and sufficient consideration to Employee for the Employee's duties, obligations and covenants under this Agreement and under the Confidentiality, Non-Competition & Non-Solicit Agreement incorporated into this Agreement.

9. Exit Interview. Upon the effective date of termination of employment (unless due to Employee's death), the Employee shall participate in an exit interview with Employer and certify in writing that the Employee has complied with his contractual obligations and intends to comply with his continuing obligations under this Agreement, including, but not limited to, the terms of the Confidentiality, Non-Compete and Non-Solicit Agreement. The Employee shall also provide the Employer with information concerning the Employee's subsequent employer and the capacity in which the Employee will be employed. The Employee's failure to comply shall be a material breach of this Agreement, for which the Employer, in addition to any other civil remedy, may seek equitable relief.

10. Withholding .. All payments made to the Employee shall be made net of any applicable withholding for income taxes and the Employee's share of FICA, FUTA or other taxes. The Company shall withhold such amounts from such payments to the extent required by applicable law and remit such amounts to the applicable governmental authorities in accordance with applicable law.

11. Representations of Employee. Employee represents and warrants to the Company that (a) nothing in his past legal and/or work and/or personal experiences, which if became broadly known in the marketplace, would impair his ability to serve as the Principle Accounting Officer of a publicly-traded company or materially damage his credibility with public shareholders; (b) that there are no restrictions, agreements, or understandings whatsoever to which he is a party which would prevent or make unlawful his execution of this Agreement or employment hereunder, (c) that Employee's execution of this Agreement and employment hereunder shall not constitute a breach of any contract, agreement or understanding, oral or written, to which he is a party or by which he is bound, (d) that Employee is free and able to execute this Agreement and to continue employment with the Company, and (e) that Employee has not used and will not use confidential information or trade secrets belonging to any prior employers to perform services for Company.

06/24/08

12. Effect of Partial Invalidity. The invalidity of any portion of this Agreement shall not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall remain in full force and effect.

13. Entire Agreement. This Agreement including Addendum A reflects the complete agreement between the parties regarding the subject matter identified herein and shall supersede all other previous agreements, either oral or written, between the parties. The parties stipulate that neither of them, nor any person acting on their behalf has made any representations except as are specifically set forth in this Agreement and each of the parties acknowledges that it or he has not relied upon any representation of any third party in executing this Agreement, but rather have relied exclusively on his own judgment in entering into this Agreement.

14. Assignment. Employer may assign its interest and rights under this Agreement at its sole discretion and without approval of Employee to a successor in interest by Employer's merger, consolidation or other form of business combination with or into a third party where Employer's stockholders before such event do not control a majority of the resulting business entity after such event. All rights and entitlements arising from this Agreement, including but not limited to those protective covenants and prohibitions set forth in the Confidentiality, Non-Compete and Non-Solicitation Agreement attached as Addendum A and incorporated into this Agreement shall inure to the benefit of any purchaser, assignor or transferee of this Agreement and shall continue to be enforceable to the extent allowable under applicable law. Neither this Agreement, nor the employment status conferred with its execution is assignable or subject to transfer in any manner by Employee.

15. Notices. All notices, requests, demands, and other communications shall be in writing and shall be given by registered or certified mail, postage prepaid, i) if to the Company, at the Company's then current headquarters location, and ii) if to the Employee, at the most recent address on file with the Company for the Employee or to such subsequent addresses as either party shall so designate in writing to the other party.

16. Remedies. If any action at law, equity or in arbitration, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party may, if the court or arbitrator hearing the dispute, so determines, have its reasonable attorneys' fees and costs of enforcement recouped from the non-prevailing party.

17. Amendment/Waiver. No waiver, modification, amendment or change of any term of this Agreement shall be effective unless it is in a written agreement signed by both parties. No waiver by Employer of any breach or threatened breach of this Agreement shall be construed as a waiver of any subsequent breach unless it so provides by its terms.

18. Governing Law, Venue and Jurisdiction. This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Florida without regard to any conflicts of laws, statutes, rules, regulations or ordinances. Employee consents to personal jurisdiction and venue in the Circuit Court in and for Lee County, Florida regarding any action arising under the terms of this Agreement and any and all other disputes between Employee and Employer.

06/24/08

19. Arbitration. Any and all controversies and disputes between Employee and Employer arising from this Agreement or regarding any other matter whatsoever shall be submitted to arbitration before a single unbiased arbitrator skilled in arbitrating such disputes under the American Arbitration Association, utilizing its Commercial Rules. Any arbitration action brought pursuant to this section shall be heard in Fort Myers, Lee County, Florida. The Circuit Court in and for Lee County, Florida shall have concurrent jurisdiction with any arbitration panel for the purpose of entering temporary and permanent injunctive relief, but only with respect to any alleged breach of the Confidentiality, Non-Compete and Non-Solicitation Agreement.

20. Headings. The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not affect in any way the meaning or interpretation of this Agreement.

21. Miscellaneous Terms. The parties to this Agreement declare and represent that:

a. They have read and understand this Agreement;

b. They have been given the opportunity to consult with an attorney if they so desire;

c. They intend to be legally bound by the promises set forth in this Agreement and enter into it freely, without duress or coercion;

d. They have retained signed copies of this Agreement for their records; and

e. The rights, responsibilities and duties of the parties hereto, and the covenants and agreements contained herein, shall continue to bind the parties and shall continue in full force and effect until each and every obligation of the parties under this Agreement has been performed.

22. Counterparts . This Agreement may be executed in counterparts and by facsimile, or by pdf, each of which shall be deemed an original for all intents and purposes.

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

EMPLOYEE:

/s/ Jerome J. Dvonch
Jerome J. Dvonch

NEOGENOMICS, INC.

/s/ Steven C. Jones
Steven C. Jones
Acting Principal Financial Officer

06/24/08

ADDENDUM A

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "**Agreement**") dated this 24th day of June, 2008 is entered into by and between Jerome J. Dvonch ("**Employee**") and NeoGenomics, Inc., a Nevada corporation ("**Employer**" or the "**Parent Company**" and collectively with NeoGenomics, Inc., a Florida corporation (the "**Operating Company**") and any entity that is wholly or partially owned by the Employer or Parent Company or otherwise affiliated with the Employer or Parent Company, the "**Company**"). Hereinafter, each of the Employee or the Company maybe referred to as a "**Party**" and together be referred to as the "**Parties**".

RECITALS:

WHEREAS, the Parties have entered into that certain employment agreement, dated June 24, 2008, that creates an employment relationship between the Company and Employee (the "**Employment Agreement**"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's Confidentiality, Non-Solicitation and Non-Compete Agreement; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company.

Now, therefore, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon the Effective Date (as defined in the Employment Agreement) and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties ("**Term**"), whether termination is by the Company with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee.

2. Definitions.

a. The term "**Confidential Information**" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, Customer lists and names and other information, Customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans thereof, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any affiliated entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company to Employee or developed by the Employee on behalf of the Company as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information. Nevertheless, Confidential Information shall not include any information of any kind which (1) is in the possession of the Employee prior to the date of this Agreement, as shown by the Employee's files and records, or (2) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any violation of this Agreement or inaction or action of the receiving party, or (3) is rightfully received from a third party without any obligation of confidentiality; or (4) independently developed after termination without reference to the Confidential Information or materials based thereon; or (5) is disclosed pursuant to the order or requirement of a court, administrative agency, or other government body; or (6) is approved for release by the non-disclosing party.

b. The term "**Customer**" shall mean any person or entity which has purchased or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year immediately preceding the termination of the Employee's employment with the Company.

c . The term "**Prospective Customer**" shall mean any person or entity which has evidenced an intention to order products or services with the Company within one year immediately preceding the termination of the Employee's employment with the Company.

d. The term "**Restricted Area**" shall include any geographical location anywhere in the United States. If the Restricted Area specified in this Agreement should be judged unreasonable in any proceeding, then the period of Restricted Area shall be reduced so that the restrictions may be enforced as is judged to be reasonable.

e. The phrase "**directly or indirectly**" shall include the Employee either on his/her own account, or as a partner, owner, promoter, joint venturer, employee, agent, consultant, advisor, manager, executive, independent contractor, officer, director, or a stockholder of 5% or more of the voting shares of an entity in the Business of Company.

f. The term "**Business**" shall mean the business of providing non-academic, for-profit cancer genetic and molecular laboratory testing services, including, but not limited to, cytogenetics, flow cytometry, fluorescence in-situ hybridization ("FISH"), and morphological studies, to hematologists, oncologists, urologists, pathologists, hospitals and other medical reference laboratories.

3. Duty of Confidentiality.

a. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company and its business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company and for no other purpose, (iii) take all reasonable precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company, (iv) observe all security policies implemented by the Company from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company's Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company's legitimate business interest in preserving its Confidential Information.

b. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company with prompt notice of such request or order so that the Company may seek to prevent disclosure.

c. Employee acknowledge(s) that this "Confidential Information" is of value to the Company by providing it with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes "**Trade Secrets**" under Section 688.002 and Chapter 812 of the Florida Statutes.

4. Limited Right of Disclosure. Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("**Representative(s)**"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s).

5. Return of Company Property and Confidential Materials. All tangible property, including cell phones, laptop computers and other Company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and must be returned to the Company in accordance with the instructions of the Company either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment for any reason whatsoever Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all Confidential Information to the Company as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. **Agreement Not To Circumvent.** Employee agrees not to pursue any transaction or business relationship that is directly competitive to the Business of the Company that makes use of any Confidential Information during the Term of this Agreement, other than through the Company or on behalf of the Company. It is further understood and agreed that, after the Employee's employment with the Company has been terminated, the Employee will direct all communications and requests from any third parties regarding Confidential Information or Business opportunities which use Confidential Information through the Company's then chief executive officer or president. Employee acknowledges that any violation of this covenant may subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "**Work Product**"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the Business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to another entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to another entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the Business of the Company, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its affiliated entities are engaged in the Business of providing genetic and molecular testing services. The covenants contained in this Paragraph 8 (the "**Restrictive Covenants**") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period of two (2) years following termination of such employment (such period of time is hereinafter referred to as the "**Restrictive Period**"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) solicit or induce any Customer or Prospective Customer of the Company to patronize or do business with any other company (or business) that is in the Business conducted by the Company in any market in which the Company does Business; or

(ii) request or advise any Customer or vendor, or any Prospective Customer or prospective vendor, of the Company, who was a Customer, Prospective Customer, vendor or prospective vendor within one year immediately preceding the termination of the Employee's employment with the Company, to withdraw, curtail, cancel or refrain from doing Business with the Company in any capacity; or

(iii) recruit, solicit or otherwise induce any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, Customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or detrimentally modify such employment, agency or business relationship with the Company; or

iv) employ or solicit for employment any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity seeks to employ such person) employed or retained by the Company. Notwithstanding the forgoing, to the extent the Employee works for a larger corporation after his termination from the Company and he does not have any personal knowledge and/or control over the solicitation of or the employment of a Company employee or agent, then this provision shall not be enforceable.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, for himself or herself, or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or herself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in or accept employment from any business that is in the Business of the Company in the Restricted Area during his or her or her last twelve months of employment. The parties agree that this non-competition provision is intended to cover situations where a future business opportunity in which the Employee is engaged or a future employer of the Employee is selling the same or similar products and services in the Business which may compete with the Company's products and services to Customers and Prospective Customers of the Company in the Restricted Area. This provision shall not cover future business opportunities or employers of the Employee that sell different types of products or services in the Restricted Area so long as such future business opportunities or employers are not in the Business of the Company.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event that the Company is (1) acquired by another company and the Employee is terminated without "Cause" (as defined below) within 12 months of the date the Company is so acquired or (2) liquidated, then the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder.

For the purposes of this Agreement, the Company and any company who acquires the Company shall have "Cause" to terminate the Employee's employment if any of the events listed in Paragraph 5(a)(i) – 5(a)(vii) of the Employment Agreement have occurred.

c. Acknowledgements of Employee.

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and the Employment Agreement, and it may cause irreparable harm and loss to the Company for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's successor in interest by way of merger, business combination or consolidation where a majority of the surviving entity is not owned by Company's shareholders who owned a majority of the Company's voting shares prior to such transaction and Employee acknowledges and agrees that successors are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants is held by a court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, such shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee acknowledges that any violations of the Restrictive Covenants, in any capacity identified herein, may be a material breach of this Agreement and may subject the Employee, and/or any individual(s), partnership, corporation, joint venture or other type of business with whom the Employee is then affiliated or employed, to monetary and other damages.

(vii) Employee agrees that any failure of the Company to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is judged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of Confidential Information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company for which monetary damages may be an insufficient remedy. Therefore, in addition to any other remedy available, the Company will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment.

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction has determined conclusively that the Company or any successor is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 1 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company shall not constitute a defense to the enforcement by the Company of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 1 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. Governing Law, Venue and Personal Jurisdiction . This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee. This Agreement shall inure to the benefit of Company's s successors.

12. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all prior negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

13. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

14. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee unless such waiver so provides by its terms. The refusal or failure of the Company to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company of any other restrictive covenant provision set forth in this Agreement.

15. **Consideration.** Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

16. **Notices**. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

17. **Acknowledgements.** Employee acknowledge(s) that he or she has reviewed this Agreement prior to signing it, that he or she knows and understands the contents, purposes and effect of this Agreement, and that he or she has been given a signed copy of this Agreement for his or her records. Employee further acknowledges and agrees that he or she has entered into this Agreement freely, without any duress or coercion.

18. **Counterparts.** This Agreement may be executed in counterparts, by facsimile or pdf each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: /s/ Jerome Dvonch 6/24/08

Employee Signature Date

Employee Name: Jerome Dvonch

Employee Address: 11169 Lakeland Avenue

Fort Myers, FL 33913

NeoGenomics, Inc.

12701 Commonwealth Drive, Suite #9

Fort Myers, FL 33913

By: /s/ Robert Gasparini 6/24/08

Date

Name: Robert Gasparini

Title: President

EXECUTION COPY

COMMON STOCK PURCHASE AGREEMENT

COMMON STOCK PURCHASE AGREEMENT (the "Agreement"), dated as of November 5, 2008, by and between **NEOGENOMICS, INC.**, a Nevada corporation (the "Company"), and **FUSION CAPITAL FUND II, LLC**, an Illinois limited liability company (the "Buyer"). Capitalized terms used herein and not otherwise defined herein are defined in Section 10 hereof.

WHEREAS:

Subject to the terms and conditions set forth in this Agreement, the Company wishes to sell to the Buyer, and the Buyer wishes to buy from the Company, up to Eight Million Dollars ($8,000,000) of the Company's common stock, par value $.001 per share (the "Common Stock"). The shares of Common Stock to be purchased hereunder are referred to herein as the "Purchase Shares."

NOW THEREFORE, the Company and the Buyer hereby agree as follows:

1. PURCHASE OF COMMON STOCK.

Subject to the terms and conditions set forth in this Agreement, the Company has the right to sell to the Buyer, and the Buyer has the obligation to purchase from the Company, Purchase Shares as follows:

(a) Commencement of Purchases of Common Stock. The purchase and sale of Purchase Shares hereunder shall occur from time to time upon written notices by the Company to the Buyer on the terms and conditions as set forth herein following the satisfaction of the conditions (the "Commencement") as set forth in Sections 6 and 7 below (the date of satisfaction of such conditions, the "Commencement Date").

(b) The Company's Right to Require Purchases. Any time on or after the Commencement Date, the Company shall have the right but not the obligation to direct the Buyer by its delivery to the Buyer of Base Purchase Notices from time to time to buy Purchase Shares (each such purchase a "Base Purchase") in any amount up to Fifty Thousand Dollars ($50,000) per Base Purchase Notice (the "Base Purchase Amount") at the Purchase Price on the Purchase Date. The Company may deliver multiple Base Purchase Notices to the Buyer so long as at least four (4) Business Days have passed since the most recent Base Purchase was completed. Notwithstanding the forgoing, any time on or after the Commencement Date, the Company shall also have the right but not the obligation by its delivery to the Buyer of Block Purchase Notices from time to time to direct the Buyer to buy Purchase Shares (each such purchase a "Block Purchase") in any amount up to One Million Dollars ($1,000,000) per Block Purchase Notice at the Block Purchase Price (as defined below) on the Purchase Date as provided herein. For a Block Purchase Notice to be valid the following conditions must be met: (1) the Block Purchase Amount shall not exceed One Hundred Thousand Dollars ($100,000) per Block Purchase Notice, (2) the Company must deliver the Purchase Shares before 11:00 a.m. eastern time on the Purchase Date and (3) the Sale Price of the Common Stock must not be below $0.75 (subject to equitable adjustment for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction) during the Purchase Date, the date of the delivery of the Block Purchase Notice and during the Business Day prior to the delivery of the Block Purchase Notice. The Block Purchase Amount may be increased to up to Two Hundred Fifty Thousand Dollars ($250,000) per Block Purchase Notice if the Sale Price of the Common Stock is not below $1.20 (subject to equitable adjustment for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction) during the Purchase Date, the date of the delivery of the Block Purchase Notice and during the Business Day prior to the delivery of the Block Purchase Notice. The Block Purchase Amount may be increased to up to Five Hundred Thousand Dollars ($500,000) per Block Purchase Notice if the Sale Price of the Common Stock is not below $2.40 (subject to equitable adjustment for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction) during the Purchase Date, the date of the delivery of the Block Purchase Notice and during the Business Day prior to the delivery of the Block Purchase Notice. The Block Purchase Amount may be increased to up to One Million Dollars ($1,000,000) per Block Purchase Notice if the Sale Price of the Common Stock is not below $5.00 (subject to equitable adjustment for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction) during the Purchase Date, the date of the delivery of the Block Purchase Notice and during the Business Day prior to the delivery of the Block Purchase Notice. As used herein, the term "Block Purchase Price" shall mean the lesser of (i) the lowest Sale Price of the Common Stock on the Purchase Date or (ii) the lowest Purchase Price during the previous seven (7) Business Days prior to the date that the valid Block Purchase Notice was received by the Buyer. However, if at any time during the Purchase Date, the date of the delivery of the Block Purchase Notice or during the Business Day prior to the delivery of the Block Purchase Notice, the Sale Price of the Common Stock is below the applicable Block Purchase threshold price, such Block Purchase shall be void and the Buyer's obligations to buy Purchase Shares in respect of that Block Purchase Notice shall be terminated. Thereafter, the Company shall again have the right to submit a Block Purchase Notice as set forth herein by delivery of a new Block Purchase Notice only if the Sale Price of the Common Stock is above the applicable Block Purchase threshold price during the date of the delivery of the Block Purchase Notice and during the Business Day prior to the delivery of the Block Purchase Notice. The Company may deliver multiple Block Purchase Notices to the Buyer so long as at least two (2) Business Days have passed since the most recent Block Purchase was completed.

(c) Payment for Purchase Shares. The Buyer shall pay to the Company an amount equal to the Purchase Amount with respect to such Purchase Shares as full payment for such Purchase Shares via wire transfer of immediately available funds on the same Business Day that the Buyer receives such Purchase Shares if they are received by the Buyer before 11:00 a.m. eastern time or if received by the Buyer after 11:00 a.m. eastern time, the next Business Day. The Company shall not issue any fraction of a share of Common Stock upon any purchase. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up or down to the nearest whole share. All payments made under this Agreement shall be made in lawful money of the United States of America or wire transfer of immediately available funds to such account as the Company may from time to time designate by written notice in accordance with the provisions of this Agreement. Whenever any amount expressed to be due by the terms of this Agreement is due on any day that is not a Business Day, the same shall instead be due on the next succeeding day that is a Business Day.

(d) Purchase Price Floor. The Company and the Buyer shall not effect any sales under this Agreement on any Purchase Date where the Purchase Price for any purchases of Purchase Shares would be less than the Floor Price. "Floor Price" means $0.45, which shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction.

(e) Records of Purchases. The Buyer and the Company shall each maintain records showing the remaining Available Amount at any give time and the dates and Purchase Amounts for each purchase or shall use such other method, reasonably satisfactory to the Buyer and the Company.

(f) Taxes. The Company shall pay any and all transfer, stamp or similar taxes that may be payable with respect to the issuance and delivery of any shares of Common Stock to the Buyer made under this Agreement.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

The Buyer represents and warrants to the Company that as of the date hereof and as of the Commencement Date:

(a) Investment Purpose. The Buyer is entering into this Agreement and acquiring the Commitment Shares (as defined in Section 4(e) hereof) and the Purchase Shares (the Purchase Shares and the Commitment Shares are collectively referred to herein as the "Securities"), for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof; provided however, by making the representations herein, the Buyer does not agree to hold any of the Securities for any minimum or other specific term other than as set forth in Section 4(e) with respect to the Commitment Shares.

(b) Accredited Investor Status. The Buyer is an "accredited investor" as that term is defined in Rule 501(a)(3) of Regulation D.

(c) Reliance on Exemptions. The Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities.

(d) Information. The Buyer has been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been reasonably requested by the Buyer, including, without limitation, the SEC Documents (as defined in Section 3(f) hereof). The Buyer understands that its investment in the Securities involves a high degree of risk. The Buyer (i) is able to bear the economic risk of an investment in the Securities including a total loss, (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposed investment in the Securities and (iii) has had an opportunity to ask questions of and receive answers from the officers of the Company concerning the financial condition and business of the Company and others matters related to an investment in the Securities. Neither such inquiries nor any other due diligence investigations conducted by the Buyer or its representatives shall modify, amend or affect the Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. The Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(e) No Governmental Review. The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(f) Transfer or Sale. The Buyer understands that except as provided in the Registration Rights Agreement (as defined in Section 4(a) hereof): (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder or (B) an exemption exists permitting such Securities to be sold, assigned or transferred without such registration; (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(g) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Buyer and is a valid and binding agreement of the Buyer enforceable against the Buyer in accordance with its terms, subject as to enforceability to general principles of equity and to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(h) Residency. The Buyer is a resident of the State of Illinois.

(i) No Prior Short Selling. The Buyer represents and warrants to the Company that at no time prior to the date of this Agreement has any of the Buyer, its agents, representatives or affiliates engaged in or effected, in any manner whatsoever, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of the Common Stock or (ii) hedging transaction, which establishes a net short position with respect to the Common Stock.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyer that as of the date hereof and as of the Commencement Date:

(a) Organization and Qualification. The Company and its "Subsidiaries" (which for purposes of this Agreement means any entity in which the Company, directly or indirectly, owns 50% or more of the voting stock or capital stock or other similar equity interests) are corporations duly organized and validly existing in good standing under the laws of the jurisdiction in which they are incorporated, and have the requisite corporate power and authority to own their properties and to carry on their business as now being conducted. Each of the Company and its Subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means any material adverse effect on any of: (i) the business, properties, assets, operations, results of operations or financial condition of the Company and its Subsidiaries, if any, taken as a whole, or (ii) the authority or ability of the Company to perform its obligations under the Transaction Documents (as defined in Section 3(b) hereof). The Company has no Subsidiaries except as set forth on Schedule 3(a).

(b) Authorization; Enforcement; Validity. (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Registration Rights Agreement and each of the other agreements entered into by the parties on the Commencement Date and attached hereto as exhibits to this Agreement (collectively, the "Transaction Documents"), and to issue the Securities in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including without limitation, the issuance of the Commitment Shares and the reservation for issuance and the issuance of the Purchase Shares issuable under this Agreement, have been duly authorized by the Company's Board of Directors and no further consent or authorization is required by the Company, its Board of Directors or its shareholders, (iii) this Agreement has been, and each other Transaction Document shall be on the Commencement Date, duly executed and delivered by the Company and (iv) this Agreement constitutes, and each other Transaction Document upon its execution on behalf of the Company, shall constitute, the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies. The Board of Directors of the Company has approved the resolutions (the "Signing Resolutions") substantially in the form as set forth as Exhibit C-1 attached hereto to authorize this Agreement and the transactions contemplated hereby. The Signing Resolutions are valid, in full force and effect and have not been modified or supplemented in any respect other than by the resolutions set forth in Exhibit C-2 attached hereto regarding the registration statement referred to in Section 4 hereof. The Company has delivered to the Buyer a true and correct copy of a certificate of the Secretary of the Company certifying that the Signing Resolutions were duly adopted at a meeting of the Board of Directors of the Company. No other approvals or consents of the Company's Board of Directors and/or shareholders is necessary under applicable laws and the Company's Articles of Incorporation and/or Bylaws to authorize the execution and delivery of this Agreement or any of the transactions contemplated hereby, including, but not limited to, the issuance of the Commitment Shares and the issuance of the Purchase Shares.

(c) Capitalization. As of October 22, 2008, the authorized capital stock of the Company consists of (i) 100,000,000 shares of Common Stock, of which 31,707,212 shares were issued and outstanding; 3,869,357 shares are reserved for future issuance pursuant to the Company's stock option plans of which only approximately 579,231 shares remain available for future option grants and 6,237,838 shares are issuable and reserved for issuance pursuant to securities (other than stock options issued pursuant to the Company's stock option plans) exercisable or exchangeable for, or convertible into, shares of Common Stock and (ii) 10,000,000 shares of Preferred Stock, $0.001 par value, of which as of the date hereof no shares are issued and outstanding. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in Schedule 3(c), (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company, (ii) there are no outstanding debt securities, (iii) other than as listed in the first sentence of this paragraph, there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, (iv) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement, the Amended and Restated Registration Rights Agreement dated March 23, 2005 among the Company, Aspen Select Healthcare, LP, John Elliot, Steven Jones, Larry Kunert and Michael T. Dent, M.D., and the Registration Rights Agreement dated March 30, 2006 among the Company, Aspen Select Healthcare, LP and Steven C. Jones), (v) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries, (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities as described in this Agreement and (vii) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished to the Buyer true and correct copies of the Company's Articles of Incorporation, as amended and as in effect on the date hereof (the "Articles of Incorporation"), and the Company's By-laws, as amended and as in effect on the date hereof (the "By-laws"), and summaries of the terms of all securities convertible into or exercisable for Common Stock, if any, and copies of any documents containing the material rights of the holders thereof in respect thereto.

(d) Issuance of Securities. The Commitment Shares have been duly authorized and, upon issuance in accordance with the terms hereof, the Commitment Shares shall be (i) validly issued, fully paid and non-assessable and (ii) free from all taxes, liens and charges with respect to the issue thereof. [3,000,000] shares of Common Stock have been duly authorized and reserved for issuance upon purchase under this Agreement. Upon issuance and payment therefor in accordance with the terms and conditions of this Agreement, the Purchase Shares shall be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock.

(e) No Conflicts. Except as disclosed in Schedule 3(e), the execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the reservation for issuance and issuance of the Purchase Shares) will not (i) result in a violation of the Articles of Incorporation, any Certificate of Designations, Preferences and Rights of any outstanding series of preferred stock of the Company or the By-laws or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its Subsidiaries) or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of conflicts, defaults, terminations, amendments, accelerations, cancellations and violations under clause (ii), which could not reasonably be expected to result in a Material Adverse Effect. Except as disclosed in Schedule 3(e), neither the Company nor its Subsidiaries is in violation of any term of or in default under its Articles of Incorporation, any Certificate of Designation, Preferences and Rights of any outstanding series of preferred stock of the Company or By-laws or their organizational charter or by-laws, respectively. Except as disclosed in Schedule 3(e), neither the Company nor any of its Subsidiaries is in violation of any term of or is in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or its Subsidiaries, except for possible conflicts, defaults, terminations or amendments which could not reasonably be expected to have a Material Adverse Effect. The business of the Company and its Subsidiaries is not being conducted, and shall not be conducted, in violation of any law, ordinance, regulation of any governmental entity, except for possible violations, the sanctions for which either individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the 1933 Act or applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents in accordance with the terms hereof or thereof. Except as disclosed in Schedule 3(e), all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence shall be obtained or effected on or prior to the Commencement Date. Except as listed in Schedule 3(e), since October 1, 2007, the Company has not received nor delivered any notices or correspondence from or to the Principal Market. The Principal Market has not commenced any delisting proceedings against the Company.

(f) SEC Documents; Financial Statements. Except as disclosed in Schedule 3(f), since January 1, 2007, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). As of their respective dates (except as they have been correctly amended), the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC (except as they may have been properly amended), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates (except as they have been properly amended), the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as listed in Schedule 3(f), the Company has received no notices or correspondence from the SEC since October 1, 2007**.** The SEC has not commenced any enforcement proceedings against the Company or any of its subsidiaries.

(g) Absence of Certain Changes. Except as disclosed in Schedule 3(g), since June 30, 2008, there has been no material adverse change in the business, properties, operations, financial condition or results of operations of the Company or its Subsidiaries. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any Bankruptcy Law nor does the Company or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings. The Company is financially solvent and is generally able to pay its debts as they become due**.**

(h) Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company, the Common Stock or any of the Company's Subsidiaries or any of the Company's or the Company's Subsidiaries' officers or directors in their capacities as such, which could reasonably be expected to have a Material Adverse Effect. A description of each action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body which, as of the date of this Agreement, is pending or threatened in writing against or affecting the Company, the Common Stock or any of the Company's Subsidiaries or any of the Company's or the Company's Subsidiaries' officers or directors in their capacities as such, is set forth in Schedule 3(h).

(i) Acknowledgment Regarding Buyer's Status. The Company acknowledges and agrees that the Buyer is acting solely in the capacity of arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby and any advice given by the Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Buyer's purchase of the Securities. The Company further represents to the Buyer that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives and advisors.

(j) No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the 1933 Act) in connection with the offer or sale of the Securities.

(k) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights necessary to conduct their respective businesses as now conducted. Except as set forth on Schedule 3(k), none of the Company's material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, government authorizations, trade secrets or other intellectual property rights have expired or terminated, or, by the terms and conditions thereof, could expire or terminate within two years from the date of this Agreement. The Company and its Subsidiaries do not have any knowledge of any infringement by the Company or its Subsidiaries of any material trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and, except as set forth on Schedule 3(k), there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its Subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement, which could reasonably be expected to have a Material Adverse Effect.

(l) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“Environmental Laws”), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where, in each of the three foregoing clauses, the failure to so comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(m) Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 3(m) or liens on equipment securing purchase money-indebtedness of the Company or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

(n) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of the Company and its Subsidiaries, taken as a whole.

(o) Regulatory Permits. The Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(p) Tax Status. The Company and each of its Subsidiaries has made or filed all federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

(q) Transactions With Affiliates. Except as set forth on Schedule 3(q) and other than the grant or exercise of stock options disclosed on Schedule 3(c), none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has an interest or is an officer, director, trustee or partner.

(r) Application of Takeover Protections. The Company and its board of directors have taken or will take prior to the Commencement Date all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Articles of Incorporation or the laws of the state of its incorporation which is or could become applicable to the Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and the Buyer's ownership of the Securities.

(s) Foreign Corrupt Practices. Neither the Company, nor any of its Subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

4. COVENANTS.

(a) Filing of Form 8-K and Registration Statement. The Company agrees that it shall, within the time required under the 1934 Act, disclose this Agreement and the transactions contemplated hereby. The Company shall also file within thirty (30) Business Days from the date hereof a new registration statement covering the sale of the Commitment Shares, the Signing Shares (as defined in Section 5 hereof) and 3,000,000 Purchase Shares in accordance with the terms of the Registration Rights Agreement between the Company and the Buyer, dated as of the date hereof ("Registration Rights Agreement"). The Company shall not be required to register any additional Purchase Shares beyond the 3,000,000 unless the Company elects to sell more than 3,000,000 Purchase Shares hereunder.

(b) Blue Sky. The Company shall take such action, if any, as is reasonably necessary in order to obtain an exemption for or to qualify (i) the initial sale of the Commitment Shares and any Purchase Shares to the Buyer under this Agreement and (ii) any subsequent resale of the Commitment Shares and any Purchase Shares by the Buyer, in each case, under applicable securities or "Blue Sky" laws of the states of the United States in such states as is reasonably requested by the Buyer from time to time, and shall provide evidence of any such action so taken to the Buyer.

(c) Listing. The Company shall promptly secure the listing of all of the Purchase Shares and Commitment Shares upon each national securities exchange and automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance) and shall maintain, so long as any other shares of Common Stock shall be so listed, such listing of all such securities from time to time issuable under the terms of the Transaction Documents. The Company shall maintain the Common Stock's authorization for quotation on the Principal Market. Neither the Company nor any of its Subsidiaries shall take any action that would be reasonably expected to result in the delisting or suspension of the Common Stock on the Principal Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section.

(d) Limitation on Short Sales and Hedging Transactions. The Buyer agrees that beginning on the date of this Agreement and ending on the date of termination of this Agreement as provided in Section 11(k), the Buyer and its agents, representatives and affiliates shall not in any manner whatsoever enter into or effect, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the 1934 Act) of the Common Stock or (ii) hedging transaction, which establishes a net short position with respect to the Common Stock.

(e) Issuance of Commitment Shares; Limitation on Sales of Commitment Shares. Immediately upon the execution of this Agreement, the Company shall issue to the Buyer as consideration for the Buyer entering into this Agreement 400,000 shares of Common Stock (the "Commitment Shares"). The Commitment Shares shall be issued in certificated form and (subject to Section 5 hereof) shall bear the following restrictive legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, UNLESS SOLD PURSUANT TO: (1) RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (2) AN OPINION OF HOLDER'S COUNSEL, IN A CUSTOMARY FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

The Buyer agrees that the Buyer shall not pledge, transfer or sell the Commitment Shares until the earlier of 600 Business Days (30 Monthly Periods) from the date hereof or the date on which this Agreement has been terminated, provided, however, that such restrictions shall not apply: (i) in connection with any transfers to or among affiliates (as defined in the 1934 Act), (ii) in the event that the Commencement does not occur on or before March 31, 2009, due to the failure of the Company to satisfy the conditions set forth in Section 7, or (iii) if an Event of Default has occurred, or any event which, after notice and/or lapse of time, would become an Event of Default, including any failure by the Company to timely issue Purchase Shares under this Agreement. Notwithstanding the forgoing, the Buyer may transfer Commitment Shares to a third party in order to settle a sale made by the Buyer where the Buyer reasonably expects the Company to deliver Purchase Shares to the Buyer under this Agreement so long as the Buyer maintains ownership of the same overall number of shares of Common Stock by "replacing" the Commitment Shares so transferred with Purchase Shares when the Purchase Shares are actually issued by the Company to the Buyer.

(f) Due Diligence. The Buyer shall have the right, from time to time as the Buyer may reasonably deem appropriate, to perform reasonable due diligence on the Company during normal business hours. The Company and its officers and employees shall provide information and reasonably cooperate with the Buyer in connection with any reasonable request by the Buyer related to the Buyer's due diligence of the Company, including, but not limited to, any such request made by the Buyer in connection with (i) the filing of the registration statement described in Section 4(a) hereof and (ii) the Commencement. Each party hereto agrees not to disclose any Confidential Information of the other party to any third party and shall not use the Confidential Information for any purpose other than in connection with, or in furtherance of, the transactions contemplated hereby. Each party hereto acknowledges that the Confidential Information shall remain the property of the disclosing party and agrees that it shall take all reasonable measures to protect the secrecy of any Confidential Information disclosed by the other party.

5. TRANSFER AGENT INSTRUCTIONS.

Immediately upon the execution of this Agreement, the Company shall deliver to the Transfer Agent a letter in the form as set forth as Exhibit E attached hereto with respect to the issuance of the Commitment Shares. On the Commencement Date, the Company shall cause any restrictive legend on the Commitment Shares and the 17,500 shares of Common Stock issued to the Buyer upon signing that certain Term Sheet between the Buyer and the Company and dated as of October 10, 2008 (the "Signing Shares") to be removed and all of the Purchase Shares to be issued under this Agreement shall be issued without any restrictive legend unless the Buyer expressly consents otherwise. The Company shall issue irrevocable instructions to the Transfer Agent, and any subsequent transfer agent, to issue Purchase Shares in the name of the Buyer for the Purchase Shares (the "Irrevocable Transfer Agent Instructions"). The Company warrants to the Buyer that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5, will be given by the Company to the Transfer Agent with respect to the Purchase Shares and that the Commitment Shares, Signing Shares and the Purchase Shares shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Registration Rights Agreement subject to the provisions of Section 4(e) in the case of the Commitment Shares.

6. CONDITIONS TO THE COMPANY'S RIGHT TO COMMENCE SALES OF SHARES OF COMMON STOCK UNDER THIS AGREEMENT.

The right of the Company hereunder to commence sales of the Purchase Shares is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales):

(a) The Buyer shall have executed each of the Transaction Documents and delivered the same to the Company;

(b) A registration statement covering the sale of all of the Commitment Shares **,** Signing Shares and Purchase Shares shall have been declared effective under the 1933 Act by the SEC and no stop order with respect to the registration statement shall be pending or threatened by the SEC.

7. CONDITIONS TO THE BUYER'S OBLIGATION TO MAKE PURCHASES OF SHARES OF COMMON STOCK.

The obligation of the Buyer to buy Purchase Shares under this Agreement is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales) and once such conditions have been initially satisfied, there shall not be any ongoing obligation to satisfy such conditions after the Commencement has occurred:

(a) The Company shall have executed each of the Transaction Documents and delivered the same to the Buyer;

(b) The Company shall have issued to the Buyer the Commitment Shares and shall have removed the restrictive transfer legend from the certificate representing the Commitment Shares and Signing Shares;

(c) The Common Stock shall be authorized for quotation on the Principal Market, trading in the Common Stock shall not have been within the last 365 days suspended by the SEC or the Principal Market and the Purchase Shares and the Commitment Shares shall be approved for listing upon the Principal Market;

(d) The Buyer shall have received the opinions of the Company's legal counsel dated as of the Commencement Date substantially in the form of **Exhibit A** attached hereto;

(e) The representations and warranties of the Company shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date when made and as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Commencement Date. The Buyer shall have received a certificate, executed by the CEO, President or CFO of the Company, dated as of the Commencement Date, to the foregoing effect in the form attached hereto as **Exhibit B**;

(f) The Board of Directors of the Company shall have adopted resolutions in the form attached hereto as **Exhibit C** which shall be in full force and effect without any amendment or supplement thereto as of the Commencement Date;

(g) As of the Commencement Date, the Company shall have reserved out of its authorized and unissued Common Stock, solely for the purpose of effecting purchases of Purchase Shares hereunder, 3,000,000 shares of Common Stock;

(h) The Irrevocable Transfer Agent Instructions, in form acceptable to the Buyer shall have been delivered to and acknowledged in writing by the Company and the Company's Transfer Agent;

(i) The Company shall have delivered to the Buyer a certificate evidencing the incorporation and good standing of the Company in the State of Nevada issued by the Secretary of State of the State of Nevada as of a date within ten (10) Business Days of the Commencement Date;

(j) The Company shall have delivered to the Buyer a certified copy of the Articles of Incorporation as certified by the Secretary of State of the State of Nevada within ten (10) Business Days of the Commencement Date;

(k) The Company shall have delivered to the Buyer a secretary's certificate executed by the Secretary of the Company, dated as of the Commencement Date, in the form attached hereto as **Exhibit D**;

(l) A registration statement covering the sale of all of the Commitment Shares **,** Signing Shares and Purchase Shares shall have been declared effective under the 1933 Act by the SEC and no stop order with respect to the registration statement shall be pending or threatened by the SEC. The Company shall have prepared and delivered to the Buyer a final and complete form of prospectus, dated and current as of the Commencement Date, to be used by the Buyer in connection with any sales of any Commitment Shares, Signing Shares or any Purchase Shares, and to be filed by the Company one Business Day after the Commencement Date. The Company shall have made all filings under all applicable federal and state securities laws necessary to consummate the issuance of the Commitment Shares**,** Signing Shares and the Purchase Shares pursuant to this Agreement in compliance with such laws;

(m) No Event of Default has occurred, or any event which, after notice and/or lapse of time, would become an Event of Default has occurred;

(n) On or prior to the Commencement Date, the Company shall take all necessary action, if any, and such actions as reasonably requested by the Buyer, in order to render inapplicable any control share acquisition, business combination, shareholder rights plan or poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Articles of Incorporation or the laws of the state of its incorporation which is or could become applicable to the Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and the Buyer's ownership of the Securities; and

(o) The Company shall have provided the Buyer with the information requested by the Buyer in connection with its due diligence requests made prior to, or in connection with, the Commencement, in accordance with the terms of Section 4(g) hereof.

8. INDEMNIFICATION.

In consideration of the Buyer's execution and delivery of the Transaction Documents and acquiring the Securities hereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Buyer and all of its affiliates, shareholders, officers, directors, employees and direct or indirect investors and any of the foregoing person's agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, other than with respect to Indemnified Liabilities which directly and primarily result from the gross negligence or willful misconduct of the Indemnitee. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

9. EVENTS OF DEFAULT.

An "Event of Default" shall be deemed to have occurred at any time as any of the following events occurs:

(a) while any registration statement is required to be maintained effective pursuant to the terms of the Registration Rights Agreement, the effectiveness of such registration statement lapses for any reason (including, without limitation, the issuance of a stop order) or is unavailable to the Buyer for sale of all of the Registrable Securities (as defined in the Registration Rights Agreement) in accordance with the terms of the Registration Rights Agreement, and such lapse or unavailability continues for a period of twenty (20) consecutive Business Days or for more than an aggregate of sixty (60) Business Days in any 365-day period;

(b) the suspension from trading or failure of the Common Stock to be listed on the Principal Market for a period of three (3) consecutive Business Days;

(c) the delisting of the Company's Common Stock from the Principal Market, provided, however, that the Common Stock is not immediately thereafter trading on the New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Global Select Market, the Nasdaq Capital Market or the American Stock Exchange;

(d) the failure for any reason by the Transfer Agent to issue Purchase Shares to the Buyer within five (5) Business Days after the applicable Purchase Date which the Buyer is entitled to receive;

(e) the Company breaches any representation, warranty, covenant or other term or condition under any Transaction Document if such breach could have a Material Adverse Effect and except, in the case of a breach of a covenant which is reasonably curable, only if such breach continues for a period of at least five (5) Business Days;

(f) if any Person commences a proceeding against the Company pursuant to or within the meaning of any Bankruptcy Law ;

(g) if the Company pursuant to or within the meaning of any 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, (E) becomes insolvent, or (F) is generally unable to pay its debts as the same become due;

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against the Company in an involuntary case, (B) appoints a Custodian of the Company or for all or substantially all of its property, or (C) orders the liquidation of the Company or any Subsidiary; or

(i) a material adverse change in the business, properties, operations, financial condition or results of operations of the Company and its Subsidiaries taken as a whole.

In addition to any other rights and remedies under applicable law and this Agreement, including the Buyer termination rights under Section 11(k) hereof, so long as an Event of Default has occurred and is continuing, or if any event which, after notice and/or lapse of time, would become an Event of Default, has occurred and is continuing, or so long as the Purchase Price is below the Purchase Price Floor, the Buyer shall not be permitted or obligated to purchase any shares of Common Stock under this Agreement. If pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

10. CERTAIN DEFINED TERMS.

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "1933 Act" means the Securities Act of 1933, as amended.

(b) "Available Amount" means initially Eight Million Dollars ($8,000,000) in the aggregate which amount shall be reduced by the Purchase Amount each time the Buyer purchases shares of Common Stock pursuant to Section 1 hereof.

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

(d) "Base Purchase Notice" shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy up to the Base Purchase Amount in Purchase Shares as specified by the Company therein at the applicable Purchase Price on the Purchase Date.

(e) "Block Purchase Amount" shall mean such Block Purchase Amount as specified by the Company in a Block Purchase Notice subject to Section 1(b) hereof.

(f) "Block Purchase Notice" shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy the Block Purchase Amount in Purchase Shares as specified by the Company therein at the Block Purchase Price as of the Purchase Date subject to Section 1 hereof.

(d) "Business Day" means any day on which the Principal Market is open for trading including any day on which the Principal Market is open for trading for a period of time less than the customary time.

(e) "Closing Sale Price" means, for any security as of any date, the last closing trade price for such security on the Principal Market as reported by the Principal Market, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing trade price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by the Principal Market.

(f) "Confidential Information" means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including, without limitation, documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within ten (10) Business Days after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information which (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession; or (vi) is required by law to be disclosed by the receiving party, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure.

(g) "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

(h) "Maturity Date" means the date that is 600 Business Days (30 Monthly Periods) from the Commencement Date.

(i) "Monthly Period" means each successive 20 Business Day period commencing with the Commencement Date.

(j) "Person" means an individual or entity including any limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(k) "Principal Market" means the OTC Bulletin Board; provided however, that in the event the Company's Common Stock is ever listed or traded on the Nasdaq Global Market, the Nasdaq Global Select Market, the Nasdaq Capital Market, the New York Stock Exchange or the American Stock Exchange, then the "Principal Market" shall mean such other market or exchange on which the Company's Common Stock is then listed or traded.

(l) "Purchase Amount" means, with respect to any particular purchase made hereunder, the portion of the Available Amount to be purchased by the Buyer pursuant to Section 1 hereof as set forth in a valid Base Purchase Notice or a valid Block Purchase Notice which the Company delivers to the Buyer.

(m) "Purchase Date" means with respect to any particular purchase made hereunder, the Business Day after receipt by the Buyer of a valid Base Purchase Notice or a valid Block Purchase Notice that the Buyer is to buy Purchase Shares pursuant to Section 1 hereof.

(n) "Purchase Price" means the lower of the (A) the lowest Sale Price of the Common Stock on the Purchase Date and (B) the arithmetic average of the three (3) lowest Closing Sale Prices for the Common Stock during the twelve (12) consecutive Business Days ending on the Business Day immediately preceding such Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction).

(o) "Sale Price" means, any trade price for the shares of Common Stock on the Principal Market as reported by the Principal Market.

(q) "SEC" means the United States Securities and Exchange Commission.

(r) "Transfer Agent" means the transfer agent of the Company as set forth in Section 11(f) hereof or such other person who is then serving as the transfer agent for the Company in respect of the Common Stock.

11. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. The corporate laws of the State of Nevada shall govern all issues concerning the relative rights of the Company and its shareholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago, for the adjudication of any dispute hereunder or under the other Transaction Documents or in connection herewith or therewith, or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement. With the exception of the Mutual Nondisclosure Agreement between the parties dated as of October 15, 2008, this Agreement supersedes all other prior oral or written agreements between the Buyer, the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement, the other Transaction Documents and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. The Company acknowledges and agrees that is has not relied on, in any manner whatsoever, any representations or statements, written or oral, other than as expressly set forth in this Agreement.

(f) Notices. Any notices, consents or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt when delivered personally; (ii) upon receipt when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:
NeoGenomics, Inc.
12701 Commonwealth Drive, Suite 9
Forty Myers, FL 33913
Telephone: 239-768-0600
Facsimile: 239-768-1672
Attention: Chief Financial Officer

With a copy to:
K&L Gates LLP
Wachovia Financial Center
200 South Biscayne Boulevard, Suite 3900
Miami, Florida 33131
Telephone: 305-539-3300
Facsimile: 305-358-7095
Attention: Clayton E. Parker, Esq.

If to the Buyer:
Fusion Capital Fund II, LLC
222 Merchandise Mart Plaza, Suite 9-112
Chicago, IL 60654
Telephone: 312-644-6644
Facsimile: 312-644-6244
Attention: Steven G. Martin

If to the Transfer Agent:
Standard Registrar & Transfer Company
12528 South 1840
East Draper, Utah 84020
Telephone: (801) 571-8844
Facsimile: (801) 571-2551
Attention: Ronald Harrington, President

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, and recipient facsimile number or (C) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyer, including by merger or consolidation. The Buyer may not assign its rights or obligations under this Agreement.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(i) Publicity. The Buyer shall have the right to approve before issuance any press release, SEC filing or any other public disclosure made by or on behalf of the Company whatsoever with respect to, in any manner, the Buyer, its purchases hereunder or any aspect of this Agreement or the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of the Buyer, to make any press release or other public disclosure (including any filings with the SEC) with respect to such transactions as is required by applicable law and regulations so long as the Company and its counsel consult with the Buyer in connection with any such press release or other public disclosure at least two (2) Business Days prior to its release or such other period of time which is mutually agreed upon by the Company and the Buyer. The Buyer must be provided with a copy thereof at least two (2) Business Days prior to any release or use by the Company thereof or such other period of time which is mutually agreed upon by the Company and the Buyer. The Buyer agrees that once the language required for any SEC disclosures, press releases, or other public disclosures is agreed upon between the parties, the Company is authorized to use such language in any subsequent SEC disclosures, press releases or other public disclosures without consulting with the Buyer so long as the language used does not materially differ from the original language agreed upon other than any updates to the number of securities sold under this Agreement.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Termination. This Agreement may be terminated only as follows:

(i) By the Buyer any time an Event of Default exists without any liability or payment to the Company. However, if pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under this Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(ii) In the event that the Commencement shall not have occurred, the Company shall have the option to terminate this Agreement for any reason or for no reason without any liability whatsoever of any party to any other party under this Agreement.

(iii) In the event that the Commencement shall not have occurred on or before March 31, 2009, due to the failure to satisfy the conditions set forth in Sections 6 and 7 above with respect to the Commencement, the non-breaching party shall have the option to terminate this Agreement at the close of business on such date or thereafter without liability of any party to any other party.

(iv) At any time after the Commencement Date, the Company shall have the option to terminate this Agreement for any reason or for no reason by delivering notice (a "Company Termination Notice") to the Buyer electing to terminate this Agreement without any liability whatsoever of any party to any other party under this Agreement. The Company Termination Notice shall not be effective until one (1) Business Day after it has been received by the Buyer.

(v) This Agreement shall automatically terminate on the date that the Company sells and the Buyer purchases the full Available Amount as provided herein, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement.

(vi) If by the Maturity Date for any reason or for no reason the full Available Amount under this Agreement has not been purchased as provided for in Section 1 of this Agreement, this Agreement shall automatically terminate on the Maturity Date, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement.

Except as set forth in Sections 11(k)(i) (in respect of an Event of Default under Sections 9(f), 9(g) and 9(h)) and 11(k)(vi), any termination of this Agreement pursuant to this Section 11(k) shall be effected by written notice from the Company to the Buyer, or the Buyer to the Company, as the case may be, setting forth the basis for the termination hereof. The representations and warranties of the Company and the Buyer contained in Sections 2, 3 and 5 hereof, the indemnification provisions set forth in Section 8 hereof and the agreements and covenants set forth in Section 11, shall survive the Commencement and any termination of this Agreement. No termination of this Agreement shall affect the Company's or the Buyer's rights or obligations (i) under the Registration Rights Agreement which shall survive any such termination or (ii) under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(l) No Financial Advisor, Placement Agent, Broker or Finder . The Company represents and warrants to the Buyer that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. The Buyer represents and warrants to the Company that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. The Company shall be responsible for the payment of any fees or commissions, if any, of any financial advisor, placement agent, broker or finder relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold the Buyer harmless against, any liability, loss or expense (including, without limitation, attorneys' fees and out of pocket expenses) arising in connection with any such claim.

(m) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(n) Remedies, Other Obligations, Breaches and Injunctive Relief. The Buyer's remedies provided in this Agreement shall be cumulative and in addition to all other remedies available to the Buyer under this Agreement, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy of the Buyer contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit the Buyer's right to pursue actual damages for any failure by the Company to comply with the terms of this Agreement. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Buyer shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

(o) Enforcement Costs. If: (i) this Agreement is placed by the Buyer in the hands of an attorney for enforcement or is enforced by the Buyer through any legal proceeding; or (ii) an attorney is retained to represent the Buyer in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under this Agreement; or (iii) an attorney is retained to represent the Buyer in any other proceedings whatsoever in connection with this Agreement, then the Company shall pay to the Buyer, as incurred by the Buyer, all reasonable costs and expenses including attorneys' fees incurred in connection therewith, in addition to all other amounts due hereunder.

(p) Failure or Indulgence Not Waiver. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

* * * * *

IN WITNESS WHEREOF, the Buyer and the Company have caused this Common Stock Purchase Agreement to be duly executed as of the date first written above.

THE COMPANY:

NEOGENOMICS, INC.

By: /s/ Robert P. Gasparini
Name: Robert P. Gasparini
Title: President

BUYER:

FUSION CAPITAL FUND II, LLC
BY: FUSION CAPITAL PARTNERS, LLC
BY: ROCKLEDGE CAPITAL CORPORATION

By: Joshua B. Scheinfeld
Name: Joshua B. Scheinfeld
Title: President

SCHEDULES

Schedule 3(a)	Subsidiaries
Schedule 3(c)	Capitalization
Schedule 3(e)	Conflicts
Schedule 3(f)	1934 Act Filings
Schedule 3(g)	Material Changes
Schedule 3(h)	Litigation
Schedule 3(k)	Intellectual Property
Schedule 3(m)	Liens
Schedule 3(q)	Certain Transactions

EXHIBITS

Exhibit A	Form of Company Counsel Opinion
Exhibit B	Form of Officer's Certificate
Exhibit C	Form of Resolutions of Board of Directors of the Company
Exhibit D	Form of Secretary's Certificate
Exhibit E	Form of Letter to Transfer Agent

DISCLOSURE SCHEDULES

Schedule 3(a) – Subsidiaries

NeoGenomics, Inc., a Florida Corporation, dba "NeoGenomics Laboratories"

Schedule 3(c) – Capitalization

1. Debt Securities

The Company purchased a convertible debenture (the "Power3 Debenture") in the principal amount of $200,000 from Power 3 Medical Products, Inc., a New York Corporation ("Power3") on April 17, 2007. The debenture has a term of two years and a 6% per annum interest rate which is payable quarterly on the last calendar day of each quarter. The debenture is convertible into shares of Power3 at the Company's option.

2. Other outstanding equity or equity-linked securities or understandings therefor:

The Company has a preliminary agreement to issue 300,000 shares of common stock as part of an agreement to purchase certain laboratory equipment and satisfy other accounts payable. A definitive agreement for this asset purchase has not been executed as of yet, but is expected to be once a contract for Dr. Fernandez's services has been agreed upon. The estimated completion date is November 2008 and the final agreements are subject to Board approval.

Up to 1.0% of the Company's Adjusted Diluted Shares Outstanding (as defined below) may be sold pursuant to rights granted under the Company's Employee Stock Purchase Plan, dated October 31, 2006. As of October 22, 2008, rights to purchase [_____] shares of the Company's common stock granted under the ESPP are outstanding. For purposes of the ESPP, "Adjusted Diluted Shares Outstanding" means on any given measurement date, the basic common shares outstanding plus that number of shares that would be issued if all convertible debt, convertible preferred equity securities and warrants were assumed to be converted into common stock on the measurement date.

3. Registration Rights Agreements

The Company is a party to certain Investor Registration Rights Agreements (the "Investor Registration Rights Agreement") in the form filed as an exhibit to the Company's Registration Statement on Form SB-2 filed with the SEC on July 6, 2007. The shares subject to such Investor Registration Rights Agreement were registered pursuant to the Company's Registration Statement on Form SB-2 on Form S-1/A which was declared effective by the SEC on July 1, 2008. The Company has a continuing obligation to maintain the effectiveness of such registration statement until all of the Registrable Securities (as defined in the Investor Registration Rights Agreement) have been sold; provided, however, that in no event will the Company be required to maintain the effectiveness of such registration statement for longer than two years from the date of the Investor Registration Rights Agreement.

The Company issued Warrants dated August 16, 2007 to each of 1837 Partners, Ltd., 1837 Partners QP, LP, 1837 Partners, LP, Ridgecrest, Ltd., A. Scott Logan Revocable Living Trust, u/t/d 12/15/98, Mark Egan, William J. Robison, Leonard Samuels, Leviticus Partners, LP, Mosaic Partners Fund, Mosaic Partners Fund (US), LP, James R. Rehak and Joann M. Rehak, Ridgecrest Partners QP, LP and Ridgecrest, LP to purchase an aggregate of 423,487 shares of the Company's common stock (the "August Warrants"). The exercise price of the August Warrants is $1.50 per share. Each of the August Warrants include the following provisions:

Piggy-Back Registration. Subject to the terms and conditions of this Warrant, the Company shall notify the holder of Registrable Securities (as defined below) in writing at least ten (10) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding any registration statement relating to any employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) and will afford each such holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such holder. Each holder of Registrable Securities desiring to include in any such registration statement, all of part of the Registrable Securities held by it shall, within ten (10) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities held by such holder. In the event the Company determines in its sole discretion, that market factors require a limitation of the number of securities to be included in such registration statement (including the Registrable Securities), then the Company shall so advise the Warrant Holder and the number of shares that may be included in such registration statement shall be allocated among holders of warrants on a pro rata basis (including the Registrable Securities). If a holder decides not to include all of its Registrable Securities in the registration statement thereafter filed by the Company or any Registrable Securities were excluded by the Company pursuant to the immediately preceding sentence, such holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. "Registrable Securities" means the Shares of Common Stock issuable to the Warrant Holder pursuant to the terms of this Warrant.

Demand Registration. In the event that the Company has not offered to the holder of the Warrant an opportunity to include its Registrable Securities in a registration statement pursuant to the terms of Section 10.1 herein with twelve (12) months from the issuance date of the Warrant, the holder of the Warrant shall have the ability, on a one-time basis, to demand that the Company file a registration statement for the resale of the Registrable Securities. Subject to the terms and conditions of the terms and conditions of this Warrant, the Company shall prepare and file, no later than ninety (90) days from the date of such demand by the holder of the Warrant with the United States Securities and Exchange Commission (the "SEC"), a registration statement under the Securities Act for the resale of the Registrable Securities. The Company shall use its best efforts to cause the registration statement to remain effective until all of the Registrable Securities have been sold; provided, however, that in no event will the Company be required to maintain the effectiveness of the registration statement for longer than two (2) years from the date of its being declared effective by the SEC.

Following the transfer of certain of the August Warrants, the Company issued Re-Issue Warrants (the " Transfer Warrants") to each of 1837 Partners QP, LP, 1837 Partners, LP, 1837 Partners Ltd., Blair R. Haarlow Trust and Frances E. Tuite, IRA to purchase an aggregate of 50,000 shares of the Company's common stock. The terms of the Transfer Warrants are substantially similar to the August Warrants.

On August, 16, 2007, Aspen Select Healthcare, LP (" Aspen") issued warrants to purchase an aggregate of 400,000 shares of the Company's common stock owned by Aspen to each of 1837 Partners, Ltd., 1837 Partners QP, LP, 1837 Partners, LP, LAM Opportunity Fund, LP, Lewis Opportunity Fund, LP and Mark G. Egan (the "Aspen Warrants"). The exercise price of the Aspen Warrants is $1.50 per share. The Company is a party to the Aspen Warrants solely with respect to Section 10 thereof, which reads as follows:

> Piggy-Back Registration. Subject to the terms and conditions of this Warrant, NeoGenomics shall notify the holder of Registrable Securities (as defined below) in writing at least ten (10) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of NeoGenomics (including, but not limited to, registration statements relating to secondary offerings of securities of NeoGenomics, but excluding any registration statement relating to any employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) and will afford each such holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such holder. Each holder of Registrable Securities desiring to include in any such registration statement, all of part of the Registrable Securities held by it shall, within ten (10) days after the above-described notice from NeoGenomics, so notify NeoGenomics in writing. Such notice shall state the intended method of disposition of the Registrable Securities held by such holder. In the event NeoGenomics determines, in its sole discretion, that market factors require a limitation of the number of securities to be included in such registration statement (including the Registrable Securities), then NeoGenomics shall so advise the Warrant Holder and the number of shares that may e included in such registration statement shall be allocated among holders of warrants on a pro rata basis (including the Registrable Securities). If a holder decides not to include all of its Registrable Securities in the registration statement thereafter filed by NeoGenomics or any Registrable Securities were excluded by NeoGenomics pursuant to the immediately preceding sentence, such holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by NeoGenomics with respect to offerings of its securities, all upon the terms and conditions set forth herein. "Registrable Securities" means the Shares of Common Stock issuable to the Warrant Holder pursuant to the terms of this Warrant.

Schedule 3(e) - No Conflicts

None

Schedule 3(f) - 1934 Act Filings

The Company's Current Report on Form 8-K was filed on June 7, 2007 with the Securities and Exchange Commission (the " SEC"), which was after the date it was due.

Correspondence from the SEC related to a previous registration statement and the Company's Form 10-KSB/A for the fiscal year ended December 31, 2006 copies of which have been provided to the Buyer.

Schedule 3(g) - Absence of Certain Changes

None

Schedule 3(h) - Litigation

Dr. Peter Kohn Litigation - - On January 12, 2005, the Company received a complaint filed in the Circuit Court for Seminole County, Florida by its former Laboratory Director, Dr. Peter Kohn. On March 5, 2007, the Company received an amended complaint filed in the Circuit Court for Seminole County, Florida by Dr. Kohn. The amended complaint alleges the following (a) that Dr. Kohn is owed $12,600 for 22 unused vacation days and 4 unused sick days resulting from his first contract from October 2002 to September 2003; (b) that Dr. Kohn is owed $14,054 for 25 unused vacation days and four unused sick days (at a rate of $484.64/day), (c) that Dr. Kohn is owed $10,664 for thirty days of notice time from October 7, 2004 to November 5, 2004 and $917 for rent reimbursement and $442 for meal and auto expense, and (d) that Dr. Kohn is entitled to recoup legal fees.

Schedule 3(k) - Intellectual Property Rights

Threatened Trademark Infringement Litigation – In March 2003, the Company received a certified letter from the law firm of McLeod, Moyne & Reilly, P.C., dated March 18, 2003, which stated that they represented NeoGen Corporation, a Lansing, Michigan manufacturer of products dedicated to food and animal safety, on intellectual property matters. This letter claimed that the Company's use of the name NeoGenomics, Inc. infringed upon their client's rights in its trademark name, "Neogen" and demanded that the Company cease using the name, "NeoGenomics". The Company believed that it had strong defenses to the claims in the letter and, thus, the Company did not comply with the demands of this letter.

In February 2008, the Company received a letter from the law firm of Frasier, Trebilcock, Davis & Dunlap, P.C., dated February 18, 2008, which stated that they represented NeoGen Corporation. Similar to the 2003 letter, this letter claimed that the Company's use of the name NeoGenomics, Inc infringed upon their client's rights in its trademark name, "Neogen" and demanded that the Company cease using the trademark, "NeoGenomics". The Company concluded that similar to the 2003 letter, the claims were without merit. The Company was awarded a registered trademark for the name "NeoGenomics" in 2007 and NeoGen Corporation undertook no actions to oppose such award. As of the date hereof, the Company has not heard anything further on this matter from NeoGen Corporation.

Schedule 3(m) - Title

See that certain Revolving Credit and Security Agreement dated February 1, 2008, among the Company, NeoGenomics, Inc., a Florida corporation, and CapitalSource Finance LLC ("Capital Source") pursuant to which the Company granted Capital Source a security interest in certain collateral described therein.

Schedule 3(q) - Transactions with Affiliates

On September 30, 2008, the Company entered into a sale/leaseback agreement with Gulf Pointe Capital, LLC ("Gulf Pointe") to sell certain previously purchased laboratory and information technology equipment to Gulf Pointe as part of a sale/leaseback transaction. The lease portion of this agreement was structured as an operating lease with a 30 month term. Monthly lease payments are $5,154.88/month and the FMV end-of-lease purchase option is capital at 15% of the original sale price to Gulf Pointe. In conjunction with this transaction, the Company also issued a warrant to Gulf Ponite to purchase 32,475 shares at a strike price of $1.08/share. Gulf Pointe Capital is a wholly-owned subsidiary of the Aspen Opportunity Fund, LP. Steven Jones, a Director and the Company's acting CFO, and Peter Peterson, a Director, are two of three managing members of the general partner of Aspen Opportunity Fund. Mr. Jones and Mr. Peterson recused themselves from both sides of this transaction and were not involved in any negotiations with respect to this transaction.

On March 11, 2005, the Company entered into an agreement with HCSS, LLC and eTelenext, Inc. to enable NeoGenomics to use eTelenext, Inc's Accessioning Application, AP Anywhere Application and CMQ Application. HCSS, LLC is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS, LLC is owned 66.7% by Dr. Michael T. Dent, the Company's Chairman. Under the terms of the agreement, the Company paid $22,500 over three months to customize this software and will pay an annual membership fee of $6,000 per year and monthly transaction fees of between $2.50 - - $10.00 per completed test, depending on the volume of tests performed.

Steven C. Jones, a director of the Company, performs paid consulting work for the Company in connection with his duties as the Company's Acting Principal Financial Officer.

George O'Leary, a director of the Company, performs paid consulting work for the Company from time to time.

EXHIBIT A

FORM OF COMPANY COUNSEL OPINION

Capitalized terms used herein but not defined herein, have the meaning set forth in the Common Stock Purchase Agreement. Based on the foregoing, and subject to the assumptions and qualifications set forth herein, we are of the opinion that:

1. The Company is a corporation existing and in good standing under the laws of the State of Nevada. The Company is qualified to do business as a foreign corporation and is in good standing in the State of Florida.

2. The Company has the corporate power to execute and deliver, and perform its obligations under, each Transaction Document to which it is a party. The Company has the corporate power to conduct its business as, to the best of our knowledge, it is now conducted, and to own and use the properties owned and used by it.

3. The execution, delivery and performance by the Company of the Transaction Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Company. The execution and delivery of the Transaction Documents by the Company, the performance of the obligations of the Company thereunder and the consummation by it of the transactions contemplated therein have been duly authorized and approved by the Company's Board of Directors and no further consent, approval or authorization of the Company, its Board of Directors or its stockholders is required. The Transaction Documents to which the Company is a party have been duly executed and delivered by the Company and are the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, liquidation or similar laws relating to, or affecting creditor's rights and remedies.

4. The execution, delivery and performance by the Company of the Transaction Documents, the consummation by the Company of the transactions contemplated thereby including the offering, sale and issuance of the Commitment Shares, and the Purchase Shares in accordance with the terms and conditions of the Common Stock Purchase Agreement, and fulfillment and compliance with terms of the Transaction Documents, does not and shall not: (i) conflict with, constitute a breach of or default (or an event which, with the giving of notice or lapse of time or both, constitutes or could constitute a breach or a default), under (a) the Articles of Incorporation or the Bylaws of the Company, (b) any material agreement, note, lease, mortgage, deed or other material instrument to which to our knowledge the Company is a party or by which the Company or any of its assets are bound, (ii) result in any violation of any statute, law, rule or regulation applicable to the Company, or (iii) to our knowledge, violate any order, writ, injunction or decree applicable to the Company or any of its subsidiaries.

5. The issuance of the Signing Shares pursuant to the terms of the that certain Confidential Term Sheet dated as of October 10, 2007 between the Company and the Buyer and the issuance of the Purchase Shares and Commitment Shares pursuant to the terms and conditions of the Transaction Documents has been duly authorized and the Signing Shares and Commitment Shares are validly issued, fully paid and non-assessable, to our knowledge, free of all taxes, liens, charges, restrictions, rights of first refusal and preemptive rights. [_____] shares of Common Stock have been properly reserved for issuance under the Common Stock Purchase Agreement. When issued and paid for in accordance with the Common Stock Purchase Agreement, the Purchase Shares shall be validly issued, fully paid and non-assessable, to our knowledge, free of all taxes, liens, charges, restrictions, rights of first refusal and preemptive rights. To our knowledge, the execution and delivery of the Registration Rights Agreement do not, and the performance by the Company of its obligations thereunder shall not, give rise to any rights of any other person for the registration under the 1933 Act of any shares of Common Stock or other securities of the Company which have not been waived.

6. As of the date hereof, the authorized capital stock of the Company consists of 100,000,000 shares of common stock, par value $0.001 per share, of which to our knowledge [_____] shares are issued and outstanding and 10,000,000 shares of Preferred Stock, $0.001 par value, of which as of the date hereof [no] shares are issued and outstanding. Except as set forth on Schedule 3(c) of the Common Stock Purchase Agreement, to our knowledge, there are no outstanding shares of capital stock or other securities convertible into or exchangeable or exercisable for shares of the capital stock of the Company.

7. Assuming the accuracy of the representations and your compliance with the covenants made by you in the Transaction Documents, the offering, sale and issuance of the Commitment Shares to you pursuant to the Transaction Documents is exempt from registration under the 1933 Act and the securities laws and regulations of the States of Illinois, Florida and Nevada.

8. Other than that which has been obtained and completed prior to the date hereof, no authorization, approval, consent, filing or other order of any federal or state governmental body, regulatory agency, or stock exchange or market, or any court, or, to our knowledge, any third party is required to be obtained by the Company to enter into and perform its obligations under the Transaction Documents or for the Company to issue and sell the Purchase Shares as contemplated by the Transaction Documents.

9. To our knowledge, since October 1, 2007, the Company has not received any written notice from the Principal Market stating that the Company has not been in compliance with any of the rules and regulations (including the requirements for continued listing) of the Principal Market.

We further advise you that to our knowledge, except as disclosed on Schedule 3(h) in the Common Stock Purchase Agreement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body, any governmental agency, any stock exchange or market, or self-regulatory organization, which has been threatened in writing or which is currently pending against the Company, any of its subsidiaries, any officers or directors of the Company or any of its subsidiaries or any of the properties of the Company or any of its subsidiaries.

In addition, we have participated in the preparation of the Registration Statement (SEC File #_____) covering the sale of the Purchase Shares, the Commitment Shares including the prospectus dated _____, contained therein and in conferences with officers and other representatives of the Company (including the Company's independent auditors) during which the contents of the Registration Statement and related matters were discussed and reviewed and, although we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, on the basis of the information that was developed in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law, nothing came to our attention that caused us to believe that the Registration Statement (other than the financial statements and schedules and the other financial and statistical data included therein, as to which we express no belief), as of their dates, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

EXHIBIT B

FORM OF OFFICER'S CERTIFICATE

This Officer's Certificate ("**Certificate**") is being delivered pursuant to Section 7(e) of that certain Common Stock Purchase Agreement dated as of _____, ("**Common Stock Purchase Agreement**"), by and between **NEOGENOMICS, INC.**, a Nevada corporation (the "**Company**"), and **FUSION CAPITAL FUND II, LLC** (the "**Buyer**"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Common Stock Purchase Agreement.

The undersigned, _____, _____ of the Company, hereby certifies as follows:

1. I am the _____ of the Company and make the statements contained in this Certificate;

2. The representations and warranties of the Company are true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 of the Common Stock Purchase Agreement, in which case, such representations and warranties are true and correct without further qualification) as of the date when made and as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date);

3. The Company has performed, satisfied and complied in all material respects with covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Commencement Date.

4. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any Bankruptcy Law nor does the Company or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings. The Company is financially solvent and is generally able to pay its debts as they become due.

IN WITNESS WHEREOF, I have hereunder signed my name on this ___ day of _____.

_____
Name:
Title:

The undersigned as Secretary of _____, a _____ corporation, hereby certifies that _____ is the duly elected, appointed, qualified and acting _____ of _____ and that the signature appearing above is his genuine signature.

_____
Secretary

EXHIBIT C-1

FORM OF COMPANY RESOLUTIONS
FOR SIGNING PURCHASE AGREEMENT

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
NEOGENOMICS, INC.

WHEREAS, there has been presented to the Board of Directors of the Corporation a draft of the Common Stock Purchase Agreement (the "Purchase Agreement") by and between the Corporation and Fusion Capital Fund II, LLC ("Fusion"), providing for the purchase by Fusion of up to Eight Million Dollars ($8,000,000) of the Corporation's common stock, par value $0.001 (the "Common Stock"); and

WHEREAS, after careful consideration of the Purchase Agreement, the documents incident thereto and other factors deemed relevant by the Board of Directors, the Board of Directors has determined that it is advisable and in the best interests of the Corporation to engage in the transactions contemplated by the Purchase Agreement, including, but not limited to, the issuance of 400,000 shares of Common Stock to Fusion as a commitment fee (the "Commitment Shares") and the sale of shares of Common Stock to Fusion up to the available amount under the Purchase Agreement (the "Purchase Shares").

Transaction Documents

NOW, THEREFORE, BE IT RESOLVED, that the transactions described in the Purchase Agreement are hereby approved and Robert P. Gasparini and Steven C. Jones (the "Authorized Officers") are severally authorized to execute and deliver the Purchase Agreement, and any other agreements or documents contemplated thereby including, without limitation, a registration rights agreement (the "Registration Rights Agreement") providing for the registration of the shares of the Company's Common Stock issuable in respect of the Purchase Agreement on behalf of the Corporation, with such amendments, changes, additions and deletions as the Authorized Officers may deem to be appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

FURTHER RESOLVED, that the terms and provisions of the Registration Rights Agreement by and among the Corporation and Fusion are hereby approved and the Authorized Officers are authorized to execute and deliver the Registration Rights Agreement (pursuant to the terms of the Purchase Agreement), with such amendments, changes, additions and deletions as the Authorized Officer may deem appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

FURTHER RESOLVED, that the terms and provisions of the Form of Transfer Agent Instructions (the "Instructions") are hereby approved and the Authorized Officers are authorized to execute and deliver the Instructions (pursuant to the terms of the Purchase Agreement), with such amendments, changes, additions and deletions as the Authorized Officers may deem appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

Execution of Purchase Agreement

FURTHER RESOLVED, that the Corporation be and it hereby is authorized to execute and deliver the Purchase Agreement providing for the purchase of common stock of the Corporation having an aggregate value of up to $8,000,000; and

Issuance of Common Stock

FURTHER RESOLVED, that the Corporation was authorized to issue 17,500 shares of Common Stock to Fusion pursuant to the Confidential Term Sheet between the Company and Fusion dated as of October 10, 2008 ("Signing Shares") and that upon issuance of the Signing Shares, the Signing Shares have been duly authorized, validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof; and

FURTHER RESOLVED, that the Corporation is hereby authorized to issue 400,000 shares of Common Stock to Fusion as Commitment Shares and that upon issuance of the Commitment Shares pursuant to the Purchase Agreement, the Commitment Shares shall be duly authorized, validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof; and

FURTHER RESOLVED, that the Corporation is hereby authorized to issue shares of Common Stock upon the purchase of Purchase Shares up to the available amount under the Purchase Agreement in accordance with the terms of the Purchase Agreement and that, upon issuance of the Purchase Shares pursuant to the Purchase Agreement, the Purchase Shares will be duly authorized, validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof; and

FURTHER RESOLVED, that the Corporation shall initially reserve 3,000,000 shares of Common Stock for issuance as Purchase Shares under the Purchase Agreement.

Approval of Actions

FURTHER RESOLVED, that, without limiting the foregoing, the Authorized Officers are, and each of them hereby is, authorized and directed to proceed on behalf of the Corporation and to take all such steps as deemed necessary or appropriate, with the advice and assistance of counsel, to cause the Corporation to consummate the agreements referred to herein and to perform its obligations under such agreements; and

FURTHER RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed on behalf of and in the name of the Corporation, to take or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further agreements, amendments, documents, certificates, reports, schedules, applications, notices, letters and undertakings and to incur and pay all such fees and expenses as in their judgment shall be necessary, proper or desirable to carry into effect the purpose and intent of any and all of the foregoing resolutions, and that all actions heretofore taken by any officer or director of the Corporation in connection with the transactions contemplated by the agreements described herein are hereby approved, ratified and confirmed in all respects.

EXHIBIT C-2

FORM OF COMPANY RESOLUTIONS APPROVING REGISTRATION STATEMENT

RESOLUTIONS OF THE BOARD OF DIRECTORS OF NEOGENOMICS, INC.

WHEREAS, there has been presented to the Board of Directors of the Corporation a Common Stock Purchase Agreement (the "Purchase Agreement") by and among the Corporation and Fusion Capital Fund II, LLC ("Fusion"), providing for the purchase by Fusion of up to Eight Million Dollars ($8,000,000) of the Corporation's common stock, par value $0.001 (the "Common Stock"); and

WHEREAS, after careful consideration of the Purchase Agreement, the documents incident thereto and other factors deemed relevant by the Board of Directors, the Board of Directors has approved the Purchase Agreement and the transactions contemplated thereby and the Company has executed and delivered the Purchase Agreement to Fusion; and

WHEREAS, in connection with the transactions contemplated pursuant to the Purchase Agreement, the Company has agreed to file a registration statement with the Securities and Exchange Commission (the "Commission") registering the Commitment Shares (as defined in the Purchase Agreement), the Signing Shares (as defined in the Purchase Agreement) and the Purchase Shares (as herein defined in the Purchase Agreement) and to list the Commitment Shares and Purchase Shares as may be required;

WHEREAS, the management of the Corporation has prepared an initial draft of a Registration Statement on Form ___ (the "Registration Statement") in order to register the sale of the Purchase Shares, Signing Shares and the Commitment Shares (collectively, the "Shares"); and

WHEREAS, the Board of Directors has determined to approve the Registration Statement and to authorize the appropriate officers of the Corporation to take all such actions as they may deem appropriate to effect the offering.

NOW, THEREFORE, BE IT RESOLVED, that the officers and directors of the Corporation be, and each of them hereby is, authorized and directed, with the assistance of counsel and accountants for the Corporation, to prepare, execute and file with the Commission the Registration Statement, which Registration Statement shall be filed substantially in the form presented to the Board of Directors, with such changes therein as the Chief Executive Officer of the Corporation or any Vice President of the Corporation shall deem desirable and in the best interest of the Corporation and its shareholders (such officer's execution thereof including such changes shall be deemed to evidence conclusively such determination); and

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, with the assistance of counsel and accountants for the Corporation, to prepare, execute and file with the Commission all amendments, including post-effective amendments, and supplements to the Registration Statement, and all certificates, exhibits, schedules, documents and other instruments relating to the Registration Statement, as such officers shall deem necessary or appropriate (such officer's execution and filing thereof shall be deemed to evidence conclusively such determination); and

FURTHER RESOLVED, that the execution of the Registration Statement and of any amendments and supplements thereto by the officers and directors of the Corporation be, and the same hereby is, specifically authorized either personally or by the authorized officers as such officer's or director's true and lawful attorneys-in-fact and agents; and

FURTHER RESOLVED, that the authorized officers are hereby designated as "Agent for Service" of the Corporation in connection with the Registration Statement and the filing thereof with the Commission, and the authorized officers hereby are authorized to receive communications and notices from the Commission with respect to the Registration Statement; and

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed to pay all fees, costs and expenses that may be incurred by the Corporation in connection with the Registration Statement; and

FURTHER RESOLVED, that it is desirable and in the best interest of the Corporation that the Shares be qualified or registered for sale in various states; that the officers of the Corporation be, and each of them hereby is, authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the Shares as they may deem advisable; that said officers be, and each of them hereby is, authorized to perform on behalf of the Corporation any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents, appointments of attorneys for service of process and resolutions; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Corporation and the approval and ratification by the Corporation of the papers and documents so executed and the actions so taken; and

FURTHER RESOLVED, that if, in any state where the securities to be registered or qualified for sale to the public, or where the Corporation is to be registered in connection with the public offering of the Shares, a prescribed form of resolution or resolutions is required to be adopted by the Board of Directors, each such resolution shall be deemed to have been and hereby is adopted, and the Secretary is hereby authorized to certify the adoption of all such resolutions as though such resolutions were now presented to and adopted by the Board of Directors; and

FURTHER RESOLVED, that the officers of the Corporation with the assistance of counsel be, and each of them hereby is, authorized and directed to take all necessary steps and do all other things necessary and appropriate to effect the listing of the Shares on the OTC Bulletin Board, if any.

Approval of Actions

FURTHER RESOLVED, that, without limiting the foregoing, the authorized officers are, and each of them hereby is, authorized and directed to proceed on behalf of the Corporation and to take all such steps as are deemed necessary or appropriate, with the advice and assistance of counsel, to cause the Corporation to take all such action referred to herein and to perform its obligations incident to the registration, listing and sale of the Shares; and

FURTHER RESOLVED, that the authorized officers be, and each of them hereby is, authorized, empowered and directed on behalf of and in the name of the Corporation, to take or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further agreements, amendments, documents, certificates, reports, schedules, applications, notices, letters and undertakings and to incur and pay all such fees and expenses as in their judgment shall be necessary, proper or desirable to carry into effect the purpose and intent of any and all of the foregoing resolutions, and that all actions heretofore taken by any officer or director of the Corporation in connection with the transactions contemplated by the agreements described herein are hereby approved, ratified and confirmed in all respects.

EXHIBIT D

FORM OF SECRETARY'S CERTIFICATE

This Secretary's Certificate ("Certificate") is being delivered pursuant to Section 7(k) of that certain Common Stock Purchase Agreement dated as of November 5, 2008, ("Common Stock Purchase Agreement"), by and between **NEOGENOMICS, INC.**, a Nevada corporation (the "Company") and **FUSION CAPITAL FUND II, LLC** (the "Buyer"), pursuant to which the Company may sell to the Buyer up to Eight Million Dollars ($8,000,000) of the Company's Common Stock, par value $0.001 per share (the "Common Stock"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Common Stock Purchase Agreement.

The undersigned, Jerome Dvonch, Secretary of the Company, hereby certifies as follows:

1. I am the Secretary of the Company and make the statements contained in this Secretary's Certificate.

2. Attached hereto as Exhibit A and Exhibit B are true, correct and complete copies of the Company's bylaws ("Bylaws") and Articles of Incorporation ("Articles"), in each case, as amended through the date hereof, and no action has been taken by the Company, its directors, officers or shareholders, in contemplation of the filing of any further amendment relating to or affecting the Bylaws or Articles.

3. Attached hereto as Exhibit C are true, correct and complete copies of the resolutions duly adopted by the Board of Directors of the Company on November 5, 2008, at which a quorum was present and acting throughout. Such resolutions have not been amended, modified or rescinded and remain in full force and effect and such resolutions are the only resolutions adopted by the Company's Board of Directors, or any committee thereof, or the shareholders of the Company relating to or affecting (i) the entering into and performance of the Common Stock Purchase Agreement, or the issuance, offering and sale of the Purchase Shares and the Commitment Shares and (ii) and the performance of the Company of its obligation under the Transaction Documents as contemplated therein.

4. As of the date hereof, the authorized, issued and reserved capital stock of the Company is as set forth on Exhibit D hereto.

IN WITNESS WHEREOF, I have hereunder signed my name on this 5th day of November.

/s/ Jerome Dvonch
Secretary

The undersigned as Secretary of Neogenomics, Inc., a public corporation, hereby certifies that he is the duly elected, appointed, qualified and acting Secretary of Neogenomics, Inc., and that the signature appearing above is his genuine signature.

EXHIBIT E

FORM OF LETTER TO THE TRANSFER AGENT FOR THE ISSUANCE OF THE COMMITMENTS SHARES AT SIGNING OF THE PURCHASE AGREEMENT

[COMPANY LETTERHEAD]

[DATE]

[TRANSFER AGENT]
_____
_____
_____

Re: Issuance of Common Shares to Fusion Capital Fund II, LLC

Dear _____,

On behalf of **NEOGENOMICS, INC.**, (the "Company"), you are hereby instructed to issue **as soon as possible** 400,000 shares of our common stock in the name of **Fusion Capital Fund II, LLC**. The share certificate should be dated [DATE OF THE COMMON STOCK PURCHASE AGREEMENT]. I have included a true and correct copy of the resolutions of the Board of Directors of the Company approving the issuance of these shares. The shares should be issued subject to the following restrictive legend:

> **THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, UNLESS SOLD PURSUANT TO: (1) RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (2) AN OPINION OF HOLDER'S COUNSEL, IN A CUSTOMARY FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.**

The share certificate should be sent **as soon as possible via overnight mail** to the following address:

Fusion Capital Fund II, LLC
222 Merchandise Mart Plaza, Suite 9-112
Chicago, IL 60654
Attention: Steven Martin

Thank you very much for your help. Please call me at _____ if you have any questions or need anything further.

NEOGENOMICS, INC.

BY: _____

[name]
[title]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made this 16th day of March, 2009 by and between NeoGenomics, Inc. a Nevada corporation ("NeoGenomics" or the "Employer" and collectively with any entity that is wholly or partially owned by NeoGenomics, the "Company"), located at 12701 Commonwealth Drive, Suite #5, Fort Myers, Florida 33913 and Douglas M. VanOort ("Executive"), an individual who resides at 3275 Regatta Road, Naples, FL 34103.

RECITALS:

WHEREAS, the Company is engaged in the business of providing genetic and molecular diagnostic testing services to doctors, hospitals and other healthcare institutions; and

WHEREAS, the Executive was appointed to the Board of Directors of NeoGenomics (the "Board") and elected as the Chairman of the Board as of the date of this Agreement; and

WHEREAS, NeoGenomics desires to employ Executive as an officer in the capacity of Executive Chairman and Interim Chief Executive Officer, and Executive desires to be employed by NeoGenomics in such capacity, in accordance with the terms, covenants, and conditions as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Employer and Executive agree as follows:

1. **Employment Period**. Subject to the terms and conditions set forth herein and unless sooner terminated as hereinafter provided, NeoGenomics shall employ Executive as an officer, and Executive agrees to serve as an officer and accepts such employment for a four-year period, beginning on March 16, 2009 (the "Effective Date") and ending on the 4th anniversary of the Effective Date (the "Initial Employment Term"). After the Initial Employment Term, this Agreement shall automatically renew for consecutive one year periods (" renewal term"), unless a written notice of a party's intention to terminate this Agreement at the expiration of the Initial Employment Term (or any renewal term) is delivered by either party at least three (3) months prior to the expiration of the Initial Employment Term or any renewal term, as applicable. For purposes of this Agreement, the period from the Effective Date until the termination of the Executive's employment shall hereinafter be referred to as the "Term". Executive's employment pursuant to this Agreement shall be "at will" as such term is construed under Florida law.

2. **Title and Duties.** During the Term, NeoGenomics shall employ Executive in the capacity of Executive Chairman. In addition, during the period from the Effective Date until the time that NeoGenomics hires a full-time Chief Executive Officer ("CEO"), NeoGenomics shall additionally employ Executive in the capacity of Interim CEO (such period hereinafter referred to as the "CEO Period"). Executive accepts employment in these capacities. Executive will report to and be subject to the general supervision and direction of the Board. If requested, Executive will serve in similar capacities for each or any subsidiary of NeoGenomics without additional compensation. Executive shall perform such duties as are customarily performed by someone holding the title of Executive Chairman and/or Interim CEO in the same or similar businesses or enterprises as that engaged in by the Company and such other duties as the Board may assign from time to time.

3. **Compensation and Benefits of Executive.** The Company shall compensate Executive for Executive's services rendered under this Agreement as follows:

Executive Initials

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a. **Base Salary**. Unless otherwise adjusted by the Compensation Committee of the Board (the "Compensation Committee"), the Company shall pay Executive a Core Base Salary and an Incremental CEO Base Salary (as such terms are defined below, and collectively referred to as the "Base Salary"), payable in equal installments at such times as is consistent with normal Company payroll policy, according to the following amounts:

1.) A base salary equating to two hundred twenty five thousand dollars ($225,000) per annum (the "Core Base Salary") until the end of the Term or until such time that the Executive desires to reduce his work time commitment to the Company to less than 2.5 days per week, in which case the Board and Executive will work in good faith to determine a new Core Base Salary that is appropriate.

2.) During the CEO Period and so long as Executive is able to spend at least one (1) additional day per week on average on the Company's affairs (for a total of 3.5 days/week on average), the Company agrees to pay an additional amount in base salary (the "Incremental CEO Base Salary") equal to $50,000 per annum. In the event that the Executive is unable to dedicate a least 3.5 days/week on average on the affairs of the Company, the Board and the Executive agree to work in good faith to determine a new Incremental CEO Base Salary that is appropriate.

b. **Bonus**. Executive will be eligible for an annual cash bonus based on performance. The amount of such bonus shall be based on the available resources of the Company and shall be at the discretion of the Compensation Committee; provided, however, if the Company's actual performance in any given fiscal year meets or exceeds the below listed annual performance goals for such fiscal year, the Executive shall be entitled to the cash bonuses outlined below for such fiscal year. The Company agrees that such cash bonus, if any, will be paid no later than ninety (90) days after the end of the fiscal year to which it applied.

1.) For any given fiscal year during the Term, if the Company's actual consolidated revenue for such fiscal year, after excluding the effects of any Revenue Exclusions (as defined in Section 3e(1) below), exceeds the annual revenue goals approved by the Board for such fiscal year based on the Board-approved Company budget for such year, Executive shall be entitled to a cash bonus of at least fifteen percent (15%) of his Base Salary as such Base Salary was in effect as of the end of such fiscal year; and

2.) For any given fiscal year during the Term, if the Company's actual Adjusted EBITDA (as defined below) after excluding the effects of any Adjusted EBITDA Exclusions (as defined in Section 3e(2) below), exceeds the annual goals for Adjusted EBITDA approved by the Board for such fiscal year based on the Board-approved Company budget for such year, Executive shall be entitled to a cash bonus of at least fifteen percent (15%) of his Base Salary as such Base Salary was in effect as of the end of such fiscal year. For the purposes of this Agreement, "Adjusted EBITDA" is defined as consolidated GAAP earnings before interest, taxes, depreciation, amortization, and non-cash stock based compensation expenses. In addition, any extraordinary or non-recurring actual expenses incurred by the Company that were not included in the budget for the applicable fiscal year that in the reasonable judgment of the Compensation Committee could not have been foreseen by the Company's management during the process to set the budget for such year may, at the Board's discretion, also be added back to the total when calculating actual Adjusted EBITDA for such fiscal year.

Executive Initials

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c. **Benefits**. Subject to the eligibility requirements (including, but not limited to, participation by part-time employees), and enrollment provisions of the Company's employee benefit plans, Executive may, to the extent he so chooses, participate in any and all of the Company's employee benefit plans, at the Company's expense. All Company benefits are identified in the Employee Handbook and are subject to change without notice or explanation. In addition, subject to the eligibility requirements (including, but not limited to, participation by a part-time employee) and enrollment provisions of the Company's executive benefit programs, Executive shall also be entitled to participate in any and all other benefits programs established for officers of the Company.

d. **Stock Options**. On the Effective Date, Executive will be granted an option to purchase 1,000,000 shares of the Company's common stock (the "Options") on the terms and conditions listed below. Such Options will have a strike price equal to the fair market value of the common stock as of the Effective Date, which pursuant to NeoGenomics' Amended and Restated Equity Incentive Plan (the "Plan"), shall be equal to the closing price per share of NeoGenomics' common stock on the last trading day immediately preceding the Effective Date. The vesting provisions of such Options shall be as outlined below. These Options shall be treated as incentive stock options (ISOs) to the maximum extent permitted under applicable law, and the remainder of the Options, if any, shall be treated as non-qualified stock options. The grant of these Options will be made pursuant to the Company's Plan and will be evidenced by a separate "Option Agreement" to be executed by the Company and Executive, which will contain all the terms and conditions of the Options (including, but not limited to, the provisions set forth in this Section 3(d)). So long as Executive remains employed by the Company, such Options will have a seven-year term before expiration.

1.) **Time-based Options** - 500,000 of such options will be time-based options and will vest according to the following schedule:

200,000 will vest on the first anniversary of the Effective Date; provided, however, that if the Executive's employment hereunder is terminated by the Employer without "cause" (as such term is defined in the Option Agreement) at any time prior to the first anniversary of the Effective Date, then the pro rata portion of these 200,000 Options up until the date of termination, shall be deemed vested; and

12,500 will vest each month beginning on the 13th monthly anniversary of the Effective Date and continuing on each monthly anniversary thereafter until the second anniversary of the Effective Date; and

8,000 will vest each month beginning on the 25th monthly anniversary of the Effective Date and continuing on each monthly anniversary thereafter until the third anniversary of the Effective Date; and

4,500 will vest each month beginning on the 37th monthly anniversary of the Effective Date and continuing on each monthly anniversary thereafter until the fourth anniversary of the Effective Date.

2.) **Performance-based Options** - 500,000 of such options will be performance-based options and will vest according to the following schedule. Executive understands and acknowledges that if the performance metrics for any given year are not met, then such options shall be forfeited and the Board is under no obligation to replenish such options.

Executive Initials

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100,000 will vest if the Company's actual consolidated revenue for FY 2009, after excluding the effects of any Revenue Exclusions for such fiscal year, meets or exceeds the consolidated revenue goal established by the Board for the vesting of performance options, which goal will be based on the Company's Board approved budget for such fiscal year; and

100,000 will vest if the Company's actual Adjusted EBITDA for FY 2009, after excluding the effects of any Adjusted EBITDA Exclusions for such fiscal year, meets or exceeds the Adjusted EBITDA goal established by the Board for the vesting of performance options, which will be based on the Company's Board-approved budget for such fiscal year; and

75,000 will vest if the Company's actual consolidated revenue for FY 2010, after excluding the effects of any Revenue Exclusions for such fiscal year, meets or exceeds the consolidated revenue goal established by the Board for the vesting of performance options, which goal will be based on the Company's Board approved budget for such fiscal year; and

75,000 will vest if the Company's actual Adjusted EBITDA for FY 2010, after excluding the effects of any Adjusted EBITDA Exclusions for such fiscal year, meets or exceeds the Adjusted EBITDA goal established by the Board for the vesting of performance options, which will be based on the Company's Board-approved budget for such fiscal year; and

50,000 will vest if the Company's actual consolidated revenue for FY 2011, after excluding the effects of any Revenue Exclusions for such fiscal year, meets or exceeds the consolidated revenue goal established by the Board for the vesting of performance options, which goal will be based on the Company's Board approved budget for such fiscal year; and

50,000 will vest if the Company's actual Adjusted EBITDA for FY 2011, after excluding the effects of any Adjusted EBITDA Exclusions for such fiscal year, meets or exceeds the Adjusted EBITDA goal established by the Board for the vesting of performance options, which will be based on the Company's Board-approved budget for such fiscal year; and

25,000 will vest if the Company's actual consolidated revenue for FY 2012, after excluding the effects of any Revenue Exclusions for such fiscal year, meets or exceeds the consolidated revenue goal established by the Board for the vesting of performance options, which goal will be based on the Company's Board approved budget for such fiscal year; and

25,000 will vest if the Company's actual Adjusted EBITDA for FY 2012, after excluding the effects of any Adjusted EBITDA Exclusions for such fiscal year, meets or exceeds the Adjusted EBITDA goal established by the Board for the vesting of performance options, which will be based on the Company's Board-approved budget for such fiscal year.

Executive understands that, pursuant to the Plan, upon termination of his employment, he will only have ninety (90) days to exercise any vested portion of the Options. All Options awarded pursuant to this Section 3(d) will contain a provision in the Option Agreement that allows for immediate vesting of any unvested portion of the Options in the event of a change of control of NeoGenomics.

Executive Initials

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e. **Revenue and Adjusted EBITDA Exclusions Defined**. For the purposes of Section 3b and 3d above, to the extent the Company acquires any companies or businesses during any given fiscal year and the financial impact of such acquisition was not previously factored into the annual operating budget approved by the Board, the following revenue and Adjusted EBITDA adjustments shall be made to the Company's fiscal results in measuring whether or not the Company has met or exceeded the specific performance targets outlined in Sections 3b or 3d hereof.

1.) "Revenue Exclusions" shall be defined as the prorated annualized quarterly GAAP revenue of any company or business acquired by the Company for the most recent full fiscal quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly revenue shall be prorated by multiplying the total annualized quarterly revenue described above by a fraction, the numerator of which is the number of days that the financial results of the acquired business or company are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365.

2.) "Adjusted EBITDA Exclusions" shall be defined as the prorated annualized quarterly Adjusted EBITDA of any company or business acquired by the Company for the most recent full fiscal quarter prior to the date such company or business is acquired by the Company. Such annualized quarterly Adjusted EBITDA shall be prorated by multiplying the total annualized quarterly Adjusted EBITDA described above by a fraction, the numerator of which is the number of days that the financial results of the acquired business or company are included in the Company's financial results during the fiscal year in question, and the denominator of which is 365. The Board, at its discretion, may add back any non-recurring or one time charges that may have been included in the most recent full fiscal quarter of the company or business being acquired when determining the appropriate Adjusted EBITDA for such business or company.

f. **Paid Time-Off and Holidays.** Executive's paid time-off ("PTO") and holidays shall be consistent with the standards set forth in the Company's Employee Handbook, as revised from time to time or as otherwise published by the Company. Notwithstanding the previous sentence, Executive will be eligible for one hundred twenty (120) hours of PTO/year, which will accrue on a pro-rata basis throughout the year, provided, however, that it is the Company's policy that no more than forty (40) hours of PTO can be accrued beyond this annual limit for any employee at any time. Thus, when accrued PTO reaches one hundred sixty (160) hours, Executive will cease accruing PTO until accrued PTO is one hundred twenty (120) hours or less, at which point Executive will again accrue PTO until he reaches one hundred sixty (160) hours. In addition to PTO, there are also six (6) paid national holidays and one (1) "floater" day available to Company employees. Executive agrees to schedule such PTO so that it minimally interferes with the Company's operations. Such PTO does not include Board excused absences.

g. **Reimbursement of Normal Business Expenses**. The Company will reimburse all reasonable business expenses of Executive, including, but not limited to, cell phone expenses and business related travel, meals and entertainment expenses in accordance with the Company's polices for such reimbursement.

4. Best Efforts of the Executive and Minimum Time Commitments of Employment. Executive agrees to perform all of the duties pursuant to the express and implicit terms of this Agreement to the reasonable satisfaction of the Employer. Executive further agrees to perform such duties faithfully and to the best of his ability, talent, and experience and, unless otherwise agreed to with the Company in writing, to render such duties at least in the minimum amounts of time specified below:

Executive Initials

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a. So long as the Executive and the Board have not agreed to adjust downward the Executive's Core Base Salary specified in Section 3(a), Executive agrees that during the Term, except for those weeks where he is on PTO, he will spend at least two and one-half (2.5) days/week on average on the Company's business (such period as may be adjusted, the "Minimum Weekly Time Commitment"). Executive further agrees that he will use commercially reasonable efforts to ensure that except for those weeks where he is on PTO, he will work at least two (2) days on average either at the Company's primary place of business in Fort Myers, FL or at such other place or places as the interests, needs, business, or opportunities of the Employer shall require and/or such other place as may be mutually agreed upon in writing by the parties (such period as may be adjusted, the "On-Site/Business Travel Time Commitment").

b. Notwithstanding the forgoing, Executives agrees that during the CEO Period, the Minimum Weekly Time Commitment shall be increased to three and one-half (3.5) days and the On-Site/Business Travel Time Commitment shall be increased to three (3) days.

5. **Termination**. Either party may terminate Executive's employment with the Company at any time upon giving sixty (60) days advance written notice to the other party. Executive agrees that in order to help facilitate an orderly transition of authority, unless otherwise agreed to by the parties, during such sixty (60) day notice period no more than two weeks of unused PTO may be utilized. In the event of the death of Executive, the employment of Executive shall automatically terminate on the date of Executive's death. Within 30 days following the date Executive's employment terminates, the Company shall pay to Executive (or Executive's estate if applicable) (a) the Executive's accrued but unpaid Base Salary through the date of termination, (b) any bonus earned by, but not yet paid to, Executive from the prior fiscal year, (c) an amount equal to the reasonable business expenses incurred by Executive (in accordance with Company policy), but not yet reimbursed, prior to the termination date, and (d) other benefits due and owing to Executive through the termination date.

6. **Confidentiality, Non-Compete & Non-Solicitation Agreement.** Executive agrees to the terms of the Confidentiality, Non-Solicitation and Non-Compete Agreement attached hereto as Addendum A and has signed that Agreement. Such Confidentiality, Non-Solicitation and Non-Compete Agreement is hereby incorporated into and made a part of this Agreement.

7. **Importance of Certain Clauses.** Executive and Employer agree that the covenants contained in the Confidentiality, Non-Solicitation and Non-Compete Agreement attached hereto and incorporated into this Agreement are material terms of this Agreement and all parties understand the importance of such provisions to the ongoing business of the Employer. As such, because the Employer's continued business and viability depend on the protection of such secrets and non-competition, these clauses are interpreted by the parties to have the widest and most expansive applicability as may be allowed by law and Executive understands and acknowledges his or her understanding of same.

8. **Consideration.** Executive acknowledges and agrees that the provision of employment under this Agreement and the execution by the Employer of this Agreement constitute full, adequate and sufficient consideration to Executive for the Executive's duties, obligations and covenants under this Agreement and under the Confidentiality, Non-Solicitation and Non-Compete Agreement incorporated into this Agreement.

Executive Initials

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9. **Acknowledgement of Post Termination Obligations.** Upon the effective date of termination of Executive's employment (unless due to Executive's death), if requested by the Employer, Executive shall participate in an exit interview with the Employer and certify in writing that Executive has complied with his contractual obligations and intends to comply with his continuing obligations under this Agreement, including, but not limited to, the terms of the Confidentiality, Non-Solicitation and Non-Compete Agreement. To the extent it is known or applicable at the time of such exit interview, Executive shall also provide the Employer with information concerning Executive's subsequent employer and the capacity in which Executive will be employed. Executive's failure to comply shall be a material breach of this Agreement, for which the Employer, in addition to any other civil remedy, may seek equitable relief.

10. **Withholding**. All payments made to Executive shall be made net of any applicable withholding for income taxes and Executive's share of FICA, FUTA or other employment taxes. The Company shall withhold such amounts from such payments to the extent required by applicable law and remit such amounts to the applicable governmental authorities in accordance with applicable law.

11. **Representations of Executive.** Executive represents and warrants to NeoGenomics that (a) nothing in his past legal and/or work and/or personal experiences, which if became broadly known in the marketplace, would impair his ability to serve as the Chief Executive Officer of a publicly-traded company or materially damage his credibility with public shareholders; (b) there are no restrictions, agreements, or understandings whatsoever to which he is a party which would prevent or make unlawful his execution of this Agreement or employment hereunder, (c) Executive's execution of this Agreement and employment hereunder shall not constitute a breach of any contract, agreement or understanding, oral or written, to which he is a party or by which he is bound, (d) Executive is free and able to execute this Agreement and to continue employment with NeoGenomics, and (e) Executive has not used and will not use confidential information or trade secrets belonging to any prior employers to perform services for the Company.

12. **Effect of Partial Invalidity.** The invalidity of any portion of this Agreement shall not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall remain in full force and effect.

13. **Entire Agreement.** This Agreement, together with the other documents referenced herein, reflects the complete agreement between the parties regarding the subject matter identified herein and shall supersede all other previous agreements, either oral or written, between the parties. The parties stipulate that neither of them, nor any person acting on their behalf has made any representations except as are specifically set forth in this Agreement and each of the parties acknowledges that it or he has not relied upon any representation of any third party in executing this Agreement, but rather have relied exclusively on it or his own judgment in entering into this Agreement.

14. **Assignment.** Employer may assign its interest and rights under this Agreement at its sole discretion and without approval of Executive to a successor in interest by the Employer's merger, consolidation or other form of business combination with or into a third party where the Employer's stockholders before such event do not control a majority of the resulting business entity after such event. All rights and entitlements arising from this Agreement, including but not limited to those protective covenants and prohibitions set forth in the Confidentiality, Non-Solicitation and Non-Compete Agreement attached as Addendum A and incorporated into this Agreement shall inure to the benefit of any purchaser, assignor or transferee of this Agreement and shall continue to be enforceable to the extent allowable under applicable law. Neither this Agreement, nor the employment status conferred with its execution is assignable or subject to transfer in any manner by Executive.

15. **Notices.** All notices, requests, demands, and other communications shall be in writing and shall be given by registered or certified mail, postage prepaid, a) if to the Employer, at the Employer's then current headquarters location, and b) if to Executive, at the most recent address on file with the Company for Executive or to such subsequent addresses as either party shall so designate in writing to the other party.

Executive Initials

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16. **Remedies.** If any action at law, equity or in arbitration, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party may, if the court or arbitrator hearing the dispute, so determines, have its reasonable attorneys' fees and costs of enforcement recouped from the non-prevailing party.

17. **Amendment/Waiver.** No waiver, modification, amendment or change of any term of this Agreement shall be effective unless it is in a written agreement signed by both parties. No waiver by the Employer of any breach or threatened breach of this Agreement shall be construed as a waiver of any subsequent breach unless it so provides by its terms.

18. **Governing Law, Venue and Jurisdiction.** This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida without regard to any conflicts of laws, statutes, rules, regulations or ordinances. Executive consents to personal jurisdiction and venue in the Circuit Court in and for Lee County, Florida regarding any action arising under the terms of this Agreement and any and all other disputes between Executive and Employer.

19. **Arbitration.** Any and all controversies and disputes between Executive and Employer arising from this Agreement or regarding any other matter whatsoever shall be submitted to arbitration before a single unbiased arbitrator skilled in arbitrating such disputes under the American Arbitration Association, utilizing its Commercial Rules. Any arbitration action brought pursuant to this section shall be heard in Fort Myers, Lee County, Florida. The Circuit Court in and for Lee County, Florida shall have concurrent jurisdiction with any arbitration panel for the purpose of entering temporary and permanent injunctive relief, but only with respect to any alleged breach of the Confidentiality, Non-Solicitation and Non-Compete Agreement.

20. **Headings.** The titles to the sections of this Agreement are solely for the convenience of the parties and shall not affect in any way the meaning or interpretation of this Agreement.

21. **Miscellaneous Terms.** The parties to this Agreement declare and represent that:

a. They have read and understand this Agreement;

b. They have been given the opportunity to consult with an attorney if they so desire;

c. They intend to be legally bound by the promises set forth in this Agreement and enter into it freely, without duress or coercion;

d. They have retained signed copies of this Agreement for their records; and

e. The rights, responsibilities and duties of the parties hereto, and the covenants and agreements contained herein, shall continue to bind the parties and shall continue in full force and effect until each and every obligation of the parties under this Agreement has been performed.

22. **Counterparts.** This Agreement may be executed in counterparts and by facsimile, or by pdf, each of which shall be deemed an original for all intents and purposes.

Signatures appear on the following page.

Executive Initials

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

NEOGENOMICS, INC., a Nevada Corporation

By: /s/ Robert P. Gasparini
Name: Robert P. Gasparini

Title: President

EXECUTIVE:

/s/ Douglass M. VanOort
Douglas M. VanOort

Addendum A

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "**Agreement**") dated this 16th day of March, 2009 is entered into by and between Douglas M. VanOort ("**Employee**") and NeoGenomics, Inc., a Nevada corporation ("**Employer**" or the "**Parent Company**" and collectively with NeoGenomics, Inc., a Florida corporation (the "**Operating Company**") and any entity that is wholly or partially owned by the Parent Company or otherwise affiliated with the Parent Company, the "**Company**"). Hereinafter, each of the Employee or the Company maybe referred to as a "**Party**" and together be referred to as the "**Parties**".

RECITALS:

WHEREAS, the Parties have entered into that certain employment agreement, dated March 16, 2009, that creates an employment relationship between the Employer and Employee (the "**Employment Agreement**"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's Confidentiality, Non-Solicitation and Non-Compete Agreement; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company; and

WHEREAS, the Employee acknowledges that the terms of the Employment Agreement including, but not limited to the Company's commitments to the Employee with respect to base salary, fringe benefits and stock options are sufficient consideration to the Employee for the entry into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon the Effective Date (as defined in the Employment Agreement) and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties ("**Term**"), whether termination is by the Company with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee.

Executive Initials

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2. Definitions.

a. The term "**Confidential Information**" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, Customer lists and names and other information, Customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans thereof, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any affiliated entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company to Employee or developed by the Employee on behalf of the Company as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information. Nevertheless, Confidential Information shall not include any information of any kind which (1) is in the possession of the Employee prior to the date of this Agreement, as shown by the Employee's files and records, or (2) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any violation of this Agreement or inaction or action of the receiving party, or (3) is rightfully received from a third party without any obligation of confidentiality; or (4) independently developed after termination without reference to the Confidential Information or materials based thereon; or (5) is disclosed pursuant to the order or requirement of a court, administrative agency, or other government body; or (6) is approved for release by the non-disclosing party.

b. The term "**Customer**" shall mean any person or entity which has purchased or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year immediately preceding the termination of the Employee's employment with the Company.

c. The term "**Prospective Customer**" shall mean any person or entity which has evidenced an intention to order products or services with the Company within one year immediately preceding the termination of the Employee's employment with the Company.

d. The term "**Restricted Area**" shall include any geographical location anywhere in the United States. If the Restricted Area specified in this Agreement should be judged unreasonable in any proceeding, then the period of Restricted Area shall be reduced so that the restrictions may be enforced as is judged to be reasonable.

e. The phrase "**directly or indirectly**" shall include the Employee either on his/her own account, or as a partner, owner, promoter, joint venturer, employee, agent, consultant, advisor, manager, executive, independent contractor, officer, director, or a stockholder of 5% or more of the voting shares of an entity in the Business of Company.

f. The term "**Business**" shall mean the business of providing non-academic, for-profit cancer genetic and molecular laboratory testing services, including, but not limited to, cytogenetics, flow cytometry, fluorescence in-situ hybridization ("FISH"), and morphological studies, to hematologists, oncologists, urologists, pathologists, hospitals and other medical reference laboratories.

Executive Initials

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3. Duty of Confidentiality.

a. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company and its business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company and for no other purpose, (iii) take all reasonable precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company, (iv) observe all security policies implemented by the Company from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company's Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company's legitimate business interest in preserving its Confidential Information.

b. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company with prompt notice of such request or order so that the Company may seek to prevent disclosure.

c. Employee acknowledge(s) that this "Confidential Information" is of value to the Company by providing it with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes "**Trade Secrets**" under Section 688.002 and Chapter 812 of the Florida Statutes.

4. Limited Right of Disclosure. Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("**Representative(s)**"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s).

5. Return of Company Property and Confidential Materials. All tangible property, including cell phones, laptop computers and other Company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and must be returned to the Company in accordance with the instructions of the Company either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment for any reason whatsoever Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all Confidential Information to the Company as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

Executive Initials

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6. **Agreement Not To Circumvent.** Employee agrees not to pursue any transaction or business relationship that is directly competitive to the Business of the Company that makes use of any Confidential Information during the Term of this Agreement, other than through the Company or on behalf of the Company. It is further understood and agreed that, after the Employee's employment with the Company has been terminated, the Employee will direct all communications and requests from any third parties regarding Confidential Information or Business opportunities which use Confidential Information through the Company's then chief executive officer or president. Employee acknowledges that any violation of this covenant may subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "**Work Product**"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the Business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to another entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to another entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the Business of the Company, will remain the property of the Employee.

Executive Initials

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8. **Restrictive Covenant.** The Company and its affiliated entities are engaged in the Business of providing genetic and molecular testing services. The covenants contained in this Paragraph 8 (the "**Restrictive Covenants**") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period of two (2) years following termination of such employment (such period of time is hereinafter referred to as the "**Restrictive Period**"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) solicit or induce any Customer or Prospective Customer of the Company to patronize or do business with any other company (or business) that is in the Business conducted by the Company in any market in which the Company does Business; or

(ii) request or advise any Customer or vendor, or any Prospective Customer or prospective vendor, of the Company, who was a Customer, Prospective Customer, vendor or prospective vendor within one year immediately preceding the termination of the Employee's employment with the Company, to withdraw, curtail, cancel or refrain from doing Business with the Company in any capacity; or

(iii) recruit, solicit or otherwise induce any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, Customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or detrimentally modify such employment, agency or business relationship with the Company; or

iv) employ or solicit for employment any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity seeks to employ such person) employed or retained by the Company. Notwithstanding the foregoing, to the extent the Employee works for a larger firm or corporation after his termination from the Company and he does not have any personal knowledge and/or control over the solicitation of or the employment of a Company employee or agent, then this provision shall not be enforceable.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he will not, directly or indirectly, for himself , or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in or accept employment from any business that is in the Business of the Company in the Restricted Area during his last twelve months of employment. The parties agree that this non-competition provision is intended to cover situations where a future business opportunity in which the Employee is engaged or a future employer of the Employee is selling the same or similar products and services in the Business which may compete with the Company's products and services to Customers and Prospective Customers of the Company in the Restricted Area. This provision shall not cover future business opportunities or employers of the Employee that sell different types of products or services in the Restricted Area so long as such future business opportunities or employers are not in the Business of the Company. In addition, this provision shall not cover the investment activities of Summer Street Capital, with whom the Employee is affiliated as a partner, so long as the Employee is not in any way associated or involved with any investments of Summer Street Capital that may be competitive with the Business of the Company.

Executive Initials

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c. Acknowledgements of Employee.

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and the Employment Agreement, and it may cause irreparable harm and loss to the Company for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's successor in interest by way of merger, business combination or consolidation where a majority of the surviving entity is not owned by Company's shareholders who owned a majority of the Company's voting shares prior to such transaction and Employee acknowledges and agrees that successors are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants is held by a court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, such shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee acknowledges that any violations of the Restrictive Covenants, in any capacity identified herein, may be a material breach of this Agreement and may subject the Employee, and/or any individual(s), partnership, corporation, joint venture or other type of business with whom the Employee is then affiliated or employed, to monetary and other damages.

(vii) Employee agrees that any failure of the Company to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is judged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Executive Initials

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Any unauthorized use or disclosure of Confidential Information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company for which monetary damages may be an insufficient remedy. Therefore, in addition to any other remedy available, the Company will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment.

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction has determined conclusively that the Company or any successor is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 1 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company shall not constitute a defense to the enforcement by the Company of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 1 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. Governing Law, Venue and Personal Jurisdiction . This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

Executive Initials

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11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee. This Agreement shall inure to the benefit of Company's s successors.

12. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all prior negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

13. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

14. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee unless such waiver so provides by its terms. The refusal or failure of the Company to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company of any other restrictive covenant provision set forth in this Agreement.

15. **Consideration.** Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

16. **Notices**. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

17. **Acknowledgements.** Employee acknowledge(s) that he has reviewed this Agreement prior to signing it, that he knows and understands the contents, purposes and effect of this Agreement, and that he has been given a signed copy of this Agreement for his records. Employee further acknowledges and agrees that he has entered into this Agreement freely, without any duress or coercion.

18. **Counterparts.** This Agreement may be executed in counterparts, by facsimile or pdf each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By:	/s/ Douglas VanOort	3/16/2009
	Employee Signature	Date

Employee Name: Douglas VanOort

Employee Address: 3275 Regatta Rd

Naples, FL 34103

NeoGenomics, Inc.
12701 Commonwealth Drive, Suite #9
Fort Myers, FL 33913

By: /s/ Robert Gasparini 3/16/2009
Date

Name: Robert Gasparini

Title: President

Exhibit 10.35

[Confidential Treatment Requested. Confidential portions of this document have been redacted and have been separately filed with the Securities and Exchange Commission]

SECOND AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT

THIS SECOND AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT (this " **Agreement**") is entered into on this 14th day of April 2009 (the "**Effective Date**"), by and among **NEOGENOMICS LABORATORIES, INC.**, a Florida corporation formerly known as NeoGenomics, Inc. ("**Borrower**"), **NEOGENOMICS, INC.,** a Nevada corporation ("**Guarantor**", together with Borrower, each individually a "**Credit Party**" and collectively, the "**Credit Parties**"), and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company, as agent for the lender under the Credit Agreement referred to below ("**Agent**").

RECITALS

A. Credit Parties and CapitalSource Finance LLC (together with its successors and assigns, **CSF**") have entered into that certain Revolving Credit and Security Agreement, dated as of February 1, 2008 as amended by that certain First Amendment to Revolving Credit and Security Agreement dated November 3, 2008 (as may be amended, restated, supplemented, or otherwise modified from time to time, the "**Credit Agreement**").

B. Pursuant to Section 15.2 of the Credit Agreement, CSF assigned the Revolving Facility to CapitalSource Bank ("**Lender**").

C. Pursuant to Section 15.12 of the Credit Agreement, Lender has designated Agent as its agent for taking certain actions under the Loan Agreement.

D. Credit Parties have requested that Agent agree to make certain amendments to the Credit Agreement. Agent has agreed to this request on the conditions set forth in this Agreement.

E. Pursuant to the terms and conditions of this Agreement, Credit Parties and Agent have agreed to amend certain provisions of the Credit Agreement.

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

AGREEMENT

ARTICLE I - DEFINITIONS

1.01 **Definitions**. The following definition is added to Section 1.2 of the Credit Agreement in the appropriate alphabetical order:

"Second Amendment Date" shall mean April 14, 2009".

1.02 **General Terms**. Capitalized terms used in this Agreement are defined in the Credit Agreement, as amended hereby, unless otherwise stated.

ARTICLE II– WAIVER AND CONSENT

2.01 **Waiver**.

(a) The following Events of Default have occurred and are continuing under the Credit Agreement:

(i) the failure of Borrower to comply with the Fixed Charge Coverage Ratio covenant set forth in Section 1 of Annex I to the Loan Agreement for the Test Period ending December 31, 2008;

(ii) the failure of Borrower to notify Lender of Borrower's name change to Neogenomics Laboratories, Inc. and to obtain Lender's prior consent to the related amendment to Borrower's Articles of Incorporation;

(iii) the failure of the Credit Parties to obtain Lender's prior written consent to the amendment of the Guarantor's By-Laws to allow for a Board of Directors of up to eight members;

(iv) the failure of the Credit Parties to notify Lender the filing by Borrower of a complaint against Thomas Schofield, a former employee of the Borrower ((i), (ii), (iii) and (iv) collectively hereinafter referred to as the "**Specified Events of Default**").

(b) Subject to the conditions contained herein, Agent hereby waives the Specified Events of Default. Except as expressly set forth herein with respect to the Specified Events of Default, this letter agreement shall not be deemed to be a waiver of any Default or Events of Default. The waiver set forth herein shall not preclude the future exercise of any other right, power, or privilege available to Agent or Lender whether under the Credit Agreement, the Loan Documents or otherwise.

2.02 **Consent to Alter By-Laws of the Borrower.** Notwithstanding the terms of Section 9.7 of the Credit Agreement to the contrary, Agent consents to the amendment and restatement of the Bylaws of Borrower in the form and substance of the proposed by-laws attached hereto as Exhibit A.

2.03 **Consent to Alter By-Laws of the Guarantor.** Notwithstanding the terms of Section 9.7 of the Credit Agreement to the contrary, Agent consents to the amendment and restatement of the Bylaws of Guarantor in the form and substance of the proposed by-laws attached hereto as Exhibit B.

ARTICLE III - AMENDMENTS

3.01 **Amendments to Annex I of the Credit Agreement**. Effective as of the Effective Date, Annex I of the Credit Agreement is hereby amended by:

(a) Deleting Section 3 of Annex I in its entirety and replacing it with the following:

3) Minimum Liquidity

For the period from the Second Amendment Date through and including December 31, 2009, the Minimum Liquidity shall not be less than $500,000.

(b) deleting the definition of Fixed Charge Coverage Ratio in Annex I in its entirety and replacing it with the following:

"Fixed Charge Coverage Ratio" shall mean for Borrower collectively on a consolidated basis (a) as of any date of determination occurring during the period from the Closing Date through and including the Second Amendment Date the ratio of (i) Adjusted EBITDA for the Test Period ended as of such date to (ii) Fixed charges for the Test Period ended on such date; provided, that, solely for purposes of calculating the Fixed Charge Coverage Ratio for the Test Periods ending January 31, 2009 and February 28, 2009, the amount of Adjusted EBITDA for such Test Periods shall be increased by an amount equal to the sum of (A) $90,000 with respect to recruiting expenses, plus (B) $309,400 with respect to write-offs of bad debt, plus (C) $56,000 with respect to bonus accrual, (b) as of any date of determination occurring during the period after the Second Amendment Date to and including December 31, 2009 the ratio of (i) the sum of Adjusted EBITDA for the Test Period ended as of such date plus an amount equal to the sum of unrestricted cash on hand, unrestricted Cash Equivalents and unused Availability as of the last day of the Test Period ended as of such date, to (ii) Fixed Charges for the Test Period ended as of such date; and (c) as of any date of determination occurring after December 31, 2009, the ratio of (i) Adjusted EBITDA for the Test Period ended as of such date to (ii) Fixed Charges for the Test Period ended as of such date.

(c) deleting the definition of Fixed Charges in Annex I in its entirety and replacing it with the following:

"Fixed Charges" shall mean, for any period, the sum of the following for Borrower collectively on a consolidated basis for such period: (a) Total Debt Service, (b) un-financed Capital Expenditures paid in cash, (c) income taxes paid in cash or accrued, and (d) dividends and Distributions paid or accrued or declared (except for Accumulated Distributions from previous Accumulated Distribution Fiscal Quarters); reduced by the amount of any equity contributions received by the Borrower in cash during such period; provided that the amount of such reduction shall not exceed the amount of unfinanced Capital Expenditures paid for by Borrower in cash during such period.

3.02 **Amendment to Definition of Permitted Indebtedness.** Effective as of the Effective Date, subsection (iii) of the definition of "Permitted Indebtedness" set forth in Section 1.2 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(iii) Capitalized Lease Obligations incurred after the Closing Date and Indebtedness incurred to purchase Goods and secured by purchase money Liens constituting Permitted Liens: (A) in aggregate amount outstanding at any time not to exceed $4,000,000**,** provided, that, (1) the debt service for such Indebtedness shall not exceed $1,500,000 for any twelve (12) month period and (2) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing and (B) in an aggregate amount in excess of $4,000,000, provided, that, (1) ten (10) Business Days prior to the incurrence of such Indebtedness Borrower shall have provided pro forma financial statements along with any other supporting documentation required by Lender evidencing that Borrower would have been in compliance with the financial covenants set forth on Annex 1 hereto for the immediately preceding Test Period (as defined on Annex 1 hereto), if such Indebtedness had been incurred on the first day of such Test Period, (2) prior to the incurrence of such Indebtedness Borrower shall have received Lender's written confirmation of its agreement with such pro forma financial statements; and (3) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing,"

3.03 **Representation and Warranties Updates.** Effective as of the Effective Date, Article VII of the Credit Agreement is hereby amended by:

(a) Subsection (iv) of Section 7.5 is hereby deleted and replaced its entirety with the following:

"(iv) a party to any contract with any Affiliate other than as set forth on Schedule 7.5, except for employment agreements, option agreements, confidentiality agreements, non-solicitation/non-competition agreements and other compensation, severance or consulting arrangements with directors or officers in the ordinary course of business that are on terms at least as favorable to such Credit Party as would be the case in an arm's length transaction between unrelated parties of equal bargaining power and under which payments due from Credit Parties are not more than $500,000 per annum per arrangement.

(b) Subsection (i) of Section 7.16 is hereby deleted and replaced its entirety with the following:

"(i) there are no existing or proposed agreements, arrangements, understandings or transactions between any Credit Party and any of such Credit Party's officers, members, managers, directors, stockholders, partners, other interest holders, employees or Affiliates or any members of their respective immediate families, other than employment agreements, option agreements, confidentiality agreements, non-solicitation/non-competition agreements and other compensation, severance or consulting arrangements with directors or officers in the ordinary course of business that are on terms at least as favorable to such Credit Party as would be the case in an arm's length transaction between unrelated parties of equal bargaining power and under which payments due from Credit Parties are not more than $500,000 per annum per arrangement."

3.04 **Schedules.**

The schedules to the Credit Agreement are deleted and replaced in their entirety with the amended and restated schedules attached to this Agreement as Exhibit C.

ARTICLE IV- CONDITIONS PRECEDENT

4.01 **Conditions to Effectiveness.** The effectiveness of this Agreement against Lender is subject to the satisfaction of the following conditions precedent in a manner satisfactory to Agent in its sole discretion, unless specifically waived in writing by Agent:

(a) Agent shall have received this Agreement duly executed by each party thereto; and

(b) Agent shall have received the Amendment Fee (as hereinafter defined).

ARTICLE V- RATIFICATIONS, REPRESENTATIONS AND WARRANTIES

5.01 **Ratifications.** The terms and provisions set forth in this Agreement shall modify and supersede all inconsistent terms and provisions set forth in the Credit Agreement and the Loan Documents, and, except as expressly modified and superseded by this Agreement, the terms and provisions of the Credit Agreement and the Loan Documents are ratified and confirmed and shall continue in full force and effect. The Credit Parties hereby ratify and confirm that the Liens granted under the Credit Agreement secure all obligations and indebtedness now, hereafter or from time to time made by, owing to or arising in favor of Lender pursuant to the Loan Documents (as now, hereafter, or from time to time amended). Credit Parties and Agent agree that the Credit Agreement and the Loan Documents, as amended hereby, shall continue to be legal, valid, binding and enforceable in accordance with their respective terms.

5.02 **Representations and Warranties.** The Credit Parties hereby represent and warrant to Agent that:

(a) The representations and warranties made by Borrower (other than those made as of a specific date) contained in the Credit Agreement, as amended hereby, and each Loan Document are true and correct in all material respects (except that, for those representations and warranties already qualified by concepts of materiality, those representations and warranties shall be true and correct in all respects) on and as of the date hereof and as of the date of execution hereof as though made on and as of each such date;

(b) No Default or Event of Default under the Credit Agreement, as amended hereby, has occurred and is continuing, except for the Specified Events of Default;

(c) Other than as contemplated hereby, Borrower has not amended its certificate of incorporation or bylaws (or any other equivalent governing agreement or document), as applicable, since the date of the Credit Agreement.

ARTICLE VI- AMENDMENT FEE

6.01 **Amendment Fee**. Borrower agrees to pay to Lender $25,000 as an amendment fee (the "**Amendment Fee**"), which fee shall be due and payable on the date hereof. Borrower hereby authorizes Agent to charge such fee as an Advance on the date hereof and shall be fully earned by Lender when so charged.

ARTICLE VII- MISCELLANEOUS PROVISIONS

7.01 **Survival of Representations and Warranties.** All representations and warranties made in the Credit Agreement, or any Loan Document, including, without limitation, any document furnished in connection with this Agreement, shall survive the execution and delivery of this Agreement and the Loan Documents, and no investigation by Agent or Lender or any closing shall affect the representations and warranties or the right of Agent or Lender to rely upon them.

7.02 **Reference to Credit Agreement.** Each of the Credit Agreement and the Loan Documents, and any and all Loan Documents, documents or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement, as amended hereby, are hereby amended so that any reference in the Credit Agreement and such Loan Documents to the Credit Agreement shall mean a reference to the Credit Agreement, as amended hereby.

7.03 **Expenses of Agent or Lender.** As provided in the Credit Agreement, the Credit Parties agree to pay on demand all costs and expenses incurred by each of Agent and Lender in connection with the preparation, negotiation, and execution of this Agreement and the Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including, without limitation, the reasonable costs and fees of Agent and Lender's legal counsel, and all costs and expenses incurred by Agent and Lender in connection with the enforcement or preservation of any rights under the Credit Agreement, as amended hereby, or any Loan Documents, including, without, limitation, the reasonable costs and fees of Agent and Lender's legal counsel.

7.04 **Severability.** Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

7.05 **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of Agent, Lender and Credit Parties and their respective successors and assigns, except that Credit Parties may not assign or transfer any of their rights or obligations hereunder without the prior written consent of Agent.

7.06 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Any signature delivered by a party by facsimile or other electronic transmission shall be deemed to be an original signature hereto.

7.07 **Effect of Waiver.** No consent or waiver, express or implied, by Agent or Lender to or for any breach of or deviation from any covenant or condition by Borrower shall be deemed a consent to or waiver of any other breach of the same or any other covenant, condition or duty.

7.08 **Headings.** The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

7.09 **Applicable Law.** THIS AGREEMENT AND ALL LOAN DOCUMENTS EXECUTED PURSUANT HERETO SHALL BE DEEMED TO HAVE BEEN MADE AND TO BE PERFORMABLE IN AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE CHOICE OR LAW SET FORTH IN THE CREDIT AGREEMENT.

7.10 **Final Agreement.** THE CREDIT AGREEMENT AND THE LOAN DOCUMENTS, EACH AS AMENDED HEREBY, REPRESENT THE ENTIRE EXPRESSION OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF ON THE DATE THIS AGREEMENT IS EXECUTED. THE CREDIT AGREEMENT AND THE LOAN DOCUMENTS, AS AMENDED HEREBY, MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. NO MODIFICATION, RESCISSION, WAIVER, RELEASE OR AGREEMENT OF ANY PROVISION OF THIS AGREEMENT SHALL BE MADE, EXCEPT BY A WRITTEN AGREEMENT SIGNED BY THE CREDIT PARTIES AND AGENT.

7.11 **Release.** EACH CREDIT PARTY HEREBY ACKNOWLEDGES THAT IT HAS NO DEFENSE, COUNTERCLAIM, OFFSET, CROSS-COMPLAINT, CLAIM OR DEMAND OF ANY KIND OR NATURE WHATSOEVER THAT CAN BE ASSERTED TO REDUCE OR ELIMINATE ALL OR ANY PART OF ITS LIABILITY TO REPAY THE "OBLIGATIONS" OR TO SEEK AFFIRMATIVE RELIEF OR DAMAGES OF ANY KIND OR NATURE FROM AGENT OR LENDER. EACH CREDIT PARTY HEREBY VOLUNTARILY AND KNOWINGLY RELEASES AND FOREVER DISCHARGES AGENT, LENDER, AND ANY OF ITS OR THEIR RESPECTIVE PREDECESSORS, AGENTS, ATTORNEYS, EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS, FROM ALL POSSIBLE CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES, AND LIABILITIES WHATSOEVER, KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT, OR CONDITIONAL, AT LAW OR IN EQUITY, ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE THIS AGREEMENT IS EXECUTED, WHICH BORROWER MAY NOW OR HEREAFTER HAVE AGAINST AGENT, LENDER, OR ANY OF ITS RESPECTIVE PREDECESSORS, ATTORNEYS, AGENTS, EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS, IF ANY, AND IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS, OR OTHERWISE, AND ARISING FROM ANY "LOANS", INCLUDING, WITHOUT LIMITATION, ANY CONTRACTING FOR, CHARGING, TAKING, RESERVING, COLLECTING OR RECEIVING INTEREST IN EXCESS OF THE HIGHEST LAWFUL RATE APPLICABLE, THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER THE CREDIT AGREEMENT OR LOAN DOCUMENTS, AND NEGOTIATION FOR AND EXECUTION OF THIS AGREEMENT.

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IN WITNESS WHEREOF, this Agreement has been executed and is effective as of the date first written above.

BORROWER:

NEOGENOMICS LABORATORIES, INC.,
a Florida corporation

By: /s/Steven C. Jones
Name: Steven C. Jones
Title: Chief Financial Officer

GUARANTOR:

NEOGENOMICS, INC., a Nevada corporation

By: /s/Steven C. Jones
Name: Steven C. Jones
Title: Chief Financial Officer

CAPITALSOURCE FINANCE LLC, as Agent

By: /s/Arturo J. Velez
Name: Arturo J. Velez
Title: Authorized Signatory

EXHIBIT A
Bylaws of Borrower
[see attached]

AMENDED AND RESTATED

BYLAWS

OF

NEOGENOMICS LABORATORIES, INC.
(a Florida Corporation)

ARTICLE I. MEETINGS OF SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the Shareholders of NeoGenomics Laboratories, Inc. (the "Corporation") shall be held at the time and place designated by the Board of Directors of the Corporation. The annual meeting shall be held within four months after the close of the Corporation's fiscal year. The annual meeting of Shareholders for any year shall be held no later than thirteen months after the last preceding annual meeting of Shareholders. Business transacted at the annual meeting shall include the election of Directors of the Corporation.

Section 2. Special Meetings. Special meetings of the Shareholders shall be held when directed by the President or the Board of Directors, or when requested in writing by the holders of not less than ten percent of all the shares entitled to vote at the meeting. A meeting requested by Shareholders shall be called for a date not less than ten nor more than sixty days after the request is made, unless the Shareholders requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary, unless the President, the Board of Directors, or the Shareholders requesting the meeting shall designate another person to do so.

Section 3. Place. Meetings of Shareholders may be held within or without the State of Florida.

Section 4. Notice. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than sixty days before the meeting, either personally or by first class mail, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting to each Shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

Section 5. Notice of Adjourned Meetings. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. if, however, after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each Shareholder of record on the new record date entitled to vote at such meeting.

Section 6. Fixing Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of Shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of Shareholders for any other purpose, the Board of Directors shall fix in advance a date as the record date for any determination of Shareholders, such date in any case to be not more than sixty days and, in case of a meeting of Shareholders, not less than ten days, prior to the date on which the particular action requiring such determination of Shareholders is to be taken. When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 7. Voting Record. The Officers or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number and class and series, if any, of shares held by each. The list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation, at the principal place of business of the Corporation or at the office of the transfer agent or registrar of the Corporation and any Shareholder shall be entitled to inspect the list at any time during the usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Shareholder at any time during the meeting.

If the requirements of this section have not been substantially complied with, the meeting on demand of any Shareholder in person or by proxy, shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8. Shareholder Quorum and Voting. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Shareholders. When a specified item of business is required to be voted on by a class or series of stock, a majority of the shares of such class or series shall constitute a quorum for the transaction of such item of business by that class or series.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the Shareholders unless otherwise provided by law.

After a quorum has been established at a Shareholders' meeting, the subsequent withdrawal of Shareholders, so as to reduce the number of Shareholders entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 9. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders.

Treasury shares, shares of stock of the Corporation owned by another corporation the majority of the voting stock of which is owned or controlled by the Corporation, and shares of stock of the Corporation held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

A Shareholder may vote either in person or by proxy executed in writing by the Shareholder or his duly authorized attorney-in-fact.

At each election for Directors every Shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected at that time and for whose election he has a right to vote.

Shares standing in the name of another corporation, domestic or foreign, may be voted by the Officer, agent, or proxy designated by the Bylaws of the corporate Shareholder; or, in the absence of any applicable Bylaw, by such person as the Board of Directors of the corporate Shareholder may designate. Proof of such designation may be made by presentation of a certified copy of the Bylaws or other instrument of the corporate Shareholder. In the absence of any such designation, or in case of conflicting designation by the corporate Shareholder, the Chairman of the Board, Executive Chairman, the President, any Vice President, the Secretary and the Treasurer of the corporate Shareholder shall be presumed to possess, in that order, authority to vote such shares.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A Shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee or his nominee shall be entitled to vote the shares so transferred.

On and after the date on which a written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Section 10. Proxies. Every Shareholder entitled to vote at a meeting of Shareholders or to express consent or dissent without a meeting or any Shareholder's duly authorized attorney-in-fact may authorize another person or persons to act for him by proxy.

Every proxy must be signed by the Shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Shareholder executing it, except as otherwise provided by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the corporate officer responsible for maintaining the list of Shareholders.

If a proxy for the same shares confers authority upon two or more persons and does pot otherwise provide, a majority of them present at the meeting, or if only one is present then that one, may exercise all the powers conferred by the proxy; but if the proxy holders present at the meeting are equally divided as to the right and manner of voting in any particular case, the voting of such shares shall be prorated.

If a proxy expressly provides, any proxy holder may appoint in writing a substitute to act in his place.

Section 11. Voting Trusts. Any number of Shareholders of the Corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, as provided by law. Where the counterpart of a voting trust agreement and the copy of the record of the holders of voting trust certificates has been deposited with the Corporation as provided by law, such documents shall be subject to the same right of examination by a Shareholder of the Corporation, in person or by agent or attorney, as are the books and records of the Corporation, and such counterpart and such copy of such record shall be subject to examination by any holder of record of voting trust certificates either in person or by agent or attorney, at any reasonable time for any proper purpose.

Section 12. Shareholders' Agreements. Two or more Shareholders of the Corporation may enter into an agreement or agreements providing for the exercise of voting rights in the manner provided in the agreement(s) or relating to any phase of the affairs of the Corporation as provided by law. Nothing therein shall impair the right of the Corporation to treat the Shareholders of record as entitled to vote the shares standing in their names.

Section 13. Action Without a Meeting. Any action required to be taken at any annual or special meeting of Shareholders of the Corporation or any action which may be taken at any annual or special meeting of Shareholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If any class of shares is entitled to vote thereon as a class, such written consent shall be required of the holders of a majority of the shares of each class entitled to vote as a class thereon and of the total shares entitled to vote thereon.

Within ten (10) days after first obtaining such authorization by written consent, notice must be given to those Shareholders who have not consented in writing. The notice shall fairly summarize the material features of the authorized action and, if the action be a merger, consolidation, or sale or exchange of assets for which dissenters rights are provided, the notice shall contain a clear statement of the right of Shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with the Florida Statutes provision concerning dissenters rights of Shareholders.

ARTICLE II. DIRECTORS

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2. Qualification. Directors need not be residents of this state or Shareholders of the Corporation.

Section 3. Compensation. The Board of Directors shall have authority to fix the compensation of Directors.

Section 4. Duties of Directors. A Director shall perform his duties as a Director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial. statements and other financial data, in each case prepared or presented by:

(a) one or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented,

(b) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence, or

(c) a committee of the Board upon which he does not serve, duly designated in accordance with a provision of the Articles of Incorporation or the Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he has actual knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

A person who performs his duties in compliance with this section shall have no liability by reason of being or having been a Director of the Corporation.

Section 5. Presumption of Assent. A Director of the Corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 6. Director Conflicts of Interest. No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association or entity in which one or more of the Directors are Directors or Officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Directors; or

(b) the fact of such relationship or interest is disclosed or known to the Shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) the contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the Board, a committee or the Shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

Section 7. Executive and Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution shall have and may exercise all the authority of the Board of Directors, except that no committee shall have the authority to:

(a) approve or recommend to Shareholders actions or proposals required by law to be approved by Shareholders;

(b) designate candidates for the office of Director, for purposes of proxy solicitation or otherwise;

(c) fill vacancies on the Board of Directors or any committee thereof;

(d) amend the Bylaws;

(e) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors; or

(f) authorize or approve the issuance or sale of, or any contract to issue or sell, shares or designate the terms of a series of a class of shares, except that the Board of Directors" having acted regarding general authorization for the issuance or sale of shares, or any contract therefor, and, in the case of a series, the designation thereof, may, pursuant to a general formula or method specified by the Board of Directors, by resolution or by adoption of a stock option or other plan, authorize a committee to fix the terms of any contract for the sale of the shares and to fix the terms upon which such shares may be issued or sold, including, without limitation, the price, the rate or manner of payment of dividends, provisions for redemption, sinking fund, conversion, voting or preferential rights, and provisions for other features of a class of shares, or a series of a class of shares, with full power in such committee to adopt any final resolution setting forth all the terms thereof and to authorize the statement of the terms of a series for filing with the Department of State.

The Board of Directors, by resolution adopted in accordance with this section, may designate one or more Directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 8. Place of Meetings. Regular and special meetings by the Board of Directors may be held within or without the State of Florida.

Section 9. Time, Notice and Call of Meetings. Regular meetings of the Board of Directors shall be held without notice immediately following the annual meeting of Shareholders. Written notice of the time and place of special meetings of the Board of Directors shall be given to each Director by either personal delivery, telegram, facsimile or email at least two (2) days before the meeting or by notice mailed to the Director at least five days before the meeting.

Notice of a meeting of the Board of Directors need not be given to any Director who signs a waiver of notice either before or after the meeting. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a Director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the Directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Directors.

Meetings of the Board of Directors may be called by the Chairman of the Board, by the Executive Chairman, the President of the Corporation, or by any two Directors.

Members of the Board of Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 10. Action Without a Meeting. Any action required to be taken at a meeting of the Directors of the Corporation, or any action which may be taken at a meeting of the Directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, signed by all of the Directors, or all the members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote.

Section 11. Directors Emeritus. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may, from time to time, designate and appoint one or more persons who have contributed in a significant way to the success of the Corporation and who have previously served as directors of the Corporation or whose terms are expiring and who have not been nominated for reelection to the Board of Directors as "Directors Emeritus". Directors Emeritus may be recognized as such in any public announcements, advertisements, brochures and other descriptive material concerning the Corporation and shall be privileged to attend meetings of the Board of Directors and to participate in the consideration and discussion of matters coming before the Board of Directors, but they shall have no official status as directors, their presence at any meeting shall be disregarded for the purpose of determining the presence of a quorum, and they shall have no vote on matters determined by the Board of Directors. The Board of Directors shall have authority to fix the compensation of Directors Emeritus, including reimbursement for expenses incurred in attending meetings of the Board of Directors.

Section 12. Size of Board of Directors. The number of directors shall be determined from time to time by resolution of the Board of Directors, provided the Board of Directors shall consist of at least one member. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

ARTICLE III. OFFICERS

Section 1. Officers. The Officers of the Corporation shall consist of an Executive Chairman, a President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other Officers and Assistant Officers and agents as-may be deemed necessary may be elected or appointed by the Board of Directors from time to time. Any two or more offices may be held by the same person.

Section 2. Authority and Duties. All Officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

Section 3. Removal of Officers. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interests of the Corporation will be served thereby.

Any Officer or agent elected by the Shareholders may be removed only by vote of the Shareholders, unless the Shareholders shall have authorized the Directors to remove such officer or agent.

Any vacancy, however occurring, in any office may be filled by the Board of Directors, unless the Bylaws shall have expressly reserved such power to the Shareholders.

Removal of any Officer shall be without prejudice to the contract rights, if any, of the person so removed; however, election or appointment of an Officer or agent shall not of itself create contract rights.

Section 4. Compensation. The compensation of the Executive Chairman, the President, the Secretary, the Treasurer and such other Officers elected or appointed by the Board of Directors shall be fixed by the Board of Directors and may be changed from time to time by a majority vote of the Board. The fact that an Officer is also a Director shall not preclude such person from receiving compensation as either a Director or Officer, nor shall it affect the validity of any resolution by the Board of Directors fixing such compensation. The Executive Chairman shall have authority to fix the salaries of all employees of the Corporation other than Officers elected or appointed by the Board of Directors.

ARTICLE IV. STOCK CERTIFICATES

Section 1. Issuance. Every holder of shares in the Corporation shall be entitled to have a certificate, representing all shares to which he is entitled. No certificate shall be issued for any share until such share is fully paid.

Section 2. Form. Certificates representing shares in the Corporation shall be signed by the President or any Vice President and the Secretary or any Assistant Secretary and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the President or Vice President and the Secretary or Assistant Secretary may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the Corporation itself or an employee of the Corporation. In case any Officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such Officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such Officer at the date of its issuance.

Every certificate representing shares which are restricted as to the sale, disposition or other transfer of such shares shall state that such shares are restricted as to transfer and shall set forth or fairly summarize upon the certificate, or shall state that the Corporation will furnish to any Shareholder upon request and without charge a full statement of, such restrictions.

Each certificate representing shares shall state upon the face thereof: the name of the Corporation; that the Corporation is organized under the laws of this state; the name of the person or persons to whom issued; the number and class of shares, and the designation of the series, if any, which such certificate represents; and the par value of each share represented by such certificate, or a statement that the shares are without par value.

Section 3. Transfer of Stock. The Corporation shall register a stock certificate presented to it for transfer if the certificate is properly endorsed by the holder of record or by his duly authorized attorney.

Section 4. Lost, Stolen, or Destroyed Certificates. The Corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record of the certificate (a) makes proof in affidavit form that it has been lost, destroyed or wrongfully taken; (b) requests the issue of a new certificate before the Corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim; and (c) satisfies any other reasonable requirements imposed by the Corporation, including bond in such form as the Corporation may direct, to indemnify the Corporation, the transfer agent, and registrar against any claim that may be made on account of the alleged loss, destruction or theft of a certificate.

ARTICLE V. BOOKS AND RECORDS

Section 1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Shareholders, Board of Directors and committees of Directors.

The Corporation shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its Shareholders, giving the names and addresses of all Shareholders, and the number, class and series, if any, of the shares held by each.

Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Shareholders' Inspection Rights. Any person who shall have been a holder of record of ten percent (10%) of the outstanding shares or of voting trust certificates of capital stock therefor at least six months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent of the outstanding shares of any class or series of the Corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose its relevant books and records of accounts, minutes and records of Shareholders and to make extracts therefrom.

Section 3. Financial Information. Not later than four (4) months after the close of each fiscal year, the Corporation shall prepare a balance sheet showing in reasonable detail the financial condition of the Corporation as of the close of its fiscal year, and a profit and loss statement showing the results of the operations of the Corporation during its fiscal year. This requirement may be modified by a resolution of the Shareholders not later than four (4) months after the close of each fiscal year.

Upon written request of any Shareholder or holder of voting trust certificates for shares of the Corporation, the Corporation shall mail to such Shareholder or holder of voting trust certificates a copy of the most recent such balance sheet and profit and loss statement.

The balance sheets and profit and loss statements shall be filed in the registered office of the Corporation in this state, shall be kept for at least five years, and shall be subject to inspection during business hours by any Shareholder or holder of voting trust certificates, in person or by agent.

ARTICLE VI. DIVIDENDS

The Board of Directors of the Corporation may, from time to time, declare and the Corporation may pay dividends on its shares in cash, property or its own shares, except when the Corporation is insolvent or when the payment thereof would render the Corporation insolvent or when the declaration or payment thereof would be contrary to any restrictions contained in the Articles of Incorporation, subject to the following provisions:

(a) Dividends in cash or property may be declared and paid, except as otherwise provided in this section, only out of the unreserved and unrestricted earned surplus of the Corporation or out of capital surplus, howsoever arising, but each dividend paid out of capital surplus shall be identified as a distribution of capital surplus, and the amount per share paid from such surplus shall be disclosed to the Shareholders receiving the same concurrently with the distribution.

(b) Dividends may be declared and paid in the Corporation's own treasury shares.

(c) Dividends may be declared and paid in the Corporation's own authorized but unissued shares out of any unreserved and unrestricted surplus of the Corporation upon the following conditions:

(1) If a dividend is payable in shares having a par value, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(2) If a dividend is payable in shares without par value, such shares shall be issued at such stated value as shall be fixed by the Board of Directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate stated value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the Shareholders receiving such dividend concurrently with the payment thereof.

(3) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the Articles of Incorporation so provide or such payment is authorized by the affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

(d) A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the Corporation shall not be construed to be a share dividend within the meaning of this section.

ARTICLE VII. CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the following:

NEOGENOMICS LABORATORIES, INC.

ARTICLE VIII. INDEMNIFICATION

Section 1. Certain Definitions. For the purposes of this Section, certain terms and phrases used herein shall have the meanings set forth below:

(a) The term "enterprise" shall include, but not be limited to, any employee benefit plan.

(b) An "executive" shall mean any person, including a volunteer, who is or was a director or officer of the Corporation or who is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise.

(c) The term "expenses" shall include, but not be limited to, all costs and expenses (including attorneys' fees and paralegal expenses) paid or incurred by an executive, in, for or related to a proceeding or in connection with investigating, preparing to defend, defending, being a witness in or participating in a proceeding, including such costs and expenses incurred on appeal. Such attorneys' fees shall include, but not be limited to (a) attorneys' fees incurred by an executive in any and all judicial or administrative proceedings, including appellate proceedings, arising out of or related to a proceeding; (b) attorneys' fees incurred in order to interpret, analyze or evaluate that person's rights and remedies in a proceeding or under any contracts or obligations which are the subject of such proceeding; and (c) attorneys' fees to negotiate with counsel with any claimants, regardless of whether formal legal action is taken against him.

(d) The term "liability" shall include, but not be limited to, the obligation to pay a judgment, settlement, penalty or fine (including an excise tax assessed with respect to any employee benefit plan), and expenses actually and reasonably incurred with respect to a proceeding.

(e) The term "proceeding" shall include, but not be limited to, any threatened, pending or completed action, suit or other type of proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, including, but not limited to, an action by or in the right of any corporation of any type or kind, domestic or foreign, or of any partnership, joint venture, trust, employee benefit plan or other enterprise, whether predicated on foreign, federal, state or local law, to which an executive is a party by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation or is now or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise.

(f) The phrase "serving at the request of the Corporation" shall include, but not be limited to, any service as a director or officer of the Corporation that imposes duties on such person, including duties related to an employee benefit plan and its participants or beneficiaries.

(g) The phrase "not opposed to the best interests of the Corporation" describes the actions of a person who acts in good faith and in a manner which he reasonably believes to be in the best interests of the Corporation or the participants and beneficiaries of an employee benefit plan.

Section 2. Primary Indemnification. The Corporation shall indemnify to the fullest extent permitted by law, and shall advance expenses therefor, to any executive who was or is a party to a proceeding against any liability incurred in such proceeding, including any appeal thereof, unless a court of competent jurisdiction establishes by judgment or other final adjudication that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute: (a) a violation of the criminal law, unless the executive had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful; (b) a transaction from which the executive derived an improper personal benefit; (c) in a case of director, a circumstance under which the liability provisions of Section 607.0834; Florida Statutes, or any successor provision, are applicable; or (d) willful misconduct or conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder. Notwithstanding the failure to satisfy conditions (a) through (d) of this Section, the Corporation shall nevertheless indemnify an executive pursuant to Sections 4 or 5 hereof unless a determination is reasonably and promptly made pursuant to Section 3 hereof that the executive did not meet the applicable standard of conduct set forth in Sections 4 or 5 of this Article.

Section 3. Determination of Right of Indemnification in Certain Cases. Any indemnification under Sections 4 or 5 of this Article (unless ordered by a court) shall be made by the Corporation unless a determination is reasonably and promptly made that the executive did not meet the applicable standard of conduct set forth in Sections 4 or 5 of this Article. Such determination shall be made by: (a) the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such proceeding; (b) if such a quorum is not obtainable or, even if obtainable, by majority vote of a committee duly designated by the Board of Directors (in which directors who are parties may participate) consisting solely of two or more directors not at the time parties to the proceeding; (c) by independent counsel (i) selected by the Board of Directors prescribed in subparagraph (a) or the committee prescribed in subparagraph (b), or (ii) if a quorum of the directors cannot be obtained under subparagraph (a), and the committee cannot be designated under subparagraph (b), selected by majority vote of the full Board of Directors (in which directors who are parties may participate); or (d) by the shareholders by a majority vote of a quorum consisting of shareholders who are not parties to such proceeding, or if no such quorum is attainable, by a majority vote of the shareholders who were not parties to such proceeding. If the determination of the permissibility of indemnification is made by independent legal counsel as set forth in subparagraph (c) above, the other persons specified in this Section 3 shall evaluate the reasonableness of expenses.

Section 4. Proceeding Other Than By Or In The Right of The Corporation. The Corporation shall indemnify any executive who was or is a party to any proceeding (other than an action by, or in the right of, the Corporation) against liability in connection with such proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 5. Proceeding By Or In The Right Of The Corporation. The Corporation shall indemnify any executive who was or is' a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof, if such person acted in good faith and in manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this Section 5 in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 6. Indemnification Against Expenses of Successful Party. Notwithstanding the other provisions of this Section, to the extent that an executive is successful on the merits or otherwise, including the dismissal of an action without prejudice or the settlement of an action without admission of liability, in defense of any proceeding or in defense of any claim, issue or matter therein, the Corporation shall indemnify such executive against all expenses incurred in connection with such defense.

Section 7. Advancement of Expenses. Notwithstanding anything in the Corporation's Articles of Incorporation, these bylaws or any agreement to the contrary, if so requested by an executive, the Corporation shall advance (within two (2) business days of such request) any and all expenses relating to a proceeding (an "expense advance"), upon the receipt of a written undertaking by or on behalf of such person to repay such expense advance if a judgment or other final adjudication adverse to such person (as to which all rights of appeal have been exhausted or lapsed) establishes that he, with respect to such proceeding, is not eligible for indemnification under the provisions of this Section. Expenses incurred by other employees or agents of the Corporation may be paid in advance upon such terms and conditions as the Board of Directors deems appropriate.

Section 8. Right of Executive to Indemnification Upon Application; Procedures Upon Application. Any indemnification or advancement of expenses under this Section shall be made promptly upon the written request of the executive, unless, with respect to a request under Section 4 or 5, a determination is reasonably and promptly made under Section 3 of this Article that such executive did not meet the applicable standard of conduct set forth in Section 4 or 5 of this Article. The right to indemnification or advances as granted by this Section shall be enforceable by the executive in any court of competent jurisdiction, if the claim is improperly denied, in whole or in part, or if no disposition of such claim is made promptly. The executive's expenses incurred in connection with successfully establishing his right to indemnification or advancement of expenses, in whole or in part, under this Section shall also be indemnified by the Corporation.

Section 9. Court Ordered Indemnification. Notwithstanding the failure of the Corporation to provide indemnification due to a failure to satisfy the conditions of Section 2 of this Article, and despite any contrary determination by the Corporation in the specific case under Sections 4 or 5 of this Article, an executive of the Corporation who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction, and such court may order indemnification and advancement of expenses, including expenses incurred in seeking court ordered indemnification or advancement of expenses, if the court determines that:

(a) The executive is entitled to indemnification or advancement of expenses, or both, under this Section; or

(b) The executive is fairly and reasonably ;entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met any applicable standards of conduct set forth in this Section.

Section 10. Partial Indemnity, etc. If an executive is entitled under any provisions of these Bylaws to indemnification by the Corporation for some or a portion of the expenses, judgments, fines, penalties, excise taxes and amounts paid or to be paid in settlement of a proceeding, but not, however, for all of the total amount therefor, the Corporation shall nevertheless indemnify such person for the portion thereof to which he is entitled. In connection with any determination by the Board of Directors or arbitration that an executive is not entitled to be indemnified hereunder, the burden shall be on the Corporation to establish that he is not so entitled.

Section 11. Other Rights and Remedies. Indemnification and advancement of expenses provided by this Section: (a) shall not be deemed exclusive of any other rights to which an executive seeking indemnification may be entitled under any statute, Bylaw, agreement, vote of Shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding such office; (b) shall continue as to a person who has ceased to be an executive; and (c) shall inure to the benefit of the heirs, executors and administrators of such a person. It is the intent of these Bylaws to provide the maximum indemnification possible under applicable law. To the extent applicable law or the Articles of Incorporation of the Corporation, as in effect on the date hereof or at any time in the future, permit greater indemnification than is provided for in these Bylaws, the executive shall enjoy by these Bylaws the greater benefits so afforded by such law or provision of the Articles of Incorporation, and these Bylaws and the exceptions to indemnification set forth herein, to the extent applicable, shall be deemed amended without any further action by the Corporation to grant such greater benefits. All rights to indemnification under this Section shall be deemed to be provided by a contract between the Corporation and the executive who serves in such capacity at any time while these Bylaws and other relevant provisions of the Florida Business Corporation Act and other applicable law, if any, are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing.

Section 12. Insurance. By resolution passed by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person who is or was an executive against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under this Section.

Section 13. Certain Reductions in Indemnity. The Corporation's indemnification of any executive shall be reduced by any amounts which such person may collect as indemnification: (a) under any policy of insurance purchased and maintained on his behalf by the Corporation, or (b) from any other corporation, partnership, joint venture, trust or other enterprise for whom the executive has served at the request of the Corporation.

Section 14. Notification to Shareholders. If any expenses or other amounts are paid by way of indemnification other than by court order or action by the Shareholders or by an insurance carrier pursuant to insurance maintained by the Corporation, the Corporation shall, not later than the time of delivery to the shareholders of written notice of the next annual meeting of shareholders, unless such meeting is held within three (3) months from the date of such payment, and, in any event, within fifteen (15) months from the date of such payment, deliver either personally or by mail to each shareholder of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

Section 15. Constituent Corporations. For the purposes of this Section, references to the "Corporation" shall include, in addition to any resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger, so that any executive of such a constituent corporation shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would if its separate existence had contained.

Section 16. Savings Clause. If this Section or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each executive as to liability with respect to any proceeding, whether internal or external, including a grand jury proceeding or an action or suit brought by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Section that shall not have been invalidated, or by any applicable provision of Florida law.

Section 17. Effective Date. The provisions of this Section shall be applicable to all proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after its adoption.

ARTICLE IX. AMENDMENT

These Bylaws may be repealed or amended, and new Bylaws may be adopted, by either the Board of Directors or the Shareholders, but the Board of Directors may not amend or repeal any Bylaw adopted by Shareholders if the Shareholders specifically provide that such Bylaw is not subject to amendment or repeal by the Directors.

EXHIBIT B
Bylaws of Guarantor
[see attached]

AMENDED AND RESTATED BYLAWS OF

NEOGENOMICS, INC.,

a Nevada Corporation,

As Amended and Restated March __, 2009

ARTICLE I

STOCKHOLDERS' MEETINGS

Section 1.1 Place of Meetings.

All meetings of the stockholders of NeoGenomics, Inc. (the "Corporation") shall be held at the Corporation's corporate headquarters, or at any other place, within or without the State of Nevada, or by means of any electronic or other medium of communication, as the Board of Directors of the Corporation (the "Board") may designate for that purpose from time to time.

Section 1.2 Annual Meetings.

An annual meeting of the stockholders shall be held each year on the date and at the time set by the Board, at which time the stockholders shall elect, by the greatest number of affirmative votes cast, the directors to be elected at the meeting and transact such other business as properly may be brought before the meeting.

Section 1.3 Special Meetings.

Special meetings of the stockholders, for any purpose or purposes whatsoever, may be called at any time by the Chairman of the Board, the Chief Executive Officer or the Board.

Section 1.4 Notice of Meetings.

(a) Notice of each meeting of stockholders, whether annual or special, shall be given at least ten (10) and not more than sixty (60) days prior to the date thereof by the Secretary or any Assistant Secretary causing to be delivered to each stockholder of record entitled to vote at such meeting a written notice stating the time and place of the meeting and the purpose or purposes for which the meeting is called. Such notice shall be signed by the Chief Executive Officer, the Secretary or any Assistant Secretary and shall be (a) mailed postage prepaid to a stockholder at the stockholder's address as it appears on the stock books of the Corporation, or (b) delivered to a stockholder by any other method of delivery permitted at such time by Nevada and federal law and by any exchange on which the Corporation's shares shall be listed at such time. If any stockholder has failed to supply an address or otherwise specify an alternative method of delivery that is permitted by (b) above, notice shall be deemed to have been given if mailed to the address of the Corporation's corporate headquarters or published at least once in a newspaper having general circulation in the county in which the Corporation's corporate headquarters is located.

(b) It shall not be necessary to give any notice of the adjournment of any meeting, or the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken; provided, however, that when a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. The Corporation may transact any business which may have been transacted at the original meeting.

Section 1.5 Consent by Stockholders.

Any action, except the removal of directors, that the stockholders could take at a meeting may be taken without a meeting if one or more written consents, setting forth the action taken, shall be signed and dated, before or after such action, by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. The consent shall be delivered to the Corporation for inclusion in the minutes or filing with the corporate records.

Section 1.6 Quorum.

(a) The presence in person or by proxy of the persons entitled to vote a majority of the Corporation's voting shares at any meeting constitutes a quorum for the transaction of business. Shares shall not be counted in determining the number of shares represented or required for a quorum or in any vote at a meeting if the voting of them at the meeting has been enjoined or for any reason they cannot be lawfully voted at the meeting.

(b) The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of stockholders leaving less than a quorum.

(c) In the absence of a quorum, a majority of the shares present in person or by proxy and entitled to vote may adjourn any meeting from time to time until a quorum shall be present in person or by proxy.

Section 1.7 Voting Rights.

(a) Except as otherwise provided in the Corporation's Articles of Incorporation (as the same has been or may be amended from time to time, the "Articles"), at each meeting of the stockholders, each stockholder of record of the Corporation shall be entitled to one vote for each share of stock standing in the stockholder's name on the books of the Corporation. Except as otherwise provided by law, the Articles or these Bylaws, if a quorum is present: (i) directors shall be elected by a plurality of the votes of the shares of capital stock of the Corporation present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and (ii) action on any matter, other than the election of directors, shall be approved if the majority of votes cast in person or by proxy are in favor of such action.

(b) The Board may fix a date as the record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders. Such record date shall not precede the date on which the Board adopted the resolution fixing the record date and shall not be more than sixty (60) days or less than ten (10) days prior to the date of such meeting.

Section 1.8 Proxies.

Every stockholder entitled to vote may do so either in person or by written, electronic, telephonic or other proxy executed in accordance with the provisions of Section 78.355 of the Nevada Revised Statutes.

Section 1.9 Manner of Conducting Meetings.

To the extent not in conflict with Nevada law, the Articles or these Bylaws, meetings of stockholders shall be conducted pursuant to such rules as may be adopted by the chairman of such meeting.

Section 1.10. Nature of Business at Meetings of Stockholders.

(a) No business may be transacted at any special meeting of stockholders, other than business that is (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorized committee thereof), or the Chief Executive Officer or Chairman of the Board or (b) otherwise properly brought before the meeting by or at the direction of the Board (or any duly authorized committee thereof), the Chairman of the Board, or the Chief Executive Officer.

(b) No business may be transacted at any annual meeting of stockholders, other than business that is (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorized committee thereof), (b) otherwise properly brought before the meeting by or at the direction of the Board (or any duly authorized committee thereof), the Chairman of the Board, or the Chief Executive Officer, or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.10 and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 1.10.

(c) In addition to any other applicable requirements, for business to be properly brought by a stockholder before an annual meeting, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

(d) To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the Corporation's corporate headquarters not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10^{th}) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

(e) To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting of stockholders (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and record address of such stockholder, (c) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (d) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (e) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting.

(f) No business shall be conducted at the annual meeting, or at any special meeting, of stockholders except business brought before the meeting in accordance with the procedures set forth in this Section 1.10. If the chairman of any meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

ARTICLE II
DIRECTORS—MANAGEMENT

Section 2.1 Powers.

Subject to the limitations of Nevada law, the Articles and these Bylaws as to action to be authorized or approved by the stockholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this Corporation shall be controlled by, the Board.

Section 2.2 Number and Qualification; Change in Number

(a) Subject to Section 2.2(b), the authorized number of directors of this Corporation shall be not less than two nor more than eight (8) , with the exact number to be established from time to time by resolution of the Board. All directors of this Corporation shall be at least twenty-one (21) years of age.

(b) The Board or the stockholders may increase the number of directors at any time and from time to time; provided, however, that neither the Board nor the stockholders may ever increase the number of directors by more than one during any twelve (12) month period, except upon the affirmative vote of two-thirds (2/3) of the directors, or the affirmative vote of the holders of two-thirds (2/3) of all outstanding shares voting together and not by class. This provision may not be amended except by a like vote.

Section 2.3 Election.

Each director's term of office shall begin immediately after election and shall continue until the next annual stockholders meeting and his successor is duly elected and qualified. Directors elected by the Board or stockholders to fill a vacancy on the Board shall hold office for the balance of the term to which such director is elected.

Section 2.4. Vacancies.

(a) Any vacancies in the Board may be filled by a majority vote of the remaining directors, though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the balance of the term to which such director is elected. The power to fill vacancies may not be delegated to any committee appointed in accordance with these Bylaws.

(b) The stockholders may at any time elect a director to fill any vacancy not filled by the directors and may elect the additional director(s) at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors.

(c) A vacancy or vacancies shall be deemed to exist in case of the death, permanent and total disability, resignation, retirement or removal of any director, if the directors or stockholders increase the authorized number of directors but fail to elect the additional director or directors at a meeting at which such increase is authorized or at an adjournment thereof, or if the stockholders fail at any time to elect the full number of authorized directors.

(d) If the Board accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to immediately elect a successor who shall take office when the resignation shall become effective.

(e) No reduction of the number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

Section 2.5 Removal of Directors.

Any one or more director(s) may be removed from office, with or without cause, by the affirmative vote of two-thirds of all the outstanding shares voting together and not by class.

Section 2.6 Resignations.

Any director of the Corporation may resign at any time either by oral tender of resignation at any meeting of the Board or by giving written notice thereof to the Chairman of the Board, Secretary or the Chief Executive Officer. Such resignation shall take effect at the time it specifies, and the acceptance of such resignation shall not be necessary to make it effective.

Section 2.7 Place of Meetings.

(a) Regular and special meetings of the Board shall be held at the corporate headquarters of the Corporation or at such other place within or without the State of Nevada as may be designated for that purpose by the Board.

(b) Meetings of the Board may be held in person or by means of any electronic or other medium of communication approved by the Board from time to time.

Section 2.8 Chairman of the Board. Except as otherwise provided in these bylaws, the Chairman of the Board shall preside at all meetings of the Board of Directors. The Chairman of the Board may, but need not be an employee of the Corporation.

Section 2.9 Regular Meetings.

(a) Regular meetings of the Board shall be held at such time and place within or without the State of Nevada as may be agreed upon from time to time by a majority of the Board.

(b) Notwithstanding the provisions of Section 2.11, no notice need be provided of regular meetings, except that a written notice shall be given to each director of the resolution establishing a regular meeting date or dates, which notice shall set forth the date, time and place of the meeting(s). Except as otherwise provided in these Bylaws or the notice of the meeting, any and all business may be transacted at any regular meeting of the Board.

Section 2.10 Special Meetings.

Special meetings of the Board shall be held whenever called by the Chairman of the Board, the Chief Executive Officer or two-thirds (2/3) of the directors. Except as otherwise provided in these Bylaws or the notice of the meeting, any and all business may be transacted at any special meeting of the Board.

Section 2.11 Notice; Waiver of Notice.

Notice of each regular Board meeting not previously approved by the Board and each special Board meeting shall be (a) mailed by U.S. mail to each director not later than two (2) days before the day on which the meeting is to be held, (b) sent to each director by overnight delivery service, telex, facsimile transmission, telegram, cablegram, radiogram, e-mail, any other electronic transmission permitted by Nevada law or delivered personally not later than 5:00 p.m. (EST time) on the day before the date of the meeting, or (c) provided to each director by telephone not later than 5:00 p.m. (EST time) on the day before the date of the meeting. Any director who attends a regular or special Board meeting and (x) waives notice by a writing filed with the Secretary, (y) is present thereat and asks that his/her oral consent to the notice be entered into the minutes or (z) takes part in the deliberations thereat without expressly objecting to the notice thereof in writing or by asking that his/her objection be entered into the minutes shall be deemed to have waived notice of the meeting and neither that director nor any other person shall be entitled to challenge the validity of such meeting.

Section 2.12 Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjourned.

Section 2.13 Quorum.

A majority of the number of directors as fixed by the Articles or these Bylaws, or by the Board pursuant to the Articles or these Bylaws, shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided, however, that a minority of the directors, in the absence of a quorum, may adjourn from time to time or fill vacant directorships in accordance with Section 2.4 but may not transact any other business. The directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of directors, leaving less than a quorum.

Section 2.14 Action by Unanimous Written Consent.

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent in writing thereto. Such written consent shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of such directors.

Section 2.15 Compensation.

The Board may pay to directors a fixed sum for attendance at each meeting of the Board or of a standing or special committee, a stated retainer for services as a director, a stated fee for serving as a chair of a standing or special committee and such other compensation, including benefits, as the Board or any standing committee thereof shall determine from time to time. Additionally, the directors may be paid their expenses of attendance at each meeting of the Board or of a standing or special committee.

Section 2.16 Transactions Involving Interests of Directors.

In the absence of fraud, no contract or other transaction of the Corporation shall be affected or invalidated by the fact that any of the directors of the Corporation is interested in any way in, or connected with any other party to, such contract or transaction or is a party to such contract or transaction; provided, however, that such contract or transaction satisfies Section 78.140 of the Nevada Revised Statutes. Each and every person who is or may become a director of the Corporation hereby is relieved, to the extent permitted by law, from any liability that might otherwise exist from contracting in good faith with the Corporation for the benefit of such person or any person in which such person may be interested in any way or with which such person may be connected in any way. Any director of the Corporation may vote and act upon any matter, contract or transaction between the Corporation and any other person without regard to the fact that such director also is a stockholder, director or officer of, or has any interest in, such other person; provided, however, that such director shall disclose any such relationship and/or interest to the Board prior to a vote and/or action.

ARTICLE III
OFFICERS

Section 3.1 Executive Officers.

The Corporation shall have a President, Secretary and a Treasurer. The officers of the Corporation may also include, without limitation, one or more of each of the following: Chief Executive Officer, Chief Financial Officer, Executive Chairman, Vice Chairman, Chief Corporate Officer, Chief Operating Officer, Chief Medical Officer, Senior Executive Vice President, Executive Vice President, Senior Vice President, Vice President, Group and/or Division President. Any person may hold two or more offices. Each officer of the Corporation shall be elected by the Board, may be classified by the Board as an executive officer or a non-executive officer (or as a non-officer) at any time, and shall serve at the pleasure of the Board.

Section 3.2 Intentionally Omitted

Section 3.3 Removal and Resignation; No Right to Continued Employment

(a) Any executive officer may be removed at any time by the Board, either with or without cause.

(b) Any officer may resign at any time by giving written notice to the Board, the Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect as of the date of the receipt of such notice, or at any later time specified therein; provided, however, that such officer may be removed at any time notwithstanding such resignation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(c) The fact that an employee has been elected by the Board to serve as an executive officer or appointed to serve as an officer shall not entitle such employee to remain an officer or employee of the Corporation.

Section 3.4 Vacancies.

A vacancy in any office due to death, permanent and total disability, retirement, resignation, removal, disqualification or any other cause may be filled in any manner prescribed in these Bylaws for regular elections or appointments to such office or may not be filled.

Section 3.5 Executive Chairman and Vice Chairman.

The Executive Chairman shall preside, in the absence of the Chief Executive Officer, at all meetings of the stockholders and shall exercise and perform such other powers and duties as from time to time may be assigned by the Board. In the absence of the Executive Chairman and the Chief Executive Officer, a Vice Chairman shall preside at all meetings of the stockholders and exercise and perform such other powers and duties as from time to time may be assigned by the Board. A Vice Chairman need not be a member of the Board.

Section 3.6 Chief Executive Officer.

Subject to the oversight of the Board, the Chief Executive Officer shall have general supervision, direction and control of the business and affairs of the Corporation. The Chief Executive Officer shall preside at all meetings of the stockholders and, in the absence of the Chairman of the Board, at all meetings of the Board. If not a member of the Board, the Chief Executive Officer shall be an ex officio member of the Executive Committee of the Board and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and such other powers and duties as may be assigned by the Board.

Section 3.7 President.

In the absence or disability of the Chief Executive Officer, the President shall perform all of the duties of the Chief Executive Officer and when so acting shall have all the powers and be subject to all the restrictions upon the Chief Executive Officer, including the power to sign all instruments and to take all actions which the Chief Executive Officer is authorized to perform by the Board of Directors or these Bylaws. The President shall have the general powers and duties usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board.

Section 3.8 Chief Financial Officer

The Chief Financial Officer shall exercise direction and control of the financial affairs of the Corporation, including the preparation of the Corporation's financial statements. The Chief Financial Officer shall have the general powers and duties usually vested in the office of the chief financial officer of a corporation and such other powers and duties as may be assigned by the Board.

Section 3.9 Chief Operating Officer.

Subject to the oversight of the Chief Executive Officer, the Chief Operating Officer shall exercise direction and control over the day-to-day operations of the Corporation. In the case of the death or total and permanent disability of the Chief Executive Officer and the President(s), the Chief Operating Officer or Chief Corporate Officer, in order of rank or seniority, shall perform all of the duties of such officer, and when so acting shall have all the powers of and be subject to all the restrictions upon such officer, including the power to sign all instruments and to take all actions that such officer is authorized to perform by the Board or these Bylaws. The Chief Operating Officer shall have the general powers and duties of management usually vested in the office of the chief operating officer of a corporation and such other powers and duties as from time to time may be assigned to the Chief Operating Officer by the Executive Chairman, the Chief Executive Officer or Board.

Section 3.10 Chief Corporate Officer.

Subject to the oversight of the Chief Executive Officer, the Chief Corporate Officer shall exercise direction and control over the day-to-day corporate functions of the Corporation. In the case of the death or total and permanent disability of the Chief Executive Officer and the President, the Chief Operating Officer or Chief Corporate Officer, in order of rank or seniority, shall perform all of the duties of such officer, and when so acting shall have all the powers of and be subject to all the restrictions upon such officer, including the power to sign all instruments and to take all actions that such officer is authorized to perform by the Board or these Bylaws. The Chief Corporate Officer shall have the general powers and duties of management usually vested in the office of chief corporate officer of a corporation and such other powers and duties as from time to time may be assigned to the Chief Corporate Officer by the Executive Chairman, the Chief Executive Officer or the Board.

Section 3.11 Chief Medical Officer

The Chief Medical Officer shall exercise direction and control of the medical affairs of the Corporation, including the preparation of any medical related regulatory documents and advising on any medical related matters for the Corporation. The Chief Medical Officer shall have the general powers and duties usually vested in the office of the chief medical officer of a corporation and such other powers and duties as may be assigned by the Executive Chairman, the Chief Executive Officer or the Board.

Section 3.12 Senior Executive Vice President, Executive Vice President, Senior Vice President and Vice President.

In the case of the death or total and permanent disability of the Chief Executive Officer and the President, the Chief Operating Officer and the Chief Corporate Officer, a corporate Senior Executive Vice President, an Executive Vice President, a Group President, in the order of rank and seniority, shall perform all of the duties of such officer, and when so acting shall have all the powers of and be subject to all the restrictions upon such officer, including the power to sign all instruments and to take all actions that such officer is authorized to perform by the Board or these Bylaws. Each such officer shall have the general powers and duties usually vested in such office. Each operating region, division, group or corporate staff function officer shall have the general powers and duties usually vested in such office. Each such officer shall have such other powers and perform such other duties as from time to time may be assigned to them respectively by the Executive Chairman, the Chief Executive Officer or the Board.

Section 3.13 Secretary and Assistant Secretaries.

(a) The Secretary shall record and keep, or cause to be kept, all votes and the minutes of all proceedings in a book or books to be kept for that purpose at the corporate headquarters of the Corporation, or at such other place as the Board may from time to time determine; and perform like duties for the Executive and other committees of the Board, when required. In addition, the Secretary shall keep or cause to be kept, at the registered office of the Corporation in the State of Nevada, those documents required to be kept thereat by Section 5.2 of the Bylaws and Section 78.105 of the Nevada Revised Statutes.

(b) The Secretary shall give, or cause to be given, notice of meetings of the stockholders and special meetings of the Board, and shall perform such other duties as may be assigned by the Executive Chairman, the Chief Executive Officer or Board, under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Corporation and affix the same to any instrument requiring it. When required, the seal shall be attested by the Secretary's; the Treasurer's or an Assistant Secretary's signature. The Secretary or an Assistant Secretary hereby is authorized to issue certificates, to which the corporate seal may be affixed, attesting to the incumbency of officers of this Corporation or to actions duly taken by the Board, the Executive Committee, any other committee of the Board or the stockholders.

(c) The Assistant Secretary or Secretaries, in the order of their seniority, shall perform the duties and exercise the powers of the Secretary and perform such duties as the Executive Chairman, the Chief Executive Officer or Board of Directors shall prescribe in the case of death or total and permanent disability of the Secretary.

Section 3.14 Treasurer and Assistant Treasurers.

(a) The Treasurer shall deposit all moneys and other valuables in the name, and to the credit, of the Corporation, with such depositories as may be determined by the Treasurer. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board or permitted by the Chief Executive Officer or Chief Financial Officer, shall render to the Chief Executive Officer, Chief Financial Officer and directors, whenever they request it, an account of all transactions and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws or by the Executive Chairman or the Chief Executive Officer.

(b) The Assistant Treasurer or Treasurers, in the order of their seniority, shall perform the duties and exercise the powers of the Treasurer and perform such duties as the Executive Chairman, the Chief Executive Officer or Board of Directors shall prescribe in the case of death or total and permanent disability of the Treasurer.

Section 3.15 Additional Powers, Seniority and Substitution of Officers.

In addition to the foregoing powers and duties specifically prescribed for the respective officers, the Board may by resolution from time to time (a) impose or confer upon any of the officers such additional duties and powers as the Board may see fit, (b) determine the order of seniority among the officers, and/or (c) except as otherwise provided above, provide that in the case of death or total and permanent disability of any officer or officers, any other officer or officers shall temporarily or indefinitely assume the duties, powers and authority of the officer or officers who died or became totally and permanently disabled. Any such resolution may be final, subject only to further action by the Board, granting to any of the Chief Executive Officer, President, Executive Chairman or Vice Chairman (or Chairmen) such discretion as the Board deems appropriate to impose or confer additional duties and powers, to determine the order of seniority among officers and/or to provide for substitution of officers as above described.

Section 3.16 Compensation.

The officers of the Corporation shall receive such compensation as shall be fixed from time to time by the Board or a committee thereof. Unless otherwise determined by the Board, no officer shall be prohibited from receiving any compensation by reason of the fact that such officer also is a director of the Corporation.

Section 3.17 Transaction Involving Interest of an Officer.

In the absence of fraud, no contract or other transaction of the Corporation shall be affected or invalidated by the fact that any of the officers of the Corporation is interested in any way in, or connected with any other party to, such contract or transaction, or are themselves parties to such contract or transaction; provided, however, that such contract or transaction complies with Section 78.140 of the Nevada Revised Statutes. Each and every person who is or may become an officer of the Corporation hereby is relieved, to the extent permitted by law, when acting in good faith, from any liability that might otherwise exist from contracting with the Corporation for the benefit of such person or any person in which such person may be interested in any way or with which such person may be connected in any way.

ARTICLE IV
EXECUTIVE AND OTHER COMMITTEES

Section 4.1 Standing Committees.

(a) The Board may appoint an Executive Committee, an Audit Committee and a Compensation Committee, consisting of such number of members as the Board may designate, consistent with the Articles, these Bylaws and the laws of the State of Nevada.

(b) The Executive Committee shall have and may exercise, when the Board is not in session, all of the powers of the Board in the management of the business and affairs of the Corporation, but the Executive Committee shall not have the power to fill vacancies on the Board, to change the membership of or to fill vacancies in the Executive Committee or any other Committee of the Board, to adopt, amend or repeal these Bylaws or to declare dividends or other distributions.

(c) The Audit Committee shall select and engage, on behalf of the Corporation and subject to the consent of the stockholders, and fix the compensation of, a firm of certified public accountants. It shall be the duty of the firm of certified public accountants, which firm shall report to the Audit Committee, to audit the books and accounts of the Corporation and its consolidated subsidiaries. The Audit Committee shall confer with the auditors to determine, and from time to time shall report to the Board upon, the scope of the auditing of the books and accounts of the Corporation and its consolidated subsidiaries. If required by Nevada or federal laws, rules or regulations, or by the rules or regulations of any exchange on which the Corporation's shares shall be listed, the Board shall approve a charter for the Audit Committee and the Audit Committee shall comply with such charter in the performance of its duties.

(d) The Compensation Committee shall establish a general compensation policy for the Corporation's directors and elected officers and shall have responsibility for approving the compensation of the Corporation's directors, elected officers and any other senior officers determined by the Compensation Committee. The Compensation Committee shall have all of the powers of administration granted to the Compensation Committee under the Corporation's non-qualified employee benefit plans, including any stock incentive plans, long-term incentive plans, bonus plans, retirement plans, deferred compensation plans, stock purchase plans and medical, dental and insurance plans. In connection therewith, the Compensation Committee shall determine, subject to the provisions of such plans, the directors, officers and employees of the Corporation eligible to participate in any of the plans, the extent of such participation and the terms and conditions under which benefits may be vested, received or exercised. The Compensation Committee may delegate any or all of its powers of administration under any or all of the Corporation's non-qualified employee benefit plans to any committee or entity appointed by the Compensation Committee. If required by any Nevada or federal laws, rules or regulations, or by the rules or regulations of any exchange on which the Corporation's shares shall be listed, the Board shall approve a charter for the Compensation Committee and the Compensation Committee shall comply with such charter in the performance of its duties.

Section 4.2 Other Committees.

Subject to the limitations of the Articles, these Bylaws and the laws of the State of Nevada, or duties not delegable by the Board, any or all of the responsibilities and powers of the Board may be exercised, and the business and affairs of this Corporation may be exercised or controlled by or under the authority of such other committee or committees as may be appointed by the Board, including, without limitation, a Nominating Committee, an Ethics, Quality and Compliance Committee and a Corporate Governance Committee. The responsibilities and/or powers to be exercised by any such committee shall be designated by the Board.

Section 4.3 Procedures.

Meetings and actions of committees shall be governed by, and held in accordance with, the following provisions of Article II of these Bylaws: Section 2.9 (Regular Meetings), Section 2.10 (Special Meetings), Section 2.11 (Notice; Waiver of Notice), Section 2.12 (Notice of Adjournment), Section 2.13 (Quorum) and Section 2.14 (Action by Unanimous Written Consent), with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V
CORPORATE RECORDS AND REPORTS—INSPECTION

Section 5.1 Records.

The Corporation shall maintain adequate and correct accounts, books and records of its business and properties. All of such books, records and accounts shall be kept at its corporate headquarters and/or at other locations within or without the State of Nevada as may be designated by the Board.

Section 5.2 Articles, Bylaws and Stock Ledger.

The Corporation shall maintain and keep the following documents at its registered office in the State of Nevada: (a) a certified copy of the Articles and all amendments thereto; (b) a certified copy of these Bylaws and all amendments thereto; and (c) the Stock Ledger (unless such Stock Ledger is kept by a third party transfer agent).

Section 5.3 Inspection.

Stockholders of the Corporation may inspect books and records of the Corporation in accordance with Sections 78.105 and 78.257 of the Nevada Revised Statutes.

Section 5.4 Checks, Drafts, Etc.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of, or payable to, the Corporation, shall be signed or endorsed only by such person or persons, and only in such manner, as shall be authorized from time to time by the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer.

ARTICLE VI
OTHER AUTHORIZATIONS

Section 6.1 Execution of Contracts.

Except as otherwise provided in these Bylaws, the Board may authorize any officer or agent of the corporation to enter into and execute any contract, document, agreement or instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority, except in the ordinary course of business, to bind the Corporation by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Section 6.2 Dividends or Other Distributions

From time to time, the Board may declare, and the Corporation may pay, dividends or other distributions on its outstanding shares in the manner and on the terms and conditions provided by the laws of the State of Nevada and the Articles, subject to any contractual restrictions to which the Corporation is then subject.

ARTICLE VII
SHARES AND TRANSFER OF SHARES

Section 7.1 Shares.

(a) The shares of the capital stock of the Corporation may be represented by certificates or uncertificated. Each registered holder of shares of capital stock, upon written request to the Secretary of the Corporation, shall be provided with a stock certificate representing the number of shares owned by such holder.

(b) Certificates for shares shall be in such form as the Board may designate and shall be numbered and registered as they are issued. Each shall state the name of the record holder of the shares represented thereby; its number and date of issuance; the number of shares for which it is issued; the par value; a statement of the rights, privileges, preferences and restrictions, if any; a statement as to rights of redemption or conversion, if any; and a statement of liens or restrictions upon transfer or voting, if any, or, alternatively, a statement that certificates specifying such matters may be obtained from the Secretary of the Corporation.

(c) Every certificate for shares must be signed by the Chief Executive Officer or the President and the Secretary or an Assistant Secretary, or must be authenticated by facsimiles of the signatures of the Chief Executive Officer or the President and the Secretary or an Assistant Secretary. Before it becomes effective, every certificate for shares authenticated by a facsimile or a signature must be countersigned by a transfer agent or transfer clerk, and must be registered by an incorporated bank or trust company, either domestic or foreign, as registrar of transfers.

(d) Even though an officer who signed, or whose facsimile signature has been written, printed, or stamped on a certificate for shares ceases, by death, resignation, retirement or otherwise, to be an officer of the Corporation before the certificate is delivered by the Corporation, the certificate shall be as valid as though signed by a duly elected, qualified and authorized officer if it is countersigned by the signature or facsimile signature of a transfer clerk or transfer agent and registered by an incorporated bank or trust company, as registrar of transfers.

(e) Even though a person whose facsimile signature as, or on behalf of, the transfer agent or transfer clerk has been written, printed or stamped on a certificate for shares ceases, by death, resignation, or otherwise, to be a person authorized to so sign such certificate before the certificate is delivered by the Corporation, the certificate shall be deemed countersigned by the facsimile signature of a transfer agent or transfer clerk for purposes of meeting the requirements of this section.

Section 7.2 Transfer on the Books.

Upon surrender to the Secretary or transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation or its transfer agent to issue a new certificate, if requested by the transferee, to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 7.3 Lost or Destroyed Certificates.

The Board may direct, or may authorize the Secretary to direct, a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the Secretary's receipt of an affidavit of that fact by the person requesting the replacement certificate for shares so lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board or Secretary may, in its or the Secretary's discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 7.4 Transfer Agents and Registrars.

The Board, the Chief Executive Officer, the Chief Financial Officer or the Secretary may appoint one or more transfer agents or transfer clerks, and one or more registrars, who may be the same person, and may be the Secretary of the Corporation, an incorporated bank or trust company or any other person or entity, either domestic or foreign.

Section 7.5 Fixing Record Date for Dividends, Etc.

The Board may fix a time, not exceeding fifty (50) days preceding the date fixed for the payment of any dividend or distribution, or for the allotment of rights, or when any change or conversion or exchange of shares shall go into effect, as a record date for the determination of the stockholders entitled to receive any such dividend or distribution, or any such allotment of rights, or to exercise the rights in respect to any such change, conversion, or exchange of shares, and, in such case, only stockholders of record on the date so fixed shall be entitled to receive such dividend, distribution, or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any record date fixed as aforesaid.

Section 7.6 Record Ownership.

The Corporation shall be entitled to recognize the exclusive right of a person registered as such on the books of the Corporation as the owner of shares of the Corporation's stock to receive dividends or other distributions and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VIII
AMENDMENTS TO BYLAWS

Section 8.1 By Stockholders.

New or restated bylaws may be adopted, or these Bylaws may be repealed, amended and/or restated, at any meeting of the stockholders, by the affirmative vote of the holders of a majority of all outstanding shares voting together and not by class, except amendment of Section 2.5 shall require the approval of two-thirds (2/3) of all outstanding shares voting together (unless the Certificate of Designation of any preferred stock of the Corporation requires the affirmative vote of such holders of preferred stock).

Section 8.2 By Directors.

Subject to the right of the stockholders to adopt, amend and/or restate or repeal these Bylaws, as provided in Section 8.1, the Board may adopt, amend, or repeal any of these Bylaws, except amendment of Section 2.5 shall require the approval of two-thirds (2/3) of all outstanding shares voting together (unless the Certificate of Designation of any preferred stock of the Corporation requires the affirmative vote of such holders of preferred stock) by the affirmative vote of two-thirds of the directors. This power may not be delegated to any committee appointed in accordance with these Bylaws.

Section 8.3 Record of Amendments.

Whenever an amendment or a new Bylaw is adopted, it shall be copied in the book of minutes with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted, or written assent was filed, shall be stated in said book.

ARTICLE IX
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 9.1 Indemnification in Actions, Suits or Proceedings other than those by or in the Right of the Corporation.

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (except an action by or in the right of the Corporation) (a "Proceeding"), by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Nevada law against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding (collectively, "Costs"). The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and that, with respect to any criminal action or proceeding, such person had reasonable cause to believe that such person's conduct was unlawful.

Section 9.2 Indemnification in Actions, Suits or Proceedings by or in the Right of the Corporation.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against Costs incurred by such person in connection with the defense or settlement of such action or suit. Indemnification may not be made for any claim, issue or matter as to which such person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Corporation or for amounts paid in settlement to the Corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Section 9.3 Indemnification by a Court.

If a claim under Sections 9.1 or 9.2 is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for Costs incurred in defending any Proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has failed to meet a standard of conduct which makes it permissible under Nevada law for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including the Board, independent legal counsel, or the stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because such claimant has met such standard of conduct, nor an actual determination by the Corporation (including the Board, independent legal counsel, or the stockholders) that the claimant has not met such standard of conduct, shall be a defense to the action or create a presumption that the claimant has failed to meet such standard of conduct.

Section 9.4 Expenses Payable in Advance.

The Corporation shall pay the Costs incurred by any person entitled to indemnification in defending a Proceeding as such Costs are incurred and in advance of the final disposition of a Proceeding; provided, however, that the Corporation shall pay the Costs of such person only upon receipt of an undertaking by or on behalf of such person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation.

Section 9.5 Nonexclusivity of Indemnification and Advancement of Expenses.

The right to indemnification and advancement of Costs authorized in this Article IX or ordered by a court: (a) does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of the Corporation or any agreement, vote of stockholders or disinterested directors or otherwise, for either an action in such person's official capacity or an action in another capacity while holding such person's office, except that indemnification, unless ordered by a court pursuant to Nevada law or the advancement of expenses made pursuant to Section 9.4, may not be made to or on behalf of any director or officer if a final adjudication establishes that such person's acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action; and (b) continues for a person who has ceased to be a director, officer, employee, or agent and inures to the benefit of the heirs, executors and administrators of such a person.

Section 9.6 Insurance.

The Corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise in accordance with Section 78.752 of the Nevada Revised Statutes.

Section 9.7 Certain Definitions.

(a) For purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Article IX, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan.

(c) For purposes of this Article IX, references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries;

(d) For purposes of this Article IX, a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

(e) For purposes of this Article IX, the term "Board" shall mean the Board of the Corporation or, to the extent permitted by the laws of Nevada, as the same exist or may hereafter be amended, its Executive Committee. On vote of the Board, the Corporation may assent to the adoption of Article IX by any subsidiary, whether or not wholly owned.

Section 9.8 Indemnification of Witnesses.

To the extent that any director, officer, employee, or agent of the Corporation is by reason of such position, or a position held with another entity at the request of the Corporation, a witness in any action, suit or proceeding, such person shall be indemnified against all Costs actually and reasonably incurred by such person or on such person's behalf in connection therewith.

Section 9.9 Indemnification Agreements.

The Corporation may enter into agreements with any director, officer, employee, or agent of the Corporation providing for indemnification to the full extent permitted by Nevada law.

Section 9.10 Actions Prior to Adoption of Article IX.

The rights provided by this Article IX shall be available whether or not the claim asserted against the director, officer, employee, or agent is based on matters which antedate the adoption of this Article IX.

Section 9.11 Severability.

If any provision Article IX shall for any reason be determined to be invalid, the remaining provisions hereof shall not be affected thereby but shall remain in full force and effect.

ARTICLE X
CORPORATE SEAL

The corporate seal shall be circular in form and shall have inscribed thereon the name of the Corporation, the date of its incorporation and the word "Nevada".

ARTICLE XI
INTERPRETATION

Reference in these Bylaws to any provision of Nevada law or the Nevada Revised Statutes shall be deemed to include all amendments thereto and the effect of the construction and determination of validity thereof by the Nevada Supreme Court.

EXHIBIT C
Schedules
[see attached]

EXHIBIT C

AMENDED AND RESTATED SCHEDULES

Schedule 1.2 **Accounts Payable Over 120 Days That Are Permitted Indebtedness:**

Aspen Capital Advisors not to exceed $65,000
K&L Gates, LLP not to exceed $500,000
Path Labs of Fort Myers not to exceed $80,000
HCSS, LLC dba Bridge Labs not to exceed $40,000

Schedule 2.3 **Borrower's Operating Account for Disbursements**

[***]

Schedule 5.3B **Third-Party Contracts With Payor's Representing at Least 5% of Cash Receipts**

Medicare
United Healthcare

Schedule 7.3 **Subsidiaries of NeoGenomics, Inc., a Nevada Corporation (Holding Company)**

NeoGenomics Laboratories, Inc., a Florida Corporation

Subsidiaries of NeoGenomics Laboratories, Inc., a Florida Corporation (Operating Company)

None

Capitalization of NeoGenomics, Inc, a Nevada Corporation

Common Shares Authorized:	100,000,000
Common Stock Outstanding (as of 3/31/09):	33,056,021
Preferred Stock Authorized:	10,000,000
Preferred Stock Outstanding (as of 3/31/09):	None
Warrants Outstanding (as of 3/31/09):	6,542,755
Options Outstanding (as of 12/31/08):	3,724,422

This Schedule 7.3 dealing with the Capitalization of the Guarantor shall be deemed to be automatically updated by any disclosures which appear in the Guarantor's public filings with the Securities and Exchange Commission.

Capitalization of NeoGenomics Laboratories, Inc, a Florida Corporation

Common Shares Authorized:	100
Common Sock Outstanding:	100

Board of Directors of NeoGenomics, Inc, a Nevada Corporation

Michael T. Dent, M.D.	George G. O'Leary
Robert P. Gasparini	Peter M. Peterson
Marvin E. Jaffe, M.D.	William J. Robison
Steven C. Jones	Douglas M. VanOort

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Board of Directors of NeoGenomics Laboratories, Inc, a Florida Corporation

Douglas M. VanOort
Michael T. Dent, M.D.
Robert P. Gasparini

Schedule 7.4A **Locations of Leased Properties**

12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite 150
Irvine, CA 92618

9548 Topanga Canyon Blvd.
Chatsworth, CA 91311

Schedule 7.4B [***]

Schedule 7.5 **Affiliate Contracts**

HCSS, LLC

On March 11, 2005, NeoGenomics entered into an agreement with HCSS, LLC and eTelenext, Inc. to enable NeoGenomics to use eTelenext, Inc's laboratory information system (LIS). HCSS, LLC is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS, LLC is owned 66.7% by Dr. Michael T. Dent, our Chairman. By becoming the first customer of HCSS in the small laboratory network, the Company saved approximately $152,000 in up front licensing fees. Under the terms of the agreement, the Company paid $22,500 over three months to customize this software and pays an annual membership fee of $6,000 per year and monthly transaction fees of between $2.50 - $10.00 per completed test, depending on the volume of tests performed. As of December, 2007, the Company was incurring approximately $8,000 - $10,000/month in fees. The eTelenext system is an elaborate LIS that is in use at many larger labs. By utilizing the eTelenext system, the Company has vastly increased the productivity of its technologists.

Certain Consulting Agreements with Board Members

The Company has consulting arrangements with two members of its Board of Directors, Mr. Steven Jones and Mr. George O'Leary, to provide various consulting services. Although there are no written agreements, per se, each of these arrangements has been approved by the Company's Board of Directors. Mr. Jones receives approximately $150/hour and is paid through Aspen Capital Advisors. Mr. O'leary receives approximately $1,000/day and is paid through SKS Consulting. The maximum amounts payable by the Company under the consulting agreements referenced in this paragraph will not exceed $500,000 per fiscal year.

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Certain Leasing Arrangements with Gulf Pointe Capital, LLC

On September 30, 2008, the Borrower entered into a Master Lease Agreement (the "Master Lease") with Gulfpointe Capital, LLC which allows the Borrower to obtain operating lease capital from time to time. Three members of the Guarantor's Board of Directors Steven Jones, Peter Petersen and Marvin Jaffe, are affiliated with Gulfpointe Capital, LLC. On September 30, 2008, the Borrower also entered into the first lease schedule under the Master Lease Agreement which provided for a sale leaseback on approximately $130,000 of used laboratory equipment ("Lease Schedule #1"). This sale/leaseback transaction was entered into after it was determined that Leasing Technologies International Inc., the Borrower's primary source of operating lease funds, was unable to consummate this transaction under their lease line with the Borrower. Messrs Jones, Peterson and Jaffe recused themselves from all aspects of both sides of this transaction. The lease has a 30 month term and a lease rate factor of 0.039683/month, which equates to monthly payments of $5,154.88 during the term. Gulfpointe Capital LLC ("Gulfpointe") also received warrants to purchase 32,475 shares of the Guarantor's common stock with an exercise price of $1.08/share and a five year term. At the end of the term, the Borrower's options are as follows:

a.) Purchase not less than all of the equipment for its then fair market value not to exceed 15% of the original equipment cost.
b.) Extend the lease term for a minimum of six months.
c.) Return not less than all the equipment at the conclusion of the lease term.

On February 9, 2009, the Borrower entered into a second schedule under the Master Lease for the sale leaseback and purchase of approximately $118,000 of used laboratory equipment ("Lease Schedule #2"). This sale/leaseback transaction was entered into after it was determined that Leasing Technologies International Inc., the Borrower's primary source of operating lease funds, was unable to consummate this transaction under their lease line with the Borrower. Messrs. Jones, Peterson and Jaffe recused themselves from all aspects of both sides of this transaction. The lease has a 30 month term at the same lease rate factor per month as Lease Schedule #1, which equates to monthly payments of $4,690.41 during the term. As part of Lease Schedule #2, on February 9, 2009, the Guarantor and Gulfpointe terminated their original warrant agreement, dated September 30, 2008, and replaced it with a new warrant to purchase 83,333 shares of the Guarantor's common stock. Such new warrant has a five year term and an exercise price of $0.75/share. The Borrower's options at the end of the term of Lease Schedule #2 are the same as for Lease Schedule #1.

Certain Stock and Warrant Agreements with Douglas M. VanOort

On March 16, 2009, the Guarantor entered into a subscription agreement with the Douglas M. VanOort Living Trust for the purchase of 625,000 shares of common stock at a purchase price of $0.80/share, which resulted in gross proceeds to the Guarantor of $500,000. Also on March 16, 2009, the Guarantor entered into a warrant agreement with Douglas M. VanOort granting him the rights to purchase 625,000 shares of common stock at a purchase price of $1.05/share. Such warrant has a five year term and is subject to certain vesting requirements specified in the warrant.

Schedule 7.6 **Litigation**

US Labs

On October 26, 2006, US Labs filed a complaint in the Superior Court of the State of California for the County of Los Angeles (entitled Accupath Diagnostics Laboratories, Inc. v. NeoGenomics, Inc., et al., Case No. BC 360985) (the "Lawsuit") against the Company and Robert Gasparini, as an individual, and certain other employees and non-employees of NeoGenomics (the "Defendants") with respect to claims arising from discussions with current and former employees of US Labs. On March 18, 2008, we reached a preliminary agreement to settle US Labs' claims, and in accordance with SFAS No. 5, *Accounting For Contingencies,* as of December 31, 2007 we accrued a $375,000 loss contingency, which consisted of $250,000 to provide for the Company's expected share of this settlement, and $125,000 to provide for the Company's share of the estimated legal fees.

On April 23, 2008, the Company and US Labs entered into the Settlement Agreement; whereby, both parties agreed to settle and resolve all claims asserted in and arising out of the aforementioned lawsuit. Pursuant to the Settlement Agreement, the Defendants are required to pay $500,000 to US Labs, of which $250,000 was paid on May 1, 2008 with funds from the Company's insurance carrier and the remaining $250,000 will be paid by the Company on the last day of each month in equal installments of $31,250 commencing on May 31, 2008. Under the terms of the Settlement Agreement, there are certain provisions agreed to in the event of default. As of March 31, 2009, there were no remaining payments due under the Settlement Agreement.

FCCI Commercial Insurance Company

A civil lawsuit is currently pending between the Company and its liability insurer, FCCI Commercial Insurance Company ("FCCI") in the 20th Judicial Circuit Court in and for Lee County, Florida (Case No. 07-CA-017150). FCCI filed the suit on December 12, 2007 in response to the Company's demands for insurance benefits with respect to an underlying action involving US Labs (a settlement agreement has since been reached in the underlying action, and thus that case has now concluded). Specifically, the Company maintains that the underlying plaintiff's allegations triggered the subject insurance policy's personal and advertising injury coverage. In the lawsuit, FCCI seeks a court judgment that it owes no obligation to the Company regarding the underlying action (FCCI does not seek monetary damages). The Company has counterclaimed against FCCI for breach of the subject insurance policy, and seeks recovery of defense costs incurred in the underlying matter, amounts paid in settlement thereof, and fees and expenses incurred in litigating with FCCI. The court recently denied a motion by FCCI for judgment on the pleadings, and the parties are proceeding with discovery. We intend to aggressively pursue all remedies in this matter and believe that the courts will ultimately find that FCCI had a duty to provide coverage in the US Labs litigation.

Dr. Peter Kohn

In October 2004, Dr. Peter Kohn resigned as Lab Director of NeoGenomics. His employment contract with the Company ended September 30, 2004 and was not renewed. There was communication between Mr. Thomas White, former CEO and Dr. Kohn in October regarding health coverage and unused vacation time. In November 2004, the company received correspondence from Terry and Frazier, LLP, Dr. Kohn's attorney relating to health care coverage, unused vacation time and business expenses related to November 2004. Mr. White responded that the Company would use the unpaid vacation time to cover Dr. Kohn's health insurance until the issue is resolved and that the business expenses fell outside the contract terms and therefore would not be reimbursed. Dr. Kohn's contract stipulated that this agreement superseded all prior agreements and therefore prior claims related to prior agreements were resolved with the signing of the most recent agreement. The Company believes that it has a strong documented case relating to its position regarding Dr. Kohn's claims which would hold up in any court proceeding. However, in the event that the Company is found to be liable for some or all of Dr. Kohn's claims, the amounts in question would not be material to the ongoing operations of the Company. The Company booked accrued severance expense of $12,352 to cover Dr. Kohn's unused vacation pay up to the date of his termination and paid approximately $400/month to cover his health insurance against this accrual until June of 2007 when the Company was notified that Dr. Kohn had gotten insurance elsewhere.

On January 12, 2005, the Company received a complaint filed in the Circuit Court for Seminole County, Florida by its former Laboratory Director, Dr. Peter Kohn. The complaint alleged that the Company owed Dr. Kohn approximately $22,000 in back vacation pay and other unspecified damages. The Company believes that it owes Dr. Kohn no more than approximately $12,352, of which it has already paid substantially all of this by virtue of the Company continuing to pay Dr. Kohn's health insurance premiums.

On March 5, 2007, the Company received an amended complaint filed in the Circuit Court for Seminole County, Florida by Dr. Kohn. The complaint alleges the following (a) that Dr. Kohn is owed $12,600 for 22 unused vacation days and 4 unused sick days resulting from his first contract from Oct 2002 to Sept 2003; (b) that Dr. Kohn is owed $14,054 for 25 unused vacation days and four unused sick days (at a rate of $484.64/day), (c) that Dr. Kohn is owed $10,664 for thirty days of notice time from Oct 7, 2004 to Nov 5, 2004 and $917 for rent reimbursement and $442 for meal and auto expense, and (d) that Dr. Kohn is entitled to recoup legal fees.

The Company believes that all of Dr. Kohn's claims related to the first contract (see (a) above) are unenforceable since the second contract clearly stated that it superseded all prior claims. With respect to Dr. Kohn's claims in paragraph (b) above, the Company has acknowledged that it owed Dr. Kohn $12,352 as of the date of termination for 25 days of unused vacation time and has been using this money to pay his insurance premiums. The Company further believes that Dr. Kohn's claims from (c) above are without merit, since the contract had already lapsed on Sept 30, 2004 and the Company received an email message from Dr. Kohn saying that he had resigned. Thus, either of the above reasons would have obviated the need for 30 days notice. Similarly, the Company does not believe that Dr. Kohn is entitled to attorneys fees.

In March 2007, the Company filed a motion to dismiss most of the third amended complaint, except for the count dealing with the unused vacation pay from the second contract (count b above), which the Company has acknowledged that it owed to Dr. Kohn. On May 1, 2007, the judged dismissed two of the four counts that the Company had requested be dismissed. On June 13, 2007, the Company filed its answer to Dr. Kohn's remaining claims and the both sides are currently engaged in discovery. There has been no meaningful activity on this case since the summer of 2007, and no trial has been set for the remaining matters. Should Dr. Kohn continue to pursue this action, the Company intends to vigorously pursue its defense of this matter, and even if the Company were found liable for Dr. Kohn's claims, the Company does not believe the amounts in question would be material to the ongoing operations of the Company.

Thomas Schofield

On January 16, 2009, the Borrower initiated litigation against Thomas Schofield, who had served as the Borrower's Director of Operations from June 2005 until his resignation in late December 2008. The suit, which was filed in the Circuit Court for the Twentieth Judicial District in and for Lee County Florida (the "Court"), sought the enforcement of Mr. Schofield's Confidentiality, Non-Solicitation and Non-Competition Agreement. An emergency trial was held on January 28, 2009 in Fort Myers, FL. At such trial the judge affirmed in part and denied in part the Borrower's request for a preliminary injunction against Mr. Schofield and his new employer, Laboratory Corporation of America (Lab Corp.). On April 2, 2009, the Court issued a written ruling with the specific injunction. The injunction enjoins Mr. Schofield from working in any management capacity other than as Director of Logistics for Lab Corp within 1,000 miles of the Borrower's main headquarter facility in Fort Myers. The order also enjoins Mr. Schofield from soliciting any of the Borrowers customers either individually or in concert with Lab Corp.

Other Litigation in the Normal Course of Business

The Credit Parties are also subject to legal proceedings, claims and litigation arising in the ordinary course of business where (a) the amount in controversy does not exceed $50,000 and (b) no injuctive relief is being sought by the parties. We do not expect the ultimate costs to resolve these matters to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Schedule 7.11 **Intellectual Property**

The Company has received a registered trademark for the name "NeoGenomics" for use in the business in which it currently operates and related businesses.

Schedule 7.15A **Existing Indebtedness, Investments, Guarantees and Certain Contracts**

Existing Indebtedness of Guarantor

None

Existing Indebtedness and Contracts for Indebtedness by Borrower

	Lessor (Capitalized Leases)	Asset Description	Amount of lease	Start Date	Term	Term Date	Payment
1	US Express Lease	Computer Equipment	$ 11,204	Mar-07	36	Mar-10	$ 413
2	Balboa Capital	Furniture & fixtures	19,820	Apr-07	60	Mar-12	441
3	VAR 222707 - PC Connections	Computer Equipment	6,245	Feb-07	36	Jan-10	372
4	VAR res 13107 - PC Connection	Computer Equipment	3,554	Feb-07	36	Jan-10	299
5	California Beckman	Cytomics PC 500	136,118	Mar-07	60	Feb-12	2,792
6	Baytree	BMC Software/customer svc	15,783	Mar-07	36	Mar-10	552
7	Royal bank of america	Abbott molecular Thermobrite	80,936	Feb-07	48	Jan-11	2,289
8	Beckman Coulter Lease	Flow Cytometer	125,064	Apr-06	60	Mar-11	2,691
9	Marlin Lease	Ikonisys comupter support equip	48,230	Sep-06	60	Aug-11	1,201
10	B of A Lease	Computer hardware & servers	98,405	Sep-06	60	Aug-11	2,366
11	AEL Lease	IkoniScope	100,170	Sep-06	60	Aug-11	2,316
12	GE Capital Corp	IkoniScope	100,170	Sep-06	60	Aug-11	2,105
13	Beckman Coulter	Coulter Hematology Analyzer	18,375	Nov-06	60	Oct-11	761
14	Bank of America	Computer hardware & servers	8,954	Nov-06	60	Oct-11	228
15	Royal Bank (BMT) 24K Lease	Computer hardware & servers	23,494	Dec-06	48	Nov-10	718
16	Royal Bank (BMT) 18K Lease	Computer hardware & servers	17,661	Dec-06	48	Nov-10	549
17	Toshiba Lease	Phone system	42,784	Jan-07	60	Dec-11	998
18	Key Equipment	Genetic imaging system	124,820	Aug-07	60	Jul-12	3,090
19	Great America	Genetic imaging system	55,920	Aug-07	60	Jul-12	1,392
20	Bank of America	Seacoast billing software	74,788	Sep-07	36	Aug-10	3,125
21	Think Leasing/H&IT Capital	Ikoniscope, Great Plains s/w, etc	292,993	Jan-08	60	Jan-13	6,534
			$ 1,405,489				$ 35,234

Investments Held by Guarantor

$200,000 Convertible Note Receivable from Power3 Medical Products, Inc.

Investments Held by Subsidiary

None

Schedule 7.15B **Indebtedness with a Maturity Date During the Term** – See Schedule 7.15A

Schedule 7.16 **Other Agreements -** See Schedule 7.5

Schedule 7.17 Insurance

Commercial Insurance Schedule

	Broker / Agent	Carrier (Ins. Co)	Type	Policy Number	Limit	Effective Date	Expiration Date	Note:
1	Gulfshore Insurance	Admiral Insurance Co.	Professional Liability	E000000559302	$1 mil / $3 mil	10/9/2007	10/9/2008	All Locations
2	Gulfshore Insurance	Travelers Indemnity Co. of CT	Workers' Comp	IACRUB-4649C88-4-07	EL-$500,000	5/4/2007	5/4/2008	All Locations
3	N/A	Brickstreet Mutual Ins. Co	WV Workers Comp	WC10203816-01	EL-$500,000	2/19/2007	2/19/2008	WV Stae Ins. Co.
4	Lott & Gaylor	FCCI - FL	Commercial Property	CP0003390-1	$1.7 mil	4/15/2007	4/15/2008	FL only
5	Lott & Gaylor	FCCI - FL	General Liability	GL00052821-1	$1 mil / $2 mil	4/15/2007	4/15/2008	FL only
6	Lott & Gaylor	FCCI - FL	Crime	CR0000676-1	$50,000	4/15/2007	4/15/2008	FL Admin only
7	Lott & Gaylor	FCCI - TN	commercial Property	CPP0006352-2	$225,841	5/31/2007	5/31/2008	TN Only
8	Lott & Gaylor	FCCI - TN	commercial liability	CPP0006352-2	$1 mil / $2 mil	5/31/2007	5/31/2008	TN Only
9	Gulfshore Insurance	Mount Vernon Ins.	commercial Property	CF2166377	$593,000	9/21/2007	9/21/2008	CA Only
10	Gulfshore Insurance	Admiral Insurance Co.	commercial liability	CA00001186101	$1 mil / $2 mil	9/21/2007	9/21/2008	CA Only
11	Lott & Gaylor	FCCI - Ins. Co.	Umbrella	UMB0005093-1	excess of primary	4/15/2007	4/15/2008	FL/TN
12	Gulfshore Insurance	Mt. Hawley Ins. Co.	Umbrella	MXL0365587	$3 mil excess of underlying	8/10/2007	4/15/2008	All States
13	Gulfshore Insurance	Travelers Indemnity Co.	Auto	BA4547L23A	$1,000,000	6/28/2007	6/28/2008	All States/Any Auto
14	Lott & Gaylor	American Home Assurance Co.	Executive D&O	108-55-03	$2 mil single limit	6/15/2007	6/15/2008	All States

Schedule 7.18A Borrower's Names

NeoGenomics Laboratories, Inc.
NeoGenomics Laboratories

Schedule 7.18B Chief Executive Offices and Other Places of Business

Chief Executive Offices
12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

Other Places of Business
618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite 150
Irvine, CA 92618

9548 Topanga Canyon Blvd.
Chatsworth, CA 91311

Schedule 8.8 Post-Closing Matters

Schedule 9.2 Permitted Indebtedness

All Capital Leases listed in Schedule 7.15A

Schedule 9.3 **Permitted Liens**

Purchase Money on all Equipment financed through the Capital Leases listed on Schedule 7.15A

Schedule 9.4 **New Facilities**

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit 10.36

Execution Copy

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made as of July 24, 2009, by and between NeoGenomics, Inc., a Nevada corporation (the "Company"), and Abbott Laboratories, an Illinois corporation ("Abbott").

WITNESSETH

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to Abbott, and Abbott desires to purchase from the Company, 3,500,000 shares (the "Shares") of common stock of the Company, $0.001 par value per share (the "Common Stock").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and Abbott agree as follows:

Section 1. Definitions

In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings indicated in this Section 1:

"Commission" means the Securities and Exchange Commission.

"Common Stock" shall have the meaning set forth in the Recital hereto.

"Disclosure Schedules" means the disclosure schedules of the Company delivered concurrently herewith.

"Environmental Laws" shall have the meaning set forth in Section 4.11 of this Agreement.

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

"Indemnified Liabilities" shall have the meaning set forth in Section 7 of this Agreement.

"Indemnitees" shall have the meaning set forth in Section 7 of this Agreement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Registration Rights Agreement" means the Registration Rights Agreement of even date herewith between the Company and Abbott.

"SEC" means the United States Securities and Exchange Commission.

"SEC Reports" shall have the meaning set forth in Section 4.6 hereto.

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

"Subsidiary" means any corporation, partnership, limited liability company, joint venture or other legal entity of which the Company owns, directly or indirectly, 50% or more of the stock or other equity interests.

"Transaction Documents" means this Agreement and the Registration Rights Agreement.

Section 2. Sale and Purchase of Stock

Subject to the terms and conditions of this Agreement, Abbott agrees to purchase and the Company agrees to sell and issue to Abbott the Shares for an aggregate purchase price of $4,767,000 (the "Purchase Price").

Section 3. Closing

3.1. Closing. The purchase, sale and issuance of the Shares shall take place at a closing (the "Closing") to be held at the offices of K&L Gates, LLP, 200 S. Biscayne Blvd., Suite 3900, Miami, Florida, 33131 at 10:00 a.m., Eastern time, on the date hereof, or at such other place, time and/or date as may be jointly designated by the Company and Abbott (the "Closing Date").

3.2. Deliveries.

The Purchase Price for the Shares shall be paid by Abbott to the Company at the Closing by wire transfer of immediately available funds to an account or accounts to be designated by the Company. Within three (3) business days following the Closing, the Company will deliver to Abbott a certificate registered in Abbott's name representing the Shares.

Section 4. Representations and Warranties of the Company

Except as set forth under the corresponding section of the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof, the Company hereby makes the representations and warranties set forth below to Abbott:

4.1. Organization and Qualification. The Company and each of its Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Each of the Company and its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document or the authority or ability of the Company to perform its obligations under any Transaction Document, or (ii) a material adverse effect on the operations, results of operations, assets, business, properties or financial condition of the Company and its Subsidiaries, taken as a whole (any of (i) or (ii), a "Material Adverse Effect"). The Company has no Subsidiaries other than as set forth on Schedule 4.1 of the Disclosure Schedule.

4.2. Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

4.3. Capitalization. As of July 16, 2009, the authorized capital stock of the Company consists of (i) 100,000,000 shares of Common Stock, of which 33,077,424 shares were issued and outstanding and (ii) 10,000,000 shares of Preferred Stock, $0.001 par value, of which no shares were issued and outstanding. All such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed on Schedule 4.3 of the Disclosure Schedule, (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company, (ii) there are no outstanding debt securities, (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, (iv) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act (except the Registration Rights Agreement, the Registration Rights Agreement dated November 5, 2008 between the Company and Fusion Capital Fund II, LLC, the Amended and Restated Registration Rights Agreement dated March 23, 2005 among the Company, Aspen Select Healthcare, LP, John Elliot, Steven Jones, Larry Kunert and Michael T. Dent, M.D., and the Registration Rights Agreement dated March 30, 2006 among the Company, Aspen Select Healthcare, LP and Steven C. Jones), (v) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries, (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities as described in this Agreement and (vii) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished or otherwise made available to Abbott true and correct copies of the Company's articles of incorporation, as amended and as in effect on the date hereof, and the Company's by-laws, as amended and as in effect on the date hereof, and copies of any documents containing the material rights of the holders of securities convertible into or exercisable for Common Stock (or forms of such documents). Upon issuance and payment therefor in accordance with the terms and conditions of this Agreement, the Shares shall be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof.

4.4. No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated thereby do not and will not (i) conflict with or violate any material provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject, or by which any property or asset of the Company or a Subsidiary is bound or affected, except in the case of clause (ii) or (iii), such as could not reasonably be expected to result in a Material Adverse Effect.

4.5. Brokers' Fees. The Company has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

4.6. SEC Reports. The Company has made available to Abbott, including through the SEC EDGAR system, complete and accurate copies of each report and registration statement filed by the Company with the SEC between January 1, 2007 and the date of this Agreement (the "SEC Reports"). At the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) each of the SEC Reports complied in all material respects with the applicable requirements of the Exchange Act or the Securities Act, as applicable.

4.7. No Material Changes. Since June 30, 2009, except as specifically disclosed in the SEC Reports, there has been no event, occurrence or development that has had or that would reasonably be expected to result in a Material Adverse Effect, except as has been reasonably cured by the Company.

4.8. Litigation. Except as disclosed on Schedule 4.8 of the Disclosure Schedule, there is no action, suit or proceeding pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (ii) could reasonably be expected to result in a Material Adverse Effect.

4.9 Tax Status. The Company and each of its Subsidiaries has made or filed all federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

4.10. Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other similar rights necessary to conduct their respective businesses as now conducted. None of the Company's material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, government authorizations, trade secrets or other intellectual property rights have expired or terminated, or, by the terms and conditions thereof, will expire or terminate within two (2) years from the date of this Agreement. The Company and its Subsidiaries do not have any knowledge of any infringement by the Company or its Subsidiaries of any material trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and, except as set forth on Schedule 4.10 of the Disclosure Schedule or in the SEC Reports, there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its Subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other similar rights, which could reasonably be expected to have a Material Adverse Effect.

4.11. Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where, in each of the three foregoing clauses, the failure to so comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

4.12. Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 4.12 of the Disclosure Schedule or liens on equipment securing purchase money-indebtedness of the Company or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

4.13. Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of the Company and its Subsidiaries, taken as a whole.

4.14. Regulatory Permits. The Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

4.15 Foreign Corrupt Practices. Neither the Company, nor any of its Subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

4.16. Transactions With Affiliates. Except as set forth on Schedule 4.16 of the Disclosure Schedule and other than the grant or exercise of stock options disclosed on Schedule 4.3 of the Disclosure Schedule, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has an interest or is an officer, director, trustee or partner.

4.17. Compliance with Laws. The Company and each Subsidiary are in compliance with all laws applicable to their respective businesses, operations or assets except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary is in default under or violation of any applicable law, and neither has received any notice of or been charged with the violation of any laws, which default or violation could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Company, neither the Company nor any Subsidiary is under investigation with respect to the violation of any laws, other than those the outcome of which, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 5. Representations and Warranties of Abbott

Abbott hereby represents and warrants to the Company as follows:

5.1. Authorization; Enforcement. Abbott has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations thereunder. The execution and delivery of each of the Transaction Documents by Abbott and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of Abbott. Each Transaction Document has been (or upon delivery will have been) duly executed by Abbott and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of Abbott enforceable against Abbott in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

5.2. No Registration. Abbott understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and Abbott's compliance with, the representations, warranties, agreements, acknowledgments and understandings of Abbott set forth herein in order to determine the availability of such exemptions and the eligibility of Abbott to acquire the Shares.

5.3. Investment Intent. Abbott is acquiring the Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, and Abbott has no present intention of selling, granting any participation in, or otherwise distributing the same. Abbott further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Shares.

5.4. Investment Experience. Abbott has sufficient experience in evaluating and investing in private placement transactions of securities in companies similar to the Company and acknowledges that Abbott can protect its own interests. Abbott has such knowledge and experience in financial and business matters so that Abbott is capable of evaluating the merits and risks of its investment in the Company.

5.5. Speculative Nature of Investment. Abbott can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Shares for an indefinite period of time and to suffer a complete loss of its investment. Abbott acknowledges that the Shares must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available.

5.6. Access to Data. Abbott has had an opportunity to review the SEC Reports and to ask questions of, and receive answers from, the officers of the Company concerning the Company's business, management and financial affairs, which questions were answered to its satisfaction. Abbott believes that it has received all the information it considers necessary or appropriate for deciding whether to purchase the Shares. Abbott acknowledges that it is relying solely on its own counsel and not on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Transaction Documents.

5.7. Accredited Investor. Abbott is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the SEC under the Securities Act.

5.8. No Governmental Review. Abbott understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the fairness or suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

5.9. Brokers' Fees. Abbott has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

5.10. Tax Advisors. Abbott has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by the Transaction Documents. With respect to such matters, Abbott relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Abbott understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Transaction Documents.

5.11. No Prior Short Selling. At no time prior to the date of this Agreement has any of Abbott, its agents, representatives or affiliates engaged in or effected, in any manner whatsoever, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the Exchange Act) of the Common Stock or (ii) hedging transaction, which establishes a net short position with respect to the Common Stock.

5.12. Legend. Abbott understands and agrees that the certificates evidencing the Shares or any other securities issued in respect of the Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall bear the following legends (in addition to any legend required under applicable state securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE DUE TO A LOCK-UP PERIOD UNTIL JANUARY 20, 2010.

Section 6. Lock-Up

Abbott hereby agrees that Abbott shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any of the Shares on the Closing Date or during the one hundred eighty (180) day period following the Closing Date. The Company may impose stop-transfer instructions and may stamp each certificate evidencing any of the Shares with the second legend set forth in Section 5.12 hereof until the end of such one hundred eighty (180) day period.

Section 7. Indemnification

In consideration of Abbott's execution and delivery of the Transaction Documents and acquiring the Shares hereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless Abbott and all of its affiliates, shareholders, officers, directors, employees and direct or indirect investors and any of the foregoing person's agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, other than with respect to Indemnified Liabilities which directly and primarily result from the gross negligence or willful misconduct of the Indemnitee. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

Section 8. Miscellaneous.

8.1. Assignment. This Agreement shall inure to the benefit of and be binding upon and enforceable by the parties and their successors and permitted assigns. However, neither party may assign or delegate any of its rights or obligations under this Agreement without the prior written consent of the other party.

8.2. Severability. If any part of this Agreement is declared invalid or unenforceable by any court of competent jurisdiction, such declaration shall not affect the remainder of the Agreement and the invalidated provision shall be revised in a manner that will render such provision valid while preserving the parties' original intent to the maximum extent possible.

8.3. Entire Agreement. This Agreement and the Registration Rights Agreement constitute the entire agreement between the parties relating to the subject matter hereof and all previous agreements or arrangements between the parties, written or oral, relating to the subject matter hereof are superseded.

8.4. No Amendment. No amendment, alteration or modification of any of the provisions of this Agreement will be binding unless made in writing and signed by each of the parties hereto.

8.5. Compliance with Laws. In performing this Agreement, each party shall comply with all applicable laws, rules and regulations and shall not be required to perform or omit to perform any act required or permitted under this Agreement if such performance or omission would violate the provisions of any such law, rule or regulation.

8.6. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

8.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to its conflicts of laws principles.

8.8. Notices. All notices required or permitted under this Agreement must be in writing and sent to the address or facsimile number identified below. Notices must be given: (a) by personal delivery, with receipt acknowledged; (b) by facsimile followed by hard copy delivered by the methods under (c) or (d); (c) by prepaid certified or registered mail, return receipt requested; or (d) by prepaid reputable overnight delivery service. Notices will be effective upon receipt. Either party may change its notice address by providing the other party written notice of such change. Notices shall be delivered as follows:

If to Abbott: Abbott Molecular Inc.
Attention: Senior Director, Business Development & Licensing
1300 East Touhy Avenue
Des Plaines, Illinois 60018-3315
Fax: (224) 361-7054

with a copy to: Abbott Laboratories
Attention: VP, Associate Gen. Counsel, Corporate Transactions
100 Abbott Park Road
Dept. 322, Bldg. AP6A-2
Abbott Park, Illinois 60064-6049
Fax: (847) 938-1206

If to the Company: NeoGenomics, Inc.
Attention: Robert Gasparini, President
12707 Commonwealth Drive, Suite 9
Fort Myers, Florida 33913
Fax: (239) 768-0711

copy to: K&L Gates LLP
Attention: Clayton E. Parker, Esq.
200 South Biscayne Boulevard, Suite 3900
Miami, Florida 33131-2399
Fax: (305) 358-7095

8.9. Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party which shall have incurred the same, and the other party shall have no liability thereto.

8.10. Headings. The titles of the Articles and Sections contained in this Agreement are for convenience only and shall not be considered in construing this Agreement.

8.11. Parties in Interest. Nothing in this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto.

8.12. Waiver. No failure on the part of either party hereto to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of either party hereto in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver thereof; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

8.13. Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby for one (1) year from the Closing Date.

8.14. Interpretation of Agreement.

(a) Each party hereto acknowledges that it has participated in the drafting of this Agreement, and any applicable rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in connection with the construction or interpretation of this Agreement.

(b) Whenever required by the context hereof, the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation."

(d) References herein to "Sections" are intended to refer to Sections of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Common Stock Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Abbott Laboratories

By: /s/ Thomas C. Freyman
Name: Thomas C. Freyman
Title: Executive Vice President, Finance and Chief Financial Officer

NeoGenomics, Inc.

By: /s/ Douglas VanOort
Name: Douglas VanOort
Title: Chairman and Chief Executive Officer

DISCLOSURE SCHEDULES

These Disclosure Schedules are furnished by NeoGenomics, Inc., a Nevada corporation (the "Company"), pursuant to Section 4 of the Common Stock Purchase Agreement dated as of July 24, 2009 (the "Agreement") by and between the Company, and Abbott Laboratories, an Illinois corporation ("Abbott"). All capitalized terms used but not defined herein shall have the meanings given to them in the Agreement, unless otherwise provided. The section numbers below correspond to the section numbers of the representations and warranties in the Agreement.

Nothing in these Disclosure Schedules is intended to broaden the scope of any representation or warranty contained in the Agreement or to create any covenant. Inclusion of any item in these Disclosure Schedules (1) does not represent a determination that such item is material or establish a standard of materiality, (2) does not represent a determination that such item did not arise in the ordinary course of business, (3) does not represent a determination that the transactions contemplated by the Agreement require the consent of third parties, and (4) shall not constitute, or be deemed to be, an admission to any third party concerning such item. These Disclosure Schedules include brief descriptions or summaries of certain agreements and instruments, copies of which are available upon reasonable request. Such descriptions do not purport to be comprehensive, and are qualified in their entirety by reference to the text of the documents described.

Section 4.1–Organization and Qualification.

Subsidiaries

NeoGenomics Laboratories, Inc., a Florida corporation (the "Florida Subsidiary")

NeoGenomics California Laboratories, LLC, a California limited liability company

Section 4.3–Capitalization.

Debt Securities

Credit Facility with CapitalSource Finance, LLC

The Company, the Florida Subsidiary and CapitalSource Finance LLC (as agent for CapitalSource Bank) (the "Lender") are parties to that certain Revolving Credit and Security Agreement dated February 1, 2008, as amended (the "Credit Agreement"), which allows the Florida Subsidiary to borrow up to $3,000,000 based on a formula which is tied to its eligible accounts receivable that are aged less than 150 days. As of June 30, 2009, the Florida Subsidiary had approximately $1,858,000 outstanding on this credit facility. Such credit facility is secured by all of the Florida Subsidiary's accounts receivable and related collateral as more fully described in the Credit Agreement.

Leases

The Company enters into capital and operating leases in the ordinary course of business. As of June 30, 2009, the Company had approximately $2.4 million of outstanding balances under such leases.

Options and Warrants

As of July 16 2009, warrants to purchase 6,512,755 shares of common stock of the Company, $0.001 par value per share ("Common Stock"), were outstanding.

As of July 16, 2009, options to purchase 5,034,666 shares of Common Stock were outstanding.

Fusion Capital

On November 5, 2008, the Company and Fusion Capital Fund II, LLC, an Illinois limited liability company ("Fusion Capital"), entered into a Common Stock Purchase Agreement (the "Purchase Agreement"), and a Registration Rights Agreement. Under the Purchase Agreement, Fusion Capital is obligated, under certain conditions, to purchase shares of Common Stock from the Company in an aggregate amount of $8.0 million from time to time over a thirty (30) month period.

Employee Stock Purchase Plan

Up to 1.0% of the Company's Adjusted Diluted Shares Outstanding (as defined below) may be sold pursuant to rights granted under the Company's Employee Stock Purchase Plan, dated October 31, 2006 (the "ESPP"). For purposes of the ESPP, "Adjusted Diluted Shares Outstanding" means on any given measurement date, the basic common shares outstanding plus that number of shares that would be issued if all convertible debt, convertible preferred equity securities and warrants were assumed to be converted into Common Stock on the measurement date.

Amended and Restated Equity Incentive Plan

On March 3, 2009, the Company's Board of Directors approved the Amended and Restated Equity Incentive Plan (the "Amended Plan"), which amends and restates the NeoGenomics, Inc. Equity Incentive Plan, originally effective as of October 14, 2003, and amended and restated effective as of October 31, 2006. The Amended Plan allows for the award of equity incentives, including stock options, stock appreciation rights, restricted stock awards, stock bonus awards, deferred stock awards, and other stock-based awards to certain employees, directors, or officers of, or key advisers or consultants to, the Company or its subsidiaries. The maximum aggregate number of shares of Common Stock reserved and available for issuance under the Amended Plan is 6,500,000 shares.

Registration Rights

The Company is a party to certain Investor Registration Rights Agreements (the "Investor Registration Rights Agreement") in the form filed as an exhibit to the Company's Registration Statement on Form SB-2 filed with the SEC on July 6, 2007. The shares subject to such Investor Registration Rights Agreement were registered pursuant to the Company's Registration Statement on Form SB-2 on Form S-1/A which was declared effective by the SEC on July 1, 2008. The Company has a continuing obligation to maintain the effectiveness of such registration statement until all of the Registrable Securities (as defined in the Investor Registration Rights Agreement) have been sold; provided, however, that in no event will the Company be required to maintain the effectiveness of such registration statement for longer than two years from the date of the Investor Registration Rights Agreement.

The Company issued Warrants dated August 16, 2007 to each of 1837 Partners, Ltd., 1837 Partners QP, LP, 1837 Partners, LP, A. Scott Logan Revocable Living Trust, u/t/d 12/15/98, Mark Egan Rollover IRA, William J. Robison, Leonard Samuels, Leviticus Partners, LP, Lewis Opportunity Fund, LP, LAM Opportunity Fund, Ltd, Mosaic Partners Fund, Mosaic Partners Fund (US), LP, James R. Rehak and Joann M. Rehak, Ridgecrest Ltd., Ridgecrest Partners QP, LP and Ridgecrest, LP to purchase an aggregate of 533,334 shares of the Company's Common Stock (the "August Warrants"). The exercise price of the August Warrants is $1.50 per share. Each of the August Warrants include the following provisions:

> "Piggy-Back Registration. Subject to the terms and conditions of this Warrant, the Company shall notify the holder of Registrable Securities (as defined below) in writing at least ten (10) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding any registration statement relating to any employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) and will afford each such holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such holder. Each holder of Registrable Securities desiring to include in any such registration statement, all or part of the Registrable Securities held by it shall, within ten (10) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities held by such holder. In the event the Company determines in its sole discretion, that market factors require a limitation of the number of securities to be included in such registration statement (including the Registrable Securities), then the Company shall so advise the Warrant Holder and the number of shares that may be included in such registration statement shall be allocated among holders of warrants on a pro rata basis (including the Registrable Securities). If a holder decides not to include all of its Registrable Securities in the registration statement thereafter filed by the Company or any Registrable Securities were excluded by the Company pursuant to the immediately preceding sentence, such holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. "Registrable Securities" means the Shares of Common Stock issuable to the Warrant Holder pursuant to the terms of this Warrant.

Demand Registration. In the event that the Company has not offered to the holder of the Warrant an opportunity to include its Registrable Securities in a registration statement pursuant to the terms of Section 10.1 herein with twelve (12) months from the issuance date of the Warrant, the holder of the Warrant shall have the ability, on a one-time basis, to demand that the Company file a registration statement for the resale of the Registrable Securities. Subject to the terms and conditions of this Warrant, the Company shall prepare and file, no later than ninety (90) days from the date of such demand by the holder of the Warrant with the United States Securities and Exchange Commission (the "SEC"), a registration statement under the Securities Act for the resale of the Registrable Securities. The Company shall use its best efforts to cause the registration statement to remain effective until all of the Registrable Securities have been sold; provided, however, that in no event will the Company be required to maintain the effectiveness of the registration statement for longer than two (2) years from the date of its being declared effective by the SEC."

Following the transfer of certain of the August Warrants, the Company issued Re-Issue Warrants (the " Transfer Warrants") to each of 1837 Partners QP, LP, 1837 Partners, LP, 1837 Partners Ltd., Blair R. Haarlow Trust and Frances E. Tuite, IRA to purchase an aggregate of 50,000 shares of the Company's Common Stock. The terms of the Transfer Warrants are substantially similar to the August Warrants.

On August, 16, 2007, Aspen Select Healthcare, LP ("Aspen") issued warrants to purchase an aggregate of 400,000 shares of Common Stock owned by Aspen to each of 1837 Partners, Ltd., 1837 Partners QP, LP, 1837 Partners, LP, LAM Opportunity Fund, LP, Lewis Opportunity Fund, LP and Mark G. Egan (the "Aspen Warrants"). The exercise price of the Aspen Warrants is $1.50 per share. The Company is a party to the Aspen Warrants solely with respect to Section 10 thereof, which reads as follows:

"Piggy-Back Registration. Subject to the terms and conditions of this Warrant, NeoGenomics shall notify the holder of Registrable Securities (as defined below) in writing at least ten (10) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of NeoGenomics (including, but not limited to, registration statements relating to secondary offerings of securities of NeoGenomics, but excluding any registration statement relating to any employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) and will afford each such holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such holder. Each holder of Registrable Securities desiring to include in any such registration statement, all of part of the Registrable Securities held by it shall, within ten (10) days after the above-described notice from NeoGenomics, so notify NeoGenomics in writing. Such notice shall state the intended method of disposition of the Registrable Securities held by such holder. In the event NeoGenomics determines, in its sole discretion, that market factors require a limitation of the number of securities to be included in such registration statement (including the Registrable Securities), then NeoGenomics shall so advise the Warrant Holder and the number of shares that may be included in such registration statement shall be allocated among holders of warrants on a pro rata basis (including the Registrable Securities). If a holder decides not to include all of its Registrable Securities in the registration statement thereafter filed by NeoGenomics or any Registrable Securities were excluded by NeoGenomics pursuant to the immediately preceding sentence, such holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by NeoGenomics with respect to offerings of its securities, all upon the terms and conditions set forth herein. "Registrable Securities" means the Shares of Common Stock issuable to the Warrant Holder pursuant to the terms of this Warrant."

On March 16, 2009, the Company and the Douglas M. VanOort Living Trust entered into a Subscription Agreement (the "VanOort Subscription Agreement") pursuant to which the Douglas M. VanOort Living Trust purchased 625,000 shares of the Company's Common Stock at a purchase price of $0.80 per share (the "VanOort Subscription Shares"). The VanOort Subscription Agreement provides for certain piggyback registration rights with respect to the VanOort Subscription Shares.

On January 21, 2006, the Company entered into a subscription agreement (the "Subscription") with SKL Limited Family Partnership, LP ("SKL"), whereby SKL purchased 2,000,000 shares (the "SKL Subscription Shares") of Common Stock at a purchase price of $0.20 per share for $400,000. Under the terms of the Subscription, the SKL Subscription Shares are restricted for a period of 24 months and then carry piggyback registration rights to the extent that exemptions under Rule 144 are not available to SKL.

Section 4.8–Litigation.

FCCI Litigation

A civil lawsuit is currently pending between the Company and its liability insurer, FCCI Commercial Insurance Company ("FCCI") in the 20th Judicial Circuit Court in and for Lee County, Florida (Case No. 07-CA-017150). FCCI filed the suit on December 12, 2007 in response to the Company's demands for insurance benefits with respect to an underlying action involving US Labs (a settlement agreement has since been reached in the underlying action, and thus that case has now concluded). Specifically, the Company maintains that the underlying plaintiff's allegations triggered the subject insurance policy's personal and advertising injury coverage. In the lawsuit, FCCI seeks a court judgment that it owes no obligation to the Company regarding the underlying action (FCCI does not seek monetary damages). The Company has counterclaimed against FCCI for breach of the subject insurance policy, and seeks recovery of defense costs incurred in the underlying matter, amounts paid in settlement thereof, and fees and expenses incurred in litigating with FCCI. The court previously denied a motion by FCCI for judgment on the pleadings, rejecting FCCI's contention that the underlying complaint did not trigger the insurer's duty to defend as a matter of law. A motion for summary judgment is currently pending.

Threatened Trademark Infringement Litigation

In March 2003, the Company received a certified letter from the law firm of McLeod, Moyne & Reilly, P.C., dated March 18, 2003, which stated that they represented NeoGen Corporation, a Lansing, Michigan manufacturer of products dedicated to food and animal safety, on intellectual property matters. This letter claimed that the Company's use of the name NeoGenomics, Inc. infringed upon their client's rights in its trademark name, "Neogen" and demanded that the Company cease using the name, "NeoGenomics". The Company did not comply with the demands of this letter.

In February 2008, the Company received a letter from the law firm of Frasier, Trebilcock, Davis & Dunlap, P.C., dated February 18, 2008, which stated that they represented NeoGen Corporation. Similar to the 2003 letter, this letter claimed that the Company's use of the name NeoGenomics, Inc. infringed upon their client's rights in its trademark name, "Neogen" and demanded that the Company cease using the name, "NeoGenomics". The Company was awarded a registered trademark for the name "NeoGenomics" in 2007 and NeoGen Corporation undertook no actions to oppose such award. As of the date hereof, the Company has not heard anything further on this matter from NeoGen Corporation.

Section 4.10–Intellectual Property Rights.

See the description of threatened trademark infringement litigation in Section 4.8 of these Disclosure Schedules.

Section 4.12–Title.

See the description of the Credit Agreement set forth under Section 4.3 of these Disclosure Schedules.

Section 4.16–Transactions with Affiliates.

On March 11, 2005, the Company entered into an agreement with Healthcare Computer Systems and Support, LLC d/b/a Bridge Labs ("HCSS") and eTelenext, Inc. ("eTelenext") to enable the Company to use eTelenext's Accessioning Application, AP Anywhere Application and CMQ Application. HCSS is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS is owned 66.7% by Dr. Michael T. Dent, a member of the Company's Board of Directors. Under the terms of the agreement, the Company paid $22,500 over three months to customize this software and will pay an annual membership fee of $6,000 per year and monthly transaction fees of between $2.50 - $10.00 per completed test, depending on the volume of tests performed. The eTelenext system is an elaborate laboratory information system (LIS) that is in use at many larger laboratories.

On June 17, 2009, the Company entered into a revised license agreement with HCSS and eTelenext to migrate the Company's existing AP Anywhere application to a new APvX application with substantially improved features. Under the terms of this new licensing agreement, the Company will pay HCSS and eTelenext approximately $75,000 to migrate the existing application to the new APvX platform and then monthly licensing fees that start at $8,000/month and increase to $12,000/month over the five year term of the license.

The Company, Michael Dent, Aspen, John Elliot, Steven Jones and Larry Kuhnert are parties to the Amended and Restated Shareholders' Agreement dated March 21, 2005, as amended (the "Shareholders Agreement"), that, among other provisions, gives Aspen the right to elect three out of the eight directors authorized for the Company's Board of Directors, and to nominate one mutually acceptable independent director. In addition, Michael Dent and the executive management of the Company has the right to elect one director for the Company's Board of Directors, until the earlier of (i) Dr. Dent's resignation as an officer or director of the Company or (ii) the sale by Dr. Dent of 50% or more of the number of shares of Common Stock that he held on March 21, 2005.

On January 18, 2006, the Company and Aspen entered into a letter agreement that, among other things, (i) granted Aspen five year warrants to purchase 150,000 shares of Common Stock at an exercise price of $0.26 per share in exchange for the waiver of certain preemptive rights, (ii) granted Aspen the right (which was subsequently exercised) to purchase 1,000,000 shares of Common Stock for $0.20 per share and to receive a five year warrant to purchase 450,000 shares of Common Stock at an exercise price of $0.26 per share, (iii) granted Aspen a five year warrant to purchase up to 450,000 shares of Common Stock with an exercise price of $0.26 per share, and (iv) provided that existing warrants held by Aspen to purchase 2,500,000 shares of common stock were fully vested and the exercise price per share was reset to $0.31 per share.

During the period from January 18 through January 21, 2006, the Company entered into agreements with four shareholders who are parties to the Shareholders Agreement, to exchange five year warrants to purchase an aggregate of 150,000 shares of stock at a purchase price of $0.26 per share for such stockholders' waiver of their pre-emptive rights under the Shareholders Agreement. Such pre-emptive rights subsequently expired on March 23, 2007.

On May 14, 2007, the Board of Directors approved the grant of 100,000 warrants to each non-employee director. There has not been any definitive agreement as to the terms but 25% will vest immediately and the remaining warrants will vest an additional 25% over each of the next three years. The Board of Directors also approved an increase in its per board meeting fees for non-employee director's from $600 to $1,000 for each meeting.

In consideration for its services and assistance with the sale in a private placement of 2,666,667 shares of Common Stock during the period from May 31, 2007 through June 6, 2007, Aspen Capital Advisors, LLC received: (i) warrants to purchase 250,000 shares of Common Stock, and (ii) a cash fee equal to $52,375. The warrants have a five-year term, an exercise price equal to $1.50 per share, cashless exercise provisions, customary anti-dilution provisions and the same other terms, conditions, rights and preferences as those shares sold to the investors in the private placement. Mr. Steven Jones, a director of the Company, is a Managing Director of Aspen Capital Advisors.

On September 30, 2008, the Company entered into a master lease agreement (the "Master Lease") with Gulf Pointe Capital, LLC ("Gulf Pointe") after it was determined that the Company's other lessors would not lease finance certain used and other equipment and software. Such Master Leases allows the Company to obtain lease capital from time to time up to an aggregate of $130,000 of lease financing. Three members of the Company's Board of Directors: Steven Jones, Peter Petersen and Marvin Jaffe, are affiliated with Gulf Pointe and recused themselves from both sides of all negotiations concerning this transaction. In consideration for entering into the Master Lease with Gulf Pointe, the Company issued 32,475 warrants to Gulf Pointe with an exercise price of $1.08 and a five year term. Such warrants vest 25% on issuance and then on a pro rata basis as amounts are drawn under the Master Lease. On February 9, 2009, the Company amended its Master Lease with GulfPointe to increase the maximum size of the facility to $250,000. As part of this amendment, the Company terminated the original warrant agreement, dated September 30, 2008, and replaced it with a new warrant to purchase 83,333 shares of Common Stock. Such new warrants have a five-year term, an exercise price of $0.75 per share and the same vesting schedule as the original warrant.

Steven C. Jones, a director of the Company, performs paid consulting work for the Company in connection with his duties as the Company's Acting Principal Financial Officer.

George O'Leary, a director of the Company, performs paid consulting work for the Company from time to time.

On March 16, 2009, the Company and the Douglas M. VanOort Living Trust entered into the VanOort Subscription Agreement pursuant to which the Douglas M. VanOort Living Trust purchased the VanOort Subscription Shares. Douglas M. VanOort is Chairman of the Company Board of Directors and Executive Chairman and interim Chief Executive Officer of the Company. The VanOort Subscription Shares are subject to a two-year lock-up that restricts the transfer of the VanOort Subscription Shares; provided, however, that such lock-up shall expire in the event that the Company terminates Mr. VanOort's employment. The VanOort Subscription Agreement also provides for certain piggyback registration rights with respect to the VanOort Subscription Shares.

On March 16, 2009, the Company and Mr. VanOort entered into a Warrant Agreement (the "Warrant Agreement") pursuant to which Mr. VanOort, subject to the vesting schedule described below, may purchase up to 625,000 shares of Common Stock at an exercise price of $1.05 per share (the "Warrant Shares"). The Warrant Shares vest based on the following vesting schedule:

(i) 20% of the Warrant Shares vest immediately,
(ii) 20% of the Warrant Shares will be deemed to be vested on the first day on which the closing price per share of the Common Stock has reached or exceeded $3.00 per share for 20 consecutive trading days,
(iii) 20% of the Warrant Shares will be deemed to be vested on the first day on which the closing price per share of the Common Stock has reached or exceeded $4.00 per share for 20 consecutive trading days,
(iv) 20% of the Warrant Shares will be deemed to be vested on the first day on which the closing price per share of the Common Stock has reached or exceeded $5.00 per share for 20 consecutive trading days and
(v) 20% of the Warrant Shares will be deemed to be vested on the first day on which the closing price per share of the Common Stock has reached or exceeded $6.00 per share for 20 consecutive trading days.

In the event of a change of control of the Company in which the consideration payable to each common stockholder of the Company in connection with such change of control has a deemed value of at least $4.00 per share, then the Warrant Shares shall immediately vest in full. In the event that Mr. VanOort resigns his employment with the Company or the Company terminates Mr. VanOort's employment for "cause" at any time prior to the time when all Warrant Shares have vested, then the rights under the Warrant Agreement with respect to the unvested portion of the Warrant Shares as of the date of termination will immediately terminate.

Exhibit 10.38

NeoGenomics Laboratories

July 22, 2009

Grant Carlson

Dear Grant,

On behalf of NeoGenomics Laboratories ("NeoGenomics" or the "Company"), it is my pleasure to extend this offer of employment for the Vice President of Sales & Marketing position to you. If the following terms are satisfactory, please countersign this letter (the "Agreement") and return a copy to me at your earliest convenience.

Position: You will be elected to the position of Vice President of Sales & Marketing at the first scheduled meeting of the Board of Directors after your Start Date.

Duties: As Vice President of Sales & Marketing, you will report to the Chief Executive Officer ("CEO") of the Company or such other person as may be appointed by the CEO and you will be responsible for managing the overall sales and marketing activities of the Company. These responsibilities will include hiring, training, developing and managing that number of sales personnel needed to meet or exceed the Company's yearly sales budgets, managing the overall customer acquisition process for the Company, providing new product development and new marketing initiatives for the Company and such other duties as may be assigned to you by the CEO of the Company or the Board's designee in the absence of the CEO.

Start Date: July 6, 2009, with vacation and certain benefits considered to be effective as if you were an employee as of January 1, 2009 (giving consideration to your status as a Consultant as of the beginning of this year).

Term: Four years from the Start Date, provided that either party may cancel this agreement by giving the other party written notice of a termination.

Base Salary: $200,000/year, payable bi-weekly. The parties agree that this salary is for a full-time position. Thereafter, increases in base salary may occur annually at the discretion of the CEO of the Company with the approval of the Compensation Committee of the Board of Directors.

Relocation: You will be eligible for relocation assistance should you agree to establish a residence in the greater Fort Myers area no later than September 1, 2010. Please refer to the terms in the attached Relocation Agreement.

Bonus: Beginning with the fiscal year ending December 31, 2009, you will be eligible to receive an incentive bonus payment which will be targeted at 30% of your Base Salary based on 100% achievement of goals as agreed upon between you and the CEO of the Company and approved by the Board of Directors for such fiscal year.

Benefits: You will be entitled to participate in all medical and other benefits that the Company has established for its employees in accordance with the Company's policy for such benefits at any given time. Other benefits may include but not be limited to: short term and long term disability, dental, a 401K plan, a section 125 plan and an employee stock purchase plan.

Car & phone Allowance: The parties agree that a significant portion of your time will be spent on sales and marketing activities and it is expected that you will need to utilize your personal vehicle and telephones to perform the duties of your position. As such, the Company agrees to provide you a taxable automobile allowance of $700 per month plus reimburse you for all work-related gas expenses according to the current policy. The Company also agrees to reimburse you for the use of your personal telephone and cell phone at a taxable rate of $250 per month according to the current policy.

Paid Time Off: You will be eligible for 4 weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis beginning from your hire date and be may carried over from year to year. It is company policy that when your accrued PTO balance reaches 160 hours, you will cease accruing PTO until your accrued PTO balance is 120 hours or less – at which point you will again accrue PTO until you reach 160 hours. You are eligible to use PTO after completing 3 months of employment. In addition to paid time off, there are also 6 paid national holidays and 1 "floater" day available to you.

Stock Options: Upon your Start Date, you will be granted stock options to purchase up to 150,000 shares of NeoGenomics common stock at an exercise price equivalent to the closing price per share at which NeoGenomics stock was quoted on the NASDAQ Bulletin Board the day prior to your start date. The grant of such options will be made pursuant to the Company's stock option plan then in effect and will be evidenced by a separate Option Agreement, which the Company will execute with you within 60 days of receiving a copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement which has been executed by you. So long as you remained employed by the Company, such options will have a five-year term from the grant date and will vest according to the following schedule:

Time-Based Vesting

18,750	at your first year anniversary
18,750	at your second year anniversary
18,750	at your third year anniversary
18,750	at your fourth year anniversary

Company Performance-Based Vesting

9,375	if the Company achieves the board approved budgeted revenue for FY 2009;
9,375	if the Company achieves the board approved budged adjusted EBITDA projections for FY 2009.
9,375	if the Company achieves the board approved budgeted revenue for FY 2010;
9,375	if the Company achieves the board approved budged adjusted EBITDA projections for FY 2010.
9,375	if the Company achieves the board approved budgeted revenue for FY 2011;
9,375	if the Company achieves the board approved budged adjusted EBITDA projections for FY 2011.
9,375	if the Company achieves the board approved budgeted revenue for FY 2012;
9,375	if the Company achieves the board approved budged adjusted EBITDA projections for FY 2012.

If for any reason you resign prior to the time which is 12 months from your Start Date, you will forgo all such options. Furthermore, you understand that the Company's stock option plan requires that any employee who leaves the employment of the Company will have no more than three (3) months from their termination date to exercise any vested options.

The Company agrees that it will grant to you the maximum number of Incentive Stock Options ("ISO's") available under current IRS guidelines and that the remainder, if any, will be in the form of non-qualified stock options.

Termination Without Cause: If the Company terminates you without "Cause" for any reason during the Term or any extension thereof, then the Company agrees that as severance it will continue to pay you your Base Salary and maintain your employee benefits for a period that is equal to six (6) months of your employment by the Company, beginning on the date of your termination notice.

For the purposes of this letter agreement, the Company shall have "Cause" to terminate your employment hereunder upon: (i) failure to materially perform and discharge your duties and responsibilities under this Agreement (other than any such failure resulting from incapacity due to illness) after receiving written notice and allowing you ten (10) business days to cure such failures, if so curable, provided, however, that after one such notice has been given to you, the Company is no longer required to provide time to cure subsequent failures under this provision, or (ii) any breach by you of the provisions of this Agreement; or (iii) misconduct which, in the opinion and sole discretion of the Company, is injurious to the Company; or (iv) any felony conviction involving the personal dishonesty or moral turpitude, or (v) engagement in illegal drug use or alcohol abuse which prevents you from performing your duties in any manner, or (vi) any material misappropriation, embezzlement or conversion of the Company's or any of its subsidiary's or affiliate's property or business opportunities by you; or (vii) willful misconduct by you in respect of your duties or obligations under this Agreement and/or the Confidentiality, Non-Solicitation, and Non-competition Agreement.

You acknowledge and agree that any and all payments to which you are entitled under this Section are conditioned upon and subject to your execution of a general waiver and release, in such reasonable form as counsel for each of the Company and you shall agree upon, of all claims you have or may have against the Company.

Confidentiality, Non-Compete, & Work +Products: You agree that prior to your Start Date, you will execute the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement attached to this letter as Exhibit 1. You understand that if you should fail to execute such Confidentiality, Non-Competition and Non-Solicitation Agreement in the agreed-upon form, it will be grounds for revoking this offer and not hiring you. You understand and acknowledge that this Agreement shall be read *in pari materia* with the Confidentiality, Non-Competition and Non-Solicitation Agreement and is part of this Agreement.

Executive's Representations: You understand and acknowledge that this position is an officer level position within NeoGenomics. You represent and warrant, to the best of your knowledge, that nothing in your past legal and/or work experiences, which if became broadly known in the marketplace, would impair your ability to serve as an officer of a public company or materially damage your credibility with public shareholders. You further represent and warrant, to the best of your knowledge, that, prior to accepting this offer of employment, you have disclosed all material information about your past legal and work experiences that would be required to be disclosed on a Directors and Officers' questionnaire for the purpose of determining what disclosures, if any, will need to be made with the SEC. Prior to the Company's next public filing, you also agree to fill out a Director's and Officer's questionnaire in form and substance satisfactory to the Company's counsel. You further represent and warrant, to the best of your knowledge, that you are currently not obligated under any form of non-competition or non-solicitation agreement which would preclude you from serving in the position indicated above for NeoGenomics or soliciting business relationships for any laboratory services from any potential customers in the United States.

Miscellaneous:

(i) This Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification or attempted waiver will be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(ii) The provisions of this Agreement are separate and severable, and if any of them is declared invalid and/or unenforceable by a court of competent jurisdiction or an arbitrator, the remaining provisions shall not be affected.

(iii) This Agreement is the joint product of the Company and you and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Company and you and shall not be construed for or against either party hereto.

(iv) This Agreement will be governed by, and construed in accordance with the provisions of the law of the State of Florida, without reference to provisions that refer a matter to the law of any other jurisdiction. Each party hereto hereby irrevocably submits itself to the exclusive personal jurisdiction of the federal and state courts sitting in Florida; accordingly, any matters involving the Company and the Executive with respect to this Agreement may be adjudicated only in a federal or state court sitting in Lee County, Florida.

(v) This Agreement may be signed in counterparts, and by fax, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(vi) Within three days of your start date, you will need to provide documentation verifying your legal right to work in the United States. Please understand that this offer of employment is contingent upon your ability to comply with the employment verification requirements under federal laws and that we cannot begin payroll until this requirement has been meet.

(vii) Employment with NeoGenomics is an "at-will" relationship and not guaranteed for any term. You or the Company may terminate employment at anytime for any reason by providing written notice.

(Signatures Appear on the Next Page)

Grant, I know that with your help we can build a world-class team to help drive this company. Welcome aboard!

Sincerely,

/s/ Douglas M. VanOort

Douglas M. VanOort
Executive Chairman and Interim CEO

Agreed and Accepted:

/s/ Grant Carlson	7/22/2009
Grant Carlson	Date

Exhibit 1

Form of Confidentiality, Non-Competition and Non-Solicitation Agreement

Exhibit 2

Relocation Agreement

EXHIBIT 1

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "Agreement") dated this 9th day of July, 2009 is entered into by and between Grant Carlson ("Employee") and NeoGenomics, Inc., a Florida corporation ("Employer" and collectively with NeoGenomics, Inc, a Nevada corporation, the Employer's parent corporation, the "Company"). Hereinafter, each of the Employee or the Company maybe referred to a "Party" and together be referred to as the "Parties".

RECITALS:

WHEREAS, the Parties have entered into that certain letter agreement, dated July 22, 2009 that creates an employment relationship between the Company and Employee (the "Employment Agreement"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's standard Confidentiality, Non-Solicitation and Non-Compete; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company.

Now, therefore, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Employee, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon execution and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties, whether termination is by the Company and/or any entity that is wholly or partially owned by the Company (all of such entities being hereinafter referred to as "Affiliated Entities"), with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee ("Term").

2. **Confidential Information.**

a. The term "Confidential Information" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, customer lists and names and other information, customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans therefor, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any Affiliated Entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company or any Affiliated Entity to Employee or developed by the Employee on behalf of the Company or any Affiliate Entity as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company or any Affiliated Entity may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information.

b. Employee acknowledge(s) that this "Confidential Information" is of value to the Company and/or any Affiliated Entities by providing them with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company or any Affiliated Entities for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes “Trade Secrets” under Section 688.002 and Chapter 812 of the Florida Statutes.

3. Duty of Confidentiality. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company or any Affiliated Entity for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company or any Affiliated Entities and their business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company or any Affiliated Entity and for no other purpose, (iii) take all precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company or any Affiliated Entity, (iv) observe all security policies implemented by the Company or any Affiliated Entity from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company’s and any Affiliated Entity’s Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company’s and any Affiliated Entity’s legitimate business interest in preserving its Confidential Information.

In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company or any Affiliated Entities with prompt notice of such request or order so that the Company or any Affiliated Entity may seek to prevent disclosure.

4. **Limited Right of Disclosure.** Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("Representative(s)"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s), and Employee shall show this Agreement to them and shall obtain their signed consent to be bound by this Agreement prior to any disclosures.

5. **Return of Company Property and Confidential Materials.** All tangible property, including cell phones, laptop computers and other company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and/or its Affiliated Entities and must be returned to the Company and/or its Affiliated Entities in accordance with the instructions of the Company and/or such Affiliated Entities either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment with the Company or any Affiliated Entity, whether termination is by the Company or the Affiliated Entity, with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee, Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company and/or the Affiliated Entity, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all information to the Company and/or any Affiliated Entities as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any intentional or unauthorized retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. **Agreement Not To Circumvent.** Employee agrees not to pursue any transaction or comparable concept that makes use of any information identified herein as Confidential Information during the Term of this Agreement, other than through the Company and/or its Affiliated Entities or on behalf of the Company and/or its Affiliated Entities. It is further understood and agreed that the Employee will direct all communications and requests regarding Confidential Information from any third parties through the Company's then chief executive officer or president. Any violation of this covenant shall subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company or any of its Affiliated Entities during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "Work Product"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to an Affiliated Entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or any Affiliated Entity or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company or any Affiliated Entity apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to an Affiliated Entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the business of the Company, or any Affiliated Entity, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its Affiliated Entities are engaged in the business of providing cancer genetic and molecular testing services to oncologists, urologists, pathologists, physicians, hospitals, and other medical laboratories. The covenants contained in this Paragraph 8 (the "Restrictive Covenants") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period time following termination of such employment, as defined below, whether termination is by the Company, with or without cause, wrongful discharge, or for any other reason whatsoever, or by Employee (such period of time is hereinafter referred to as the "Restrictive Period"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants. The Restrictive Period will be defined as a period of two (2) years for the Non-Solicitation Covenant and a period of one (1) year for the Non-Competition Covenant.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) induce any customer, or any pending customer, of the Company or of any Affiliated Entity to patronize or do business with any business directly or indirectly in competition with the businesses conducted by the Company or any Affiliated Entity in any market in which the Company or any Affiliated Entity does business; or

(ii) canvass, solicit or accept from any customer, or any pending customer, of the Company or of any Affiliated Entity, any such business relationship that is in competition with the Company or any Affiliated Entity; or

(iii) request or advise any customer or vendor, or any pending customer or vendor, of the Company or of any Affiliated Entity to withdraw, curtail or cancel any such customer's or vendor's business with the Company or any Affiliated Entity; or

(iv) recruit, solicit or otherwise induce or influence any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or modify such employment, agency or business relationship with the Company or any Affiliated Entity; or

(v) employ or seek to employ any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity employs or seeks to employ such person) employed or retained by the Company or any Affiliated Entity.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, for himself or herself, or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or herself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in, accept employment from, or participate in, any business that is in competition with the business of the Company or any Affiliated Entity in any location that is within 1,000 miles of the Company's main headquarters location in Ft. Myers, FL or within 1,000 miles of the Employee's primary geographic location during his or her or her last twelve months of employment.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event of a termination of the Employee by the Company without "Cause" (as defined below), the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder. The Employee specifically acknowledges that any termination by the Company for "Cause" or any termination by resignation of the Employee shall result in the Non-competition covenant described in paragraph 8(b) remaining valid and enforceable hereunder.

Notwithstanding the preceding paragraphs, the spirit and intent of this non-competition clause is not to deny the Employee the ability to support his or her family, but rather to prevent the Employee from using the knowledge and experiences obtained from the Company in a similar competitive environment. Along those lines, should the Employee leave the employment of the Employer for any reason, he or she would be prohibited from joining a for-profit cancer testing genetics laboratory and/or competing against the Company in the same market place. The Parties agree that the phrase "in any business that is in competition with the business of the Company" in the preceding paragraph 8(b) specifically excludes all non-profit medical testing laboratories, hospitals and academic institutions as well as for-profit prenatal and pediatric/constitutional genetic testing laboratories. In other words, the Employee would be allowed under this non-compete clause to work in a private, for-profit prenatal laboratory or pediatric/constitutional genetics testing laboratory as well as any non-profit cancer genetics testing laboratory. Thus, the spirit and intent of this non-competition clause is intended to prevent the Employee from acting in any of the capacities outlined in this paragraph for any "for-profit" cancer genetics testing laboratory only. For purposes of this agreement, cancer genetic testing laboratories shall be defined as laboratories that perform the following types of cancer genetics testing: cytogenetics testing, Flourescence In-Situ Hybridization (FISH) testing, flow cytometry testing and molecular genetics testing.

For the purposes of this Agreement, the Company shall have "Cause" to terminate the Employee's employment hereunder upon:

(i) the willful and continued failure by the Employee to substantially perform his or her duties (other than any such failure resulting from incapacity due to physical or mental illness) for a period of ten days after demand for substantial performance is delivered in writing by the Company that specifically identifies the manner in which the Company believes the Employee has not substantially performed his duties; or

(ii) the active participation by the Employee in an act or series of acts of willful malfeasance or gross misconduct, recklessness or gross negligence (including, without limitation, any action that results in the Employee's conviction of or pleading guilty to any misdemeanor or regulatory sanction placed upon you or moral turpitude) which a reasonable person would expect to have a potentially damaging or detrimental effect on the Company; or

(iii) the Employee's being convicted of, or pleading guilty to, a felony.

In the event that the Employee's Employment Agreement shall contain a different definition of "Cause", then the definition of "Cause" contained in the Employment Agreement shall be operable in interpreting the provisions of the above paragraph.

c. <u>Acknowledgements of Employee.</u>

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company or any Affiliated Entity for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company and its Affiliated Entities will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company or any Affiliated Entity shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company or any Affiliated Entity.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's assignee or successor or any of the Affiliated Entities and Employee acknowledges and agrees that assignees, successors and Affiliated Entities are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants are held by an arbitration panel or court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, they shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee agrees that any violation of the Restrictive Covenants, in any capacity identified herein, are a material breach of this Agreement and that any and all sales by Employee for himself or herself, other individual(s), partnership, corporation, joint venture, or any other entity with which he or she is associated, shall be conclusively presumed to have been made by the Company or any Affiliated Entity, but for the violation.

(vii) Employee agrees that any failure of the Company or any Affiliated Entity to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. **Specific Performance; Injunction.** The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company or any of its Affiliated Entities. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the Parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement, shall constitute misappropriation under Florida Statutes, and shall cause irreparable harm and loss to the Company or any of its Affiliated Entities for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company or any of its Affiliated Entities will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without being required to post a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without being required to post a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment; and

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction or arbitration panel has determined conclusively that the Company or any of its assignees, successors or Affiliated Entities is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company or any Affiliated Entities from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 2 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company or any of its Affiliated Entities shall not constitute a defense to the enforcement by the Company or any of its Affiliated Entities of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 2 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction with the arbitration tribunals of the American Arbitration Association for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. **Arbitration Agreement.** Employee agrees that all controversies, claims, disputes and matters in question arising out of, or related to this Agreement, the breach of this Agreement, the business relationship between signatories to this Agreement or any other matter or claim whatsoever shall be decided by binding arbitration before the American Arbitration Association, utilizing its Commercial Rules by a panel of one arbitrator. Venue for any arbitration between the Parties shall be held in Fort Myers, Lee County, Florida.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee at any time. This Agreement may be assigned only by the Company to an Affiliated Entity and shall inure to the benefit of its successors and/or assigns.

13. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

14. **Construction.** The Parties agree that, notwithstanding the authorship of this Agreement by the Company, such Agreement shall not be construed more favorably to one Party than the other.

15. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

16. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee. The refusal or failure of the Company or any Affiliated Entity to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company or any Affiliated Entity of any other restrictive covenant provision set forth in this Agreement.

17. Consideration. Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

18. Notices . All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

19. Acknowledgements. Employee acknowledge(s) that he or she has reviewed this Agreement prior to signing it, that he or she knows and understands the contents, purposes and effect of this Agreement, and that he or she has been given a signed copy of this Agreement for his or her records. Employee further acknowledges and agrees that he or she has entered into this Agreement freely, without any duress or coercion.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: /s/ Grant Carlson 7/9/2010
Employee Signature Date

Employee Name: Grant Carlson
Employee Address: c/o NeoGenomics Laboratories, Inc.
12701 Commonwealth Drive

NeoGenomics, Inc.
12701 Commonwealth Drive, # 5
Fort Myers, FL 33913

By: /s/ Douglas VanOort 7/22/09
Date

Name: Douglas VanOort
Title: CEO

Exhibit 2

RELOCATION AGREEMENT

Grant Carlson
Vice President of Sales & Marketing

NeoGenomics Laboratories (the "Company") acknowledges that you will incur certain relocation expenses as a result of accepting employment with us. We consider the reimbursement of these expenses to be related to the employer-employee relationship that we are attempting to establish and that these are items that we *share* as the relationship is established.

NeoGenomics agrees to reimburse you for up to $20,000 in the aggregate (the "Relocation Cap") for commuting, temporary housing and permanent relocation expenses. This assistance will be comprised of two parts: (i) reimbursement for commuting, temporary housing and other related transition expenses (the "Temporary Commuting Allowance"), and (ii) reimbursement for permanent relocation expenses that are identified by the Internal Revenue Service ("IRS") as "deductible moving expenses" (the "Permanent Relocation Assistance").

You may use up to $15,000 of the Relocation Cap for the Temporary Commuting Allowance. Expenses reimbursable under the Temporary Commuting Allowance include pre-move travel (between Lakeland, FL to Fort Myers, FL, related lodging and meal expenses, and other related transition expenses, incurred in accordance with the Company's applicable policies in effect from time to time.

All such payments made by the Company as part of your Temporary Commuting Allowance shall be subject to withholding for federal, state or local taxes as the Company reasonably may determine. However, you should consult with your own tax advisor to determine what payments (or reimbursements), if any, may be tax deductible to you.

The dollar amount of Permanent Relocation Assistance available to you is the difference between the Relocation Cap and any payments made to you (or on your behalf) under the Temporary Commuting Allowance. The Permanent Relocation Assistance is available to you for your permanent move to Fort Myers, Florida, which will need to occur on or prior to September 1, 2010. Any relocation expenses incurred by you (or on your behalf) occurring after September 1, 2010 will not be reimbursable by the Company unless otherwise mutually agreed upon in writing by you and the President of the Company. The Company will require two (2) quotes from vendors prior to payment for moving expenses.

The Permanent Relocation Assistance payments will not be taxable to you to the extent the expenses are identified by the IRS as "deductible moving expenses," and, accordingly, reimbursable expenses shall be limited to: (i) moving your household goods and personal effects, and (ii) travel (including lodging, but not meals) to your new home.

All claims for reimbursable expenses, together with proper receipts and supporting documentation, must be submitted to the Company within 45 days following the date(s) the expenses are incurred. Thereafter, reimbursement by the Company will be made in accordance with the Company's normal payroll practices no later than 45 days following the timely submission of applicable claims.

I, Grant Carlson, agree to provide proper receipts and documentation in a form acceptable to the Company in order to receive reimbursement from the Company, and I understand that failure to do so in accordance with the requirements set forth herein (including, but not limited to, timely submission) will jeopardize my rights to any reimbursements under this Agreement.

I further agree that:

(a) I will reimburse NeoGenomics all Permanent Relocation Assistance and Temporary Commuting Allowance payments paid on my behalf directly to vendors or to me by NeoGenomics should I resign my employment for any reason with NeoGenomics Laboratories. Reimbursement will not be required should NeoGenomics initiate the separation of employment.

Reimbursement will be based on the following scheduled:

1) 100 % reimbursement if resignation occurs within a 14 month time period from the start of employment or within six months after my permanent relocation to Fort Myers, Fl.
2) 50% reimbursement if resignation occurs within 6 months to 12 months after my permanent relocation to Fort Myers, FL.

(b) Any reimbursements paid to me in error will be returned to the Company within 60 days of (i) the date the expense was incurred, or (ii) becoming aware of the existence of an erroneous reimbursement.

(c) My final paycheck for any wages and/or accrued paid time-off will be reduced, to the extent allowable by law, in the amount of any monies I owe to the Company pursuant to the terms of this Agreement. If the amount of my final paycheck is insufficient to cover all the monies I owe to the Company hereunder, the Company may pursue any and all remedies available under the law.

This agreement will be governed by the laws of the State of Florida.

Agreed and Accepted:

By: /s/ Grant Carlson Date 7/22/09
Grant Carlson

NEOGENOMICS LABORATORIES

By: /s/ Douglas VanOort

Name: Douglas VanOort

Title: CEO

Exhibit 10.39
[Confidential Treatment Requested. Confidential portions of this document have been redacted and have been separately filed with the Securities and Exchange Commission]

Execution Copy

Strategic Supply Agreement

This Strategic Supply Agreement (this "Agreement") is entered into as of July 24, 2009 (the "Effective Date") by and between Abbott Molecular Inc., a Delaware corporation ("Abbott"), and NeoGenomics Laboratories, Inc., a Florida corporation ("NeoGenomics").

Recitals

A. NeoGenomics operates a genetic testing laboratory that offers a variety of diagnostic tests for cancer and other diseases, including tests developed by NeoGenomics and tests developed by others.

B. Abbott manufactures and sells certain ASR probes that are useful for analyzing nucleic acids through a process commonly known as FISH.

C. NeoGenomics desires to develop and offer a FISH-based test for the diagnosis of melanoma, and to potentially develop and offer diagnostic tests for other cancers.

D. NeoGenomics desires to purchase all of its requirements of Products from Abbott, and Abbott desires to supply and sell all of NeoGenomics' requirements for such Products to NeoGenomics, which NeoGenomics intends to incorporate into its diagnostic test, on the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the promises and the mutual covenants contained herein, the parties agree as follows:

Article 1
Definitions

"Abbott IVD" means an In-Vitro Diagnostic test for melanoma developed by Abbott for aid in diagnosis of malignant melanoma in skin biopsy specimens (excluding subtyping).

"Act" shall mean the United States Food, Drug and Cosmetic Act and all regulations promulgated thereunder.

"Affiliate" shall mean any entity which directly or indirectly controls, is controlled by, or is under common control with, another entity. For purposes of this Agreement, an entity shall be deemed to be in control of another entity if the former owns, or the partners of the former own, directly or indirectly, more than fifty percent (50%) of the outstanding voting equity (or other equity or ownership interest in the event that such entity is other than a corporation) of the latter.

"Agreement" has the meaning set forth in the introductory paragraph.

"Annual Forecast" has the meaning set forth in Section 3.4(a)(ii).

"ASR" means analyte specific reagent.

"Base Price" has the meaning set forth in Section 4.1(a).

"Calendar Quarter" means each three (3) month period during the term of this Agreement which ends, respectively, on March 31, June 30, September 30 and December 31 of each Calendar Year, except for the initial Calendar Quarter of the first Calendar Year, which will begin on the Effective Date and end on September 30, 2009.

"Calendar Year" shall mean each twelve (12) month period during the term of this Agreement which begins on January 1, and ends on December 31, except for the first Calendar Year which will begin on the Effective Date and end on December 31, 2009.

"Change of Control" means: (a) the sale of all or substantially all of NeoGenomics' assets that are used in designing, developing, validating, marketing, selling, performing or billing for the Melanoma LDT to a Third Party in a single transaction or series of related transactions; (b) any merger, consolidation, sale of stock or other transaction that results in any "person" or "group" (each as defined in the Securities Exchange Act of 1934, as amended) either becoming the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of NeoGenomics' voting securities(or securities converted into or exchangeable for such voting securities) representing fifty percent (50%) or more of the combined voting power of all of NeoGenomics' voting securities(on a fully diluted basis); or (c) any other event that results, by contract or otherwise, in such person or group obtaining the ability, directly or indirectly, to elect a majority of the board of directors of or otherwise direct the management and policies of NeoGenomics.

"Change of Control Base Revenue Amount" has the meaning specified in Section 14.4.

"Commencement Date" has the meaning set forth in Section 9.5(b).

"Confidential Information" has the meaning set forth in Section 12.1.

"Conversion Date" has the meaning set forth in Section 3.4(d).

"Decision Period" has the meaning set forth in Section 9.5.

"Effective Date" has the meaning set forth in the introductory paragraph.

"Escalated Negotiation Period" has the meaning set forth in Section 9.5.

"Estimated Premium Price" has the meaning set forth in Exhibit E hereto.

"Evaluation Products" has the meaning set forth in Section 2.1.

"Exclusive Products" means the ASRs, if any, described in Section 3.2 and identified in Exhibit A as Exclusive Products.

"Existing Customer Election" has the meaning set forth in Section 3.4(d).

"FDA" shall mean the United States Food and Drug Administration and any successor agency thereto.

"FISH" means a fluorescent in situ hybridization assay.

"Initial Annual Forecast" has the meaning set forth in Section 3.4(a)(i).

"Initial Negotiation Period" has the meaning set forth in Section 9.5.

"Intellectual Property" means any and all: (a) methods, techniques, trade secrets, designs, know-how, discoveries, inventions, data, information, documentation, regulatory submissions, formulations, methodologies, processes, specifications, trademarks, trade dress and other intellectual property of any kind (whether or not protected under patent, trademark, copyright or similar law); and (b) trademark registrations, copyrights, United States and foreign patents and patent applications covering or claiming any of the foregoing.

"IVD Agreement" has the meaning set forth in Section 9.4(c).

"IVD Opportunity" has the meaning set forth in Section 9.4(b).

"LDT" means a laboratory developed test that is independently designed, developed and validated by a clinical service laboratory.

"Melanoma LDT" means a specific LDT that is anticipated to be independently designed, developed and validated by NeoGenomics using the Products for use as an aid in diagnosing malignant melanoma in skin biopsy specimens (excluding subtyping).

"Model Forecast" has the meaning set forth in Section 3.4(a)(iii).

"Negotiation Period" means the Initial Negotiation Period and the Escalated Negotiation Period.

"Non-Conforming Product" shall have the meaning set forth in Section 7.6.

"Pre-Existing Customer" A customer of NeoGenomics that purchases the Melanoma LDT prior to the Conversion Date.

"Premium Price" has the meaning set forth in Section 4.1(b).

"Products" shall mean the analyte specific reagent probes identified by NeoGenomics and set forth on Exhibit A, including the Exclusive Products.

"Purchase Price" for each unit of Product shall mean the sum of the Base Price and Premium Price applicable for such unit at any given time.

"Quality Systems and GMP Requirements" shall mean the current and any future quality system and good manufacturing practices regulations under 21 C.F.R. Part 820 to the extent that such regulations are applicable to the Product, as such regulations are promulgated by the FDA. The applicable Quality Systems and GMP Requirements for any lot of Product shall be those regulations in effect when such lot is manufactured for NeoGenomics.

"Quarterly Forecast" has the meaning set forth in Exhibit E.

"Quarterly Report" has the meaning set forth in Exhibit E.

"Quarterly Unit Purchases" shall mean the number of units of Products ordered by NeoGenomics and shipped by Abbott pursuant to such order in a given Calendar Quarter, where one (1) unit of Product constitutes the amount of such Product necessary for NeoGenomics to perform the Melanoma LDT for one (1) patient. For purposes of this definition, "unit" refers to one ASR probe at the concentration and volume to be used in the validated Melanoma LDT, which information will be provided to Abbott by NeoGenomics in writing promptly following validation of the Melanoma LDT or any modification of the Melanoma LDT. For example, if NeoGenomics uses four (4) ASR probes designated as Products under this Agreement to perform the Melanoma LDT then such four (4) ASR probes would represent four (4) units of Products.

"SEC" shall mean the United States Securities and Exchange Commission and any successor agency thereto.

"Service Revenue" means the revenue recognized by NeoGenomics related to performing the Melanoma LDT for Third Parties, as calculated in accordance with generally accepted accounting principles and reported by NeoGenomics' parent company in its financial statements, as filed with the SEC.

"Specifications" shall mean Abbott's internal manufacturing specifications as well as technical specifications and test protocols relating to the characterization of the Products identified in Exhibit A, which Specifications will be included in Exhibit A when the Products are identified pursuant to Section 2.2 and which may from time to time be amended by written agreement of the parties including but not limited to purchased standard control procedure (pscp) changes or an equivalent document control process.

"Subsequent Annual Forecast" has the meaning set forth in Section 3.4(a).

"Subsequent Development Agreement" has the meaning set forth in Section 9.5(b).

"Termination Date Revenue Amount" has the meaning set forth in Section 14.4(b).

"Threshold Amount" has the meaning set forth in Section 3.4(a)(v).

"Territory" shall mean the United States and Puerto Rico.

"Third Party" shall mean a party other than Abbott or NeoGenomics, or their respective Affiliates.

"Unaudited Report" has the meaning set forth in Section 3.4(a)(iv).

"Unaudited Revenue" has the meaning set forth in Section 3.4(a)(iv).

Article 2
Product Identification

2.1 Evaluation Products. Abbott will supply NeoGenomics with Abbott's ASRs that may be requested from time to time by NeoGenomics for purposes of NeoGenomics' evaluation and determination as to which ASRs to include in its Melanoma LDT, and for design, development and validation of the Melanoma LDT ("Evaluation Products"). Abbott will supply NeoGenomics with Evaluation Products in quantities that are reasonably sufficient for evaluating the ASRs and designing, developing and validating the Melanoma LDT. NeoGenomics shall not use the Evaluation Products for any other purposes. Unless otherwise directed by Abbott, NeoGenomics will destroy any unused quantities of Evaluation Products. NeoGenomics will not bill or seek reimbursement from any Third Party payor for Evaluation Products.

2.2 Product Identification. As promptly as reasonably practicable, but within one hundred twenty (120) days after the Effective Date, NeoGenomics will determine which ASRs it desires to purchase under this Agreement for inclusion in its Melanoma LDT. Once the ASRs are identified and agreed upon in writing by the parties, Exhibit A will be modified (without necessitating an amendment to this Agreement) to include such ASRs and their Specifications, and such ASRs will thereafter constitute the Products for purposes of this Agreement. Notwithstanding the foregoing, if, during the term of this Agreement, Abbott develops new ASRs utilizing in situ hybridization to a chromosomal target that Abbott reasonably believes may be of interest to NeoGenomics for use with the Melanoma LDT or a successor thereto, Abbott will notify NeoGenomics in writing of such new products with a description of each such product and exclusively offer to NeoGenomics the right to evaluate such products for a period of one hundred eighty (180) days from the date of such written notice for possible inclusion in the Melanoma LDT or a successor thereto. In the event that NeoGenomics decides during such evaluation period that any such new product would be appropriate to include in its Melanoma LDT or any successor thereto, and so notifies Abbott in writing, then Exhibit A will be further modified (without necessitating an amendment to this Agreement) to include such new product and its specifications, and thereafter such new product will be included in the definition of Exclusive Products for the purposes of this Agreement. If NeoGenomics elects not to use the new product in the Melanoma LDT or a successor thereto, it shall not constitute a Product for purposes of this Agreement and NeoGenomics shall have no rights with respect thereto.

2.3 Non-Abbott ASRs. The parties acknowledge and agree that NeoGenomics will be free to identify which ASRs it desires to include in the Melanoma LDT, and that it may include ASRs that are not currently manufactured by Abbott. If NeoGenomics elects to include in its Melanoma LDT one or more ASRs that are not currently manufactured by Abbott, it will so notify Abbott, and Abbott may elect to manufacture the ASR and supply it to NeoGenomics as a Product under this Agreement. If Abbott chooses not to manufacture the ASR, Abbott and NeoGenomics will negotiate in good faith to determine whether: (a) Abbott will obtain the ASR from a Third Party and supply it to NeoGenomics as a Product under this Agreement; or (b) NeoGenomics will obtain the ASR directly from a Third Party that is reasonably acceptable to Abbott and that has a valid license from Abbott to manufacture the ASR, if applicable. If none of the ASRs selected by NeoGenomics are manufactured by Abbott at the time of the initial selection of such ASRs for inclusion in the Melanoma LDT by NeoGenomics, and Abbott elects not to manufacture any of such ASRs selected by NeoGenomics so that no ASRs have been identified as Products pursuant to Section 2.2 within the time periods permitted therein, and the parties are unable to reach a mutually acceptable alternative arrangement, then Abbott may terminate this Agreement upon thirty (30) days prior written notice to NeoGenomics without further obligation or liability. Abbott represents and warrants that, as of the Effective Date, it currently manufactures all of the ASRs previously disclosed to NeoGenomics or listed in any Abbott product catalog that is current as of the Effective Date.

Article 3
Supply Terms

3.1 Supply. During the term of this Agreement, and subject to the terms and conditions contained herein, NeoGenomics shall purchase all of its requirements of the Products from Abbott, and Abbott shall supply, or shall cause its Affiliates to supply, to NeoGenomics such quantities of the Products as may be ordered by NeoGenomics hereunder. Except for Abbott's failure to supply Products as described in Section 5.5, NeoGenomics will not obtain from any Third Party, or manufacture for itself, any Products (or other ASRs that are substantially similar to the Products).

3.2 Exclusivity. If, pursuant to Section 2.2, NeoGenomics identifies for inclusion in the Melanoma LDT one or more ASRs that are not currently marketed or sold commercially by Abbott as individual stand-alone products, each such ASR will be designated as an "Exclusive Product" and will be so identified on Exhibit A. Abbott will supply the Exclusive Product(s) to NeoGenomics exclusively in the Territory and, subject to Section 3.3(b) below, Abbott will not sell the Exclusive Products to any Third Party in the Territory. Any Products that are not expressly designated in Exhibit A as Exclusive Products shall be supplied to NeoGenomics on a non-exclusive basis. Abbott will use commercially reasonable efforts to ensure that any Products that are sold by Abbott to customers outside the Territory will be subject to restrictions prohibiting the further resale or distribution of such Products in the Territory. For the avoidance of doubt, once an ASR has been identified as an "Exclusive Product" on Exhibit A it shall not cease to be an Exclusive Product due to the marketing or sale of such ASR by Abbott outside the Territory.

3.3 Exclusivity Exceptions.

(a) Abbott may sell Exclusive Products to Third Parties outside the Territory; *provided,* that Abbott will use commercially reasonable efforts to ensure that such Exclusive Products are not resold or distributed in the Territory.

(b) Abbott may supply Exclusive Products to the academic collaborators identified in Exhibit B in quantities sufficient for the collaborators' research and development purposes. In addition, Abbott may supply the identified academic collaborators, in the aggregate, with quantities of Exclusive Products sufficient to perform no more than one thousand two hundred (1,200) patient tests per Calendar Year (increasing six percent (6%) per Calendar Year).

3.4 Maintenance of Exclusivity.

(a) Annual Forecast and Review.

(i) At least ninety (90) days prior to the end of the 2010 Calendar Year, NeoGenomics will provide to Abbott a written reasonable good faith forecast of the Service Revenue it expects to realize in each of the following two (2) Calendar Years from sales of the Melanoma LDT (the "Initial Annual Forecast"). If Abbott does not object to the Initial Annual Forecast within forty-five (45) days of its receipt of the Initial Annual Forecast, it shall be deemed accepted by Abbott. If Abbott objects to the Initial Annual Forecast within such forty-five (45) day period, the parties will negotiate in good faith to develop an Initial Annual Forecast that is mutually acceptable to both parties, subject to subparagraph (iii) below. If the parties are unable to agree upon a mutually acceptable Initial Annual Forecast within fifteen (15) days after beginning negotiations, the matter will be escalated to the President of NeoGenomics (currently Robert Gasparini) and the President of Abbott (currently Stafford O'Kelly) for resolution, and if such individuals are unable to agree upon a mutually acceptable Initial Annual Forecast within an additional fifteen (15) days, the matter will be resolved in accordance with Section 15.11.

(ii) At least ninety (90) days prior to the end of the 2012 Calendar Year and at least ninety (90) days prior to the end of each third Calendar Year thereafter during the term of this Agreement (*i.e.*, 2015, 2018, etc.), NeoGenomics will provide to Abbott a written reasonable good faith forecast of the Service Revenue it expects to realize in each of the following three (3) Calendar Years from sales of the Melanoma LDT (each, a "Subsequent Annual Forecast" and together with the Initial Annual Forecast, the "Annual Forecast"). If Abbott does not object to a Subsequent Annual Forecast within forty-five (45) days of its receipt of such Subsequent Annual Forecast, it shall be deemed accepted by Abbott. If Abbott objects to a Subsequent Annual Forecast within such forty-five (45) day period, the parties will negotiate in good faith to develop a Subsequent Annual Forecast that is mutually acceptable to both parties, subject to subparagraph (iii) below; *provided however*, that unless otherwise mutually agreed by the parties:

(A) if NeoGenomics' maintains exclusivity pursuant to Section 3.4(b), then the Service Revenue projected in each Calendar Year forecast included within the applicable Subsequent Annual Forecast shall not be lower than the actual Service Revenue realized by NeoGenomics in the last Calendar Year of the immediately preceding forecast period; or

(B) if NeoGenomics does not maintain exclusivity pursuant to Section 3.4(b) and Abbott does not convert this Agreement to a non-exclusive agreement pursuant to Section 3.4(c), then the Service Revenue projected in each Calendar Year forecast included within the applicable Subsequent Annual Forecast shall not be lower than the actual Service Revenue realized by NeoGenomics in the last Calendar Year of the immediately preceding forecast period, divided by seventy-five one hundredths (0.75).

If the parties are unable to agree upon a mutually acceptable Subsequent Annual Forecast within fifteen (15) days after beginning negotiations, the matter will be escalated to the President of NeoGenomics (currently Robert Gasparini) and the President of Abbott (currently Stafford O'Kelly) for resolution, and if such individuals are unable to agree upon a mutually acceptable Subsequent Annual Forecast within an additional fifteen (15) days, the matter will be resolved in accordance with Section 15.11.

(iii) Notwithstanding anything in this Agreement to the contrary, unless otherwise expressly agreed by both parties, neither the Initial Annual Forecast nor any Subsequent Annual Forecast will be (A) higher than the model forecast for the corresponding Calendar Year(s) as shown in the model forecast attached hereto as Exhibit C (the "Model Forecast") or (B) so long as Abbott *has not* exercised its rights pursuant to Section 3.4(c) hereof to convert NeoGenomics to a non-exclusive arrangement, lower than thirty-five percent (35%) of the model forecast for the corresponding Calendar Year as shown in the Model Forecast.

(iv) NeoGenomics hereby agrees that it will hire the number of sales people, make the marketing expenditures and otherwise make the commercial investments that NeoGenomics reasonably believes are necessary to achieve each Annual Forecast. NeoGenomics and Abbott agree to meet periodically to review and discuss NeoGenomics' sales and marketing activities with respect to the Melanoma LDT.

(v) On or before February 15, 2012, and thereafter as soon as figures are available, but in no event more than forty-five (45) days, after the end of each Calendar Year during the term of this Agreement, NeoGenomics will provide Abbott with a written report showing NeoGenomics' revenue related to performing the Melanoma LDT for Third Parties, as calculated in accordance with generally accepted accounting principles (the "Unaudited Revenue"), during the previous Calendar Year, which the parties acknowledge shall be based on unaudited financial information for such Calendar Year (the "Unaudited Report"). Within ninety (90) days after the end of such Calendar Year during the term of this Agreement, NeoGenomics will provide Abbott with a written report showing its Service Revenue during the previous Calendar Year (the "Audited Report"), but only if the Service Revenue in the Audited Report would differ from NeoGenomics' Unaudited Revenue as reported in the Unaudited Report. If the Unaudited Report shows that NeoGenomics' Unaudited Revenue during the previous Calendar Year was less than ninety percent (90%) of the applicable Threshold Amount (as defined below), then the Unaudited Revenue will constitute the Service Revenue for such Calendar Year for purposes of determining whether Abbott may exercise its rights under Section 3.4(c) or Section 3.4(d), as applicable. If the Unaudited Report shows that NeoGenomics' Unaudited Revenue during the previous Calendar Year is equal to or greater than 90% of the applicable Threshold Amount, then the parties will wait until the Audited Report is issued and the actual Service Revenue, as reported in the Audited Report, will be used for purposes of determining whether Abbott may exercise its rights under Section 3.4(c) or Section 3.4(d), as applicable. As used in this paragraph: (A) If Abbott *has not* exercised its rights pursuant to Section 3.4(c) or Section 3.4(d), the "Threshold Amount" is the amount of Service Revenue that NeoGenomics must realize in a given Calendar Year in order to maintain exclusivity pursuant to Section 3.4(b); or (B) if Abbott *has* exercised its rights pursuant to Section 3.4(c), the "Threshold Amount" means the amount of Service Revenue that NeoGenomics must realize in a given Calendar Year in order to avoid Abbott having the right to make the Existing Customer Election pursuant to Section 3.4(d).

(b) Maintenance of Exclusivity. Beginning with Calendar Year 2011, if NeoGenomics' Service Revenue in a Calendar Year equals or exceeds seventy-five percent (75%) of the Service Revenue forecasted in the Annual Forecast for such Calendar Year, then NeoGenomics will retain the right to purchase the Exclusive Products from Abbott on an exclusive basis pursuant to Section 3.2.

(c) Conversion to Non-Exclusivity. Beginning with Calendar Year 2011, if NeoGenomics' Service Revenue in a Calendar Year is less than seventy-five percent (75%) but at least thirty-five percent (35%) of the Service Revenue forecasted in the Annual Forecast for such Calendar Year, then Abbott may, in its discretion, upon written notice to NeoGenomics within ninety (90) days following NeoGenomics' submission of a written report showing the previous year's Service Revenue to Abbott, irrevocably discontinue selling the Exclusive Products to NeoGenomics on an exclusive basis and begin selling them to NeoGenomics on a non-exclusive basis. In such event, the Exclusive Products will cease being Exclusive Products for purposes of this Agreement and Abbott will be free to sell any Products, including the Exclusive Products, to one or more of its Affiliates or Third Parties for any purpose; *provided, however*, that before exercising its right to convert NeoGenomics to a non-exclusive arrangement, Abbott will first consult with NeoGenomics regarding the reasons for the Service Revenue shortfall and will consider in good faith a reasonable modification to the Annual Forecast to permit NeoGenomics to maintain exclusivity; *provided, further*, that Abbott will have no obligation to agree to such a modification. Abbott agrees that to the extent it does not exercise its rights under this Section 3.4(c) within ninety (90) days of being notified of NeoGenomics' Service Revenue for the previous Calendar Year, then Abbott will be deemed to have waived its right to convert this Agreement to a non-exclusive agreement as a result of any shortfalls in Service Revenue for such Calendar Year.

(d) Existing Customer Election. If (i) NeoGenomics' Service Revenue in a Calendar Year is less than thirty-five percent (35%) of the Service Revenue forecasted in the Annual Forecast for such Calendar Year (if Abbott *has not* converted this Agreement to a non-exclusive agreement pursuant to Section 3.4(c)); or (ii) NeoGenomics' Service Revenue in a Calendar Year is less than forty-five percent (45%) of the Service Revenue forecasted in the Annual Forecast for such Calendar Year (if Abbott *has* converted this Agreement to a non-exclusive agreement pursuant to Section 3.4(c)); then, in either such event, Abbott may, in its discretion, upon written notice to NeoGenomics within nine (9) months following NeoGenomics submission of a written report showing the previous Calendar Year's Service Revenue to Abbott (the date which is thirty (30 days after NeoGenomics' receipt of such notice being the "Conversion Date"), elect to sell the Exclusive Products to NeoGenomics only to the extent necessary for NeoGenomics to service its Pre-Existing Customers (the "Existing Customer Election"); *provided, however*, that before making such election, Abbott will first consult with NeoGenomics regarding the reasons for the Service Revenue shortfall and will consider in good faith a reasonable modification to the Annual Forecast to permit NeoGenomics to continue to purchase the Exclusive Products on the non-excusive basis set forth under Section 3.4(c); *provided, further*, that Abbott will have no obligation to agree to such a modification. From and after the Conversion Date, NeoGenomics will have no right to purchase, and Abbott will have no obligation to sell, Products in excess of the quantities necessary for NeoGenomics to provide the Melanoma LDT to its Pre-Existing Customers (including increases in volume requested by Pre-Existing Customers). Upon reasonable prior written notice, Abbott's independent third party accounting firm, at Abbott's expense, will have the right to audit NeoGenomics' books and records (but no more than once every twelve (12) months and only at reasonable times and under reasonable conditions) to verify that Products sold to NeoGenomics are being used solely to service Pre-Existing Customers. Prior to any such audit, Abbott's independent third party accounting firm shall be required to execute a separate confidentiality agreement with NeoGenomics, in form and substance reasonably acceptable to NeoGenomics, that, among other things, shall prohibit such accounting firm from disclosing the identities of any of NeoGenomics' customers to Abbott, any Affiliate of Abbott or any Third Party. If NeoGenomics intentionally and materially exceeds its rights under this Section 3.4(d), Abbott shall have the right to terminate this Agreement pursuant to Section 14.2. Abbott agrees that if it does not make the Existing Customer Election within nine (9) months of being notified of NeoGenomics' Service Revenue for the previous Calendar Year, then Abbott will be deemed to have waived its right to make the Existing Customer Election for such Calendar Year.

(e) Lowest Price.

(i) If Abbott converts this Agreement to a non-exclusive agreement pursuant to Section 3.4(c), Abbott will continue to sell the Products to NeoGenomics on the terms and conditions set forth in this Agreement, except for terms related to exclusivity; *provided, however*, that if, following such conversion, Abbott sells Products to any Third Party (other than academic collaborators) for a price that is lower than the Purchase Price payable by NeoGenomics hereunder, then NeoGenomics will be entitled to such lower price for all quantities of such Products delivered to it for as long as such lower price is effective for any other buyer; *provided, further,* that, if the lower price payable by a Third Party is based on tiered pricing or other volume discount, NeoGenomics will be required to commit to at least the same purchase volume as the Third Party in order to be entitled to the lower price.

(ii) If Abbot makes the Existing Customer Election pursuant to Section 3.4(d), Abbott will continue to sell the Products to NeoGenomics on the terms and conditions set forth in this Agreement, except for terms related to exclusivity and subject to the limitations set forth in Section 3.4(d); *provided, however*, that if, following such election, Abbott sells Products to any Third Party (other than academic collaborators) for a price that is lower than the Purchase Price payable by NeoGenomics hereunder, then NeoGenomics will be entitled to purchase the Products for a price that is one hundred ten percent (110%) of such lower price for all quantities of such Products delivered to it for so long as such lower price is effective for any other buyer; *provided, further,* that, if the lower price payable by a Third Party is based on tiered pricing or other volume discount, NeoGenomics will be required to commit to at least the same purchase volume as the Third Party in order to be entitled to the lower price.

(f) Changes to Annual Forecast. If (i) Abbott converts this Agreement to a non-exclusive agreement pursuant to Section 3.4(c); (ii) the average national reimbursement rate for automated FISH testing using CPT Code 88367 declines by greater than five percent (5.0%) from one Calendar Year to the next; (iii) a Third Party begins marketing an LDT incorporating any of the Products that is reasonably anticipated to compete in a material way with the Melanoma LDT; or (iv) Abbott is successful in developing and obtaining FDA approval or clearance for the Abbott IVD; then Abbott and NeoGenomics will negotiate in good faith to revise the Annual Forecast currently in effect pursuant to Section 3.4(a) and/or the performance thresholds set forth in Sections 3.4(b), 3.4(c) and 3.4(d) to reflect the anticipated impact of such event on NeoGenomics' Service Revenue. If Abbott makes the Existing Customer Election, then NeoGenomics will no longer be required to provide Annual Forecasts pursuant to this Section 3.4, but will still comply with the forecasting and ordering procedures set forth in Article 5.

(g) Examples. Examples illustrating the potential application of the provisions set forth in this Section 3.4 under various scenarios are attached hereto as Exhibit D. Such examples are provided for illustrative purposes only and are not binding on either party.

3.5 Sole Remedies. The rights to convert this Agreement to a non-exclusive agreement, or to make the Existing Customer Election, pursuant to Sections 3.4(c) and 3.4(d) above shall constitute Abbott's sole and exclusive remedies with respect to NeoGenomics' failure to meet the Service Revenue levels forecasted in the Annual Forecast, except to the extent such failure is due to NeoGenomics' fraud or willful misconduct.

3.6 Compliance. Products manufactured by Abbott for NeoGenomics under this Agreement shall be manufactured and tested by Abbott in accordance with the Specifications, Quality System and GMP Requirements, and all applicable national, state and local laws, regulations and guidelines.

3.7 Specifications. The Specifications for the Products will be included in Exhibit A when the Products are identified pursuant to Section 2.2. The parties may from time to time amend said Specifications for any Product by mutual written agreement; *provided*, that if Abbott is required by applicable law, rule or regulation to modify the Products or the Specifications, it will be free to do so, but will provide NeoGenomics with as much advance notice of such modification as practicable under the circumstances. In the event that an amendment to the Specifications for a Product affects the price for such Product, the parties shall, prior to amending the Specifications, agree in writing upon any price adjustments and ordering and delivery schedules for such Product.

3.8 Use of Products. NeoGenomics will not: (a) resell or distribute any Evaluation Products or Products obtained from Abbott under this Agreement to any Third Party; (b) use any Evaluation Products or Products past their stated expiration date; (c) use any Evaluation Products in any manner inconsistent with their intended use; or (d) use any Evaluation Products or Products outside the Territory.

3.9 Books and Records; Audit Rights. NeoGenomics will keep books and records that accurately show the Service Revenue. Such books and records shall be preserved for three (3) years from the last day of each Calendar Year in which such Service Revenue was realized and shall be open to audit by an independent accounting firm reasonably acceptable to NeoGenomics and Abbott, no more frequently than once in any twelve (12) month period, at reasonable times and under reasonable conditions and upon at least thirty (30) days prior written notice to NeoGenomics. All information contained in NeoGenomics' books and records shall constitute Confidential Information for purposes of Article 12 of this Agreement and the independent accounting firm will be required to execute a separate confidentiality agreement reasonably acceptable to NeoGenomics that, among other things, shall prohibit such accounting firm from disclosing the identities of any of NeoGenomics' customers to Abbott, any Affiliate of Abbott or any Third Party. Abbott will use the reports of the independent accounting firm only for the purpose of verifying NeoGenomics' Service Revenue for the applicable period. Once audited, the books and record shall be closed for the applicable Calendar Year(s) and may not be audited again pursuant to this Section 3.9. The costs of such an audit shall be borne by Abbott; *provided, however*, that, if such audit determines that the Service Revenue reported by NeoGenomics for the audited Calendar Year(s) is at least ten percent (10%) more than the Service Revenue determined by the auditor for such Calendar Year(s), then NeoGenomics will promptly reimburse Abbott for the costs of such audit. Abbott's right to audit a specific Calendar Year will terminate three (3) years after the last day of such Calendar Year.

Article 4
Purchase Price And Terms

4.1 Purchase Price. The purchase price ("Purchase Price") for the Products shall consist of a base component and a premium component.

(a) Base Purchase Price. The base component of the Purchase Price (the "Base Price") shall be as set forth on Exhibit E hereto.

(b) Premium Purchase Price. The premium component of the Purchase Price (the "Premium Price") shall be as set forth on Exhibit E hereto.

(c) Books and Records; Audit Rights. NeoGenomics will keep books and records that accurately show the Quarterly Unit Purchases. Such books and records shall be preserved for three (3) years from the last day of each Calendar Quarter in which such Quarterly Unit Purchases were made and shall be open to audit by an independent accounting firm reasonably acceptable to NeoGenomics and Abbott, no more frequently than once in any twelve (12) month period, at reasonable times and under reasonable conditions and upon at least thirty (30) days prior written notice to NeoGenomics. All information contained in NeoGenomics' books and records shall constitute Confidential Information for purposes of Article 12 of this Agreement and the independent accounting firm will be required to execute a separate confidentiality agreement reasonably acceptable to NeoGenomics that, among other things, shall prohibit such accounting firm from disclosing the identities of any of NeoGenomics' customers to Abbott, any Affiliate of Abbott or any Third Party. Abbott will use the reports of the independent accounting firm only for the purpose of determining the accuracy of the Quarterly Reports and ensuring proper payment of the Premium Price. Once audited, the Quarterly Reports and the Premium Price payments shall be closed for the applicable Calendar Quarter(s) and may not be audited again. Except as provided below, within sixty (60) days after notice from Abbott following completion of the independent accounting firm's audit covering a given Calendar Quarter, NeoGenomics will pay to Abbott the amount of any Premium Price determined by such audit to be outstanding. The costs of such an audit shall be borne by Abbott; *provided, however*, that, if such audit determines that the aggregate Premium Price paid by NeoGenomics for the audited Calendar Quarter(s) to be at least ten percent (10%) less than the Premium Price determined by the auditor to be due and payable, then NeoGenomics will promptly reimburse Abbott for the costs of such audit. If such audit determines that NeoGenomics overpaid the amount of Premium Price otherwise determined by the auditor to be due and payable for the audited Calendar Quarter(s), then Abbott will credit the amount of such overpayment to NeoGenomics against future amounts payable by NeoGenomics under this Agreement. Abbott's right to audit a specific Calendar Quarter or the Premium Price payments owed with respect thereto, will terminate three (3) years after Abbott's receipt of the Quarterly Report relating to such Calendar Quarter.

4.2 Evaluation Products. Abbott shall provide NeoGenomics with reasonable quantities of Evaluation Products at no cost to NeoGenomics.

Article 5
Orders And Forecasting

5.1 Forecasting and Ordering. Within thirty (30) days following identification of the Products in Exhibit A, NeoGenomics shall provide Abbott with a written good faith forecast for quantities of Products required by NeoGenomics for the subsequent twelve (12) month period. The forecast shall be a rolling annual forecast and it shall be updated by NeoGenomics at least ten (10) days before the end of each Calendar Quarter and shall provide NeoGenomics' forecasted requirements of Products for the subsequent twelve (12) month period. The first three (3) months of each such forecast shall constitute a firm purchase order for Products. The last nine (9) months of each forecast shall not be binding on either party and shall be used for planning purposes and safety stock building. In any Calendar Year, NeoGenomics will not issue a forecast for, or order, a greater quantity of Products than NeoGenomics reasonably believes will be necessary to fulfill its anticipated needs for the Melanoma LDT during such Calendar Year. If Abbott reasonably believes that NeoGenomics has ordered Products in excess of the foregoing limitation, Abbott reserves the right to adjust the applicable purchase order to withhold shipment of such excess quantities.

5.2 Purchase Orders. Firm purchase orders shall be placed at the end of each Calendar Quarter detailing the exact quantities of Product which NeoGenomics requires to be delivered in the following Calendar Quarter, consistent with the forecast provided pursuant to Section 5.1. Orders shall be placed upon NeoGenomics' purchase order forms, specifying quantities of Products ordered and the initial requested delivery dates, which will be no less than three (3) days after Abbott's receipt of the purchase order. NeoGenomics will not be required to specify all delivery dates for the entire Calendar Quarter on each such advance purchase order, but rather only those delivery dates reasonably anticipated to meet NeoGenomics' needs for the first thirty (30) days of such Calendar Quarter. For all other delivery dates during the Calendar Quarter, NeoGenomics will give Abbott at least two (2) days written notice before any such requested delivery date; *provided, however,* that NeoGenomics will not specify such subsequent delivery dates more frequently than two (2) times per month during the remainder of the Calendar Quarter. In all other respects, the obligations and rights of the parties shall be governed by the terms and conditions of this Agreement. None of the general terms and conditions set forth in any purchase order form used by NeoGenomics or any acknowledgement form used by Abbott shall be applicable. If, as of the last day of any Calendar Quarter, NeoGenomics has not specified delivery dates for all of the Products ordered pursuant to its firm purchase order for such Calendar Quarter, as placed pursuant to this Section 5.2, then Abbott may ship the remaining undelivered quantities of Products specified in such purchase order to NeoGenomics during the fifteen (15) day period after such Calendar Quarter, and Abbott may invoice NeoGenomics for such shipped Products pursuant to Section 6.2.

5.3 Excess Quantities. If NeoGenomics orders quantities of Product in any Calendar Quarter in excess of one hundred ten percent (110%) of the quantities set forth in the applicable forecast for such Calendar Quarter, Abbott will first supply such excess quantities from the safety stock established pursuant to Section 5.4 below. To the extent the excess quantities ordered by NeoGenomics exceed the safety stock, Abbott will not be obligated to supply the excess quantities, but Abbott will use commercially reasonable efforts to supply such excess quantities within thirty (30) days after its receipt of the applicable purchase order(s).

5.4 Safety Stock. Within sixty (60) days after the Effective Date, Abbott will establish and at all times during the term of this Agreement maintain a safety stock of Products exclusively available to NeoGenomics in quantities sufficient to satisfy NeoGenomics' requirements for Products for the succeeding sixty (60) days based on NeoGenomics' most recent Quarterly Forecast. Deliveries by Abbott to NeoGenomics of Products may be taken from the safety stock. Abbott's safety stock shall be rotated with its regular inventory of Products to maintain shelf life. Abbott shall keep NeoGenomics reasonably informed of the level of safety stock. If the safety stock drops below a sixty (60) day supply, Abbott will use commercially reasonable efforts to replenish the safety stock as quickly as practicable. In the event that Abbott terminates this Agreement pursuant to Section 14.2, Section 14.3 or Section 14.4, NeoGenomics will be obligated to purchase the unsold portion of said safety stock from Abbott at the price in effect as of the effective date of termination of this Agreement, provided such safety stock Products comply with the then current Specifications.

5.5 Failure to Supply; Resumption. In the event that Abbott fails or will fail, for any reason (including an event of force majeure), to supply a Product in accordance with the quantities and/or delivery dates specified by NeoGenomics in a firm purchase order, and before exhausting the safety stock of such Product, Abbott will promptly notify NeoGenomics and shall have a period of forty five (45) days to cure such failure. During such forty-five (45) day cure period, if Abbott is able to supply some but not all of its other customers' demands and elects to do so, then NeoGenomics may require Abbott to equitably allocate its manufacturing capacity among NeoGenomics' requirements for Products and all other customers' demands (based on relative percentages of total sales for the three (3) months immediately preceding the onset of Abbott's failure). If Abbott's failure to timely supply continues, or is reasonably expected to continue, for more than forty-five (45) days, NeoGenomics may, at its discretion and upon written notice to Abbott: (a) continue to receive an allocated portion of the quantities of Products; (b) require Abbott to supply the undelivered Products at a future date agreed upon by the parties in writing; or (c) obtain the quantity of Products that Abbott is unable to supply from a Third Party mutually agreed upon by the parties and who has a valid license from Abbott to manufacture the Products. If NeoGenomics chooses clause (c) and no Third Party has such a license for the Products, Abbott agrees that it will use its commercially reasonable efforts to negotiate such a license as expeditiously as practicable and that it will not unreasonably withhold granting such a license in order that NeoGenomics can continue to receive Products without interruption. For avoidance of doubt, notwithstanding the foregoing, Abbott will have no obligation to grant a license to a Third Party on commercially unreasonable terms or if granting such a license would result in any material adverse consequences to Abbott under any agreement between Abbott and any of its licensors. NeoGenomics shall have the right to adjust the Annual Forecast under Article 3 of this Agreement in the event Abbott is unable to supply a Product in accordance with the quantities or delivery dates specified by NeoGenomics in a firm purchase order. If NeoGenomics elects under clause (c) above to obtain Products from a Third Party, and Abbott is thereafter able to demonstrate, to NeoGenomics' reasonable satisfaction, that Abbott is again able to consistently supply such Products to NeoGenomics, then NeoGenomics will resume purchasing the Products from Abbott for the remainder of the term of this Agreement within ninety (90) days after Abbott's demonstrated capabilities to resume supply; *provided*, that such time period will be extended to the extent of NeoGenomics' pre-existing contractual purchase commitments with the Third Party (if any), but not to exceed an additional one hundred eighty (180) days.

Article 6
Delivery And Invoicing

6.1 Delivery Terms. Abbott will ship Products ordered by NeoGenomics, FCA (Incoterms 2000), Abbott's manufacturing facility, in accordance with the quantities, delivery dates, and delivery and shipping instructions specified in NeoGenomics' purchase orders. If the carrier noted on the purchase order is not available, or if the purchase order does not designate a carrier, then Abbott shall contact NeoGenomics for instructions regarding the mode of shipment. Unless otherwise directed by NeoGenomics, Abbott will obtain insurance for all shipments of Products, at NeoGenomics' expense. Abbott's responsibility shall be to deposit the ordered Products with the designated carrier within the shipping periods specified, and Abbott shall not be liable for late delivery if so accomplished. Title and risk of loss shall pass to NeoGenomics upon delivery to the designated carrier for shipment. Abbott will inform the carrier of any temperature, pressure or other special storage or handling instructions for the Products.

6.2 Invoices and Payment. Abbott shall invoice NeoGenomics for Products (and shipping and insurance costs) upon shipment of the Products ordered by NeoGenomics. Such invoices shall be paid in full within thirty (30) days of the date such invoice is received by NeoGenomics. All payments hereunder shall be sent via check or wire transfer as follows:

If by check:

Abbott Laboratories Inc.
75 Remittance Drive Suite #6809
Chicago, IL 60675-6809

If by wire transfer:

Northern Trust Company
Chicago, Illinois
ABA: 071000152
Swift Code: CNORUS44
Acct Name: Abbott Molecular Inc.
Acct Number: 31599333

6.3 Currency. All invoices under this Agreement shall be stated and paid in United States dollars.

6.4 Taxation. The prices quoted herein do not include the costs of any taxes, licenses, permits, fees or tariffs which may be levied by any government or governmental agency on the sale or transport of Products. Any such taxes, licenses, permits, fees or tariffs which are paid by Abbott (excluding taxes on Abbott's net income) shall be included in the invoices issued to NeoGenomics.

Article 7
Manufacturing And Quality Assurance

7.1 Manufacture. Abbott shall manufacture the Products in accordance with: (a) the Specifications; (b) applicable Quality Systems and GMP Requirements; and (c) all pertinent rules and regulations of the FDA, as the same may be amended from time to time.

7.2 Testing. Abbott shall test or cause to be tested each lot of Product in accordance with standard operating procedures to be set forth in Exhibit F upon identification of the Products pursuant to Section 2.2 ("Release Testing").

7.3 Certificate of Analysis. Abbott will deliver all Products with a certificate of analysis ("CoA") verifying their compliance with the current Specifications. The CoA will be lot specific and conform to the requirements in the Specifications. The CoA must show a summary of the physical inspection, Release Testing, and performance testing results, and have Abbott's quality representative's signature and date of approval. Abbott will send a CoA to NeoGenomics with each delivery of Products. NeoGenomics is entitled to rely on such CoA for all purposes of this Agreement. Nothing in this Agreement shall be construed to require NeoGenomics to perform any incoming testing, analytical or otherwise, on any Products received from Abbott.

7.4 Product Dating. Each Product shall have at least twelve (12) months of remaining shelf life on the date of delivery to NeoGenomics' designated carrier.

7.5 Manufacturing Site. During the term of this Agreement, Abbott shall manufacture Product using Abbott's facilities located in Des Plaines, Illinois, or wherever Abbott may relocate its manufacturing facilities; *provided, however*, Abbott must give at least ninety (90) days prior written notice to NeoGenomics of any such relocation. Abbott's new facility shall be subject to one (1) additional site inspection by NeoGenomics quality assurance personnel, in accordance with Section 8.2, and Abbott shall use commercially reasonable efforts to have the new manufacturing site become acceptable to NeoGenomics' quality policies within nine (9) months of relocating Product manufacture.

7.6 Non-Conforming Product. Within forty-five (45) days of NeoGenomics' receipt thereof, NeoGenomics may reject any Product supplied hereunder which does not conform to the Specifications ("Non-Conforming Product"), provided that such Non-Conforming Product has not become non-conforming due to any failure by NeoGenomics or its agents or representatives to handle, maintain or store such Product as required by the labeling or the Specifications. NeoGenomics shall provide written notice to Abbott specifying the reason for such rejection. If NeoGenomics does not reject any Product supplied hereunder within forty-five (45) days of NeoGenomics' receipt thereof, the Product shall be considered accepted, and all claims with respect to Product not conforming with Specifications shall be deemed waived by NeoGenomics, except as to latent defects which are not reasonably discoverable within such forty-five (45) day period. At the request and expense of Abbott, NeoGenomics shall return the defective Product, or a representative sample thereof, to Abbott for testing. Should such test results reasonably confirm the Product is a Non-Conforming Product, as promptly as practicable (but in no event more than thirty (30) days) after such determination, Abbott shall send conforming replacement Products to NeoGenomics at no cost to NeoGenomics. At Abbott's direction, NeoGenomics will either return all Non-Conforming Products to Abbott's facilities, at Abbott's expense, or destroy all Non-Conforming Products and certify such destruction in writing.

7.7 Product Retains. Abbott will provide, at no additional charge, three (3) samples of each lot of Products supplied to NeoGenomics under this Agreement, and NeoGenomics will retain such samples for at least one (1) year beyond the expiration date of such lot. In the event of a dispute regarding any Non-Conforming Product that Abbott and NeoGenomics are unable to resolve in a timely manner, a sample of the alleged Non-Conforming Product and two (2) of the retained samples from such lot of such Product, along with a reference batch which has previously been accepted by NeoGenomics as conforming to the Specifications, together with the testing methodologies agreed upon by the parties, shall be submitted by NeoGenomics to an independent laboratory reasonably acceptable to both parties for testing against the Specifications. The laboratory's determination of the Product's conformance or non-conformance to the Specifications shall be binding upon the parties. If the laboratory determines that the Product is conforming, NeoGenomics will pay all independent laboratory costs, as well as any shipping costs incurred by Abbott in connection with the laboratory's determination. If the laboratory determines that the Product is non-conforming, Abbott will pay all independent laboratory costs, as well as any shipping costs incurred by NeoGenomics in connection with the laboratory's determination.

7.8 Quality System. Abbott will maintain a quality system to ensure that the Products are manufactured in accordance with: (a) applicable Quality Systems and GMP Requirements; and (b) all pertinent rules and regulations of the FDA, as the same may be amended from time to time.

7.9 Product Safety. Each party will be solely responsible for implementing and maintaining its own environmental, health and safety procedures for the handling, storage and use of the Products and any other materials or hazardous waste which may be used or may arise in connection with the use of the Products. The parties will cooperate reasonably and in good faith to ensure employee and public safety.

Article 8
Regulatory Matters

8.1 Notice of Regulatory Agency Action. Each party shall, as promptly as practicable (but in any event within ten (10) days) inform the other party of any formal or informal inquiry, notice, warning or other communication from any regulatory authority relating to any Products or the Melanoma LDT.

8.2 Site Inspections. Upon at least five (5) days prior notice, Abbott shall, from time to time during the term of this Agreement, but no more frequently than once per Calendar Year, allow representatives of NeoGenomics to tour and inspect all facilities utilized by Abbott in manufacturing, testing, packaging and shipment of Products sold to NeoGenomics under this Agreement for the purposes of verifying compliance with quality control regulations. During such visits, Abbott shall provide reasonable access to its manufacturing quality control documentation and shall cooperate with such representatives in every reasonable manner. NeoGenomics shall also have the right at any time, upon reasonable prior written notice to Abbott (as dictated by applicable regulatory authorities' requirements), to conduct any audits that are specifically mandated by any regulatory authority or that are reasonably required to permit NeoGenomics to respond to specific questions from any regulatory authority.

8.3 Regulatory Agency Compliance. Each party shall comply with any applicable laws and regulations that require such party to: (a) allow representatives of the FDA or any other regulatory authority with jurisdiction over the manufacture or marketing the Products or the Melanoma LDT, as applicable, to tour and inspect all facilities utilized by Abbott in the manufacture, testing, packaging, storage and shipment of Products sold under this Agreement or by NeoGenomics in the design, development, validation or performance of the Melanoma LDT; or (b) respond to requests for information from the FDA or any other regulatory authority having jurisdiction over the manufacture or marketing of the Products or the Melanoma LDT. Each party shall notify the other party as promptly as practicable (but in any event within ten (10) days) whenever such party receives notice of a pending inspection by any United States regulatory agency of any facility that is used in the manufacturing, packaging, storage or shipment of Products, or the design, development, validation and performance of the Melanoma LDT, as applicable.

Article 9
Melanoma LDT, Abbott IVD,
Other Tests, Third Party Proposals

9.1 Development of Melanoma LDT. If NeoGenomics elects to develop the Melanoma LDT as contemplated, it shall be solely responsible for designing, developing and validating the Melanoma LDT in accordance with all applicable laws, including without limitation the Act, the Clinical Laboratory Improvement Amendments ("CLIA") and any rules, regulations or guidance promulgated thereunder, and it shall use commercially reasonable efforts to do so as quickly as possible. Without limiting the foregoing, NeoGenomics will also be solely responsible for determining which ASRs to include in the Melanoma LDT. Abbott will not participate or be involved in any way with the design, development or validation of the Melanoma LDT, or with determining which ASRs to include in the Melanoma LDT. Solely as may be requested and directed by NeoGenomics, and as permitted by applicable law, rules and regulations, Abbott may agree to optimize or customize existing ASRs, or to develop new ASRs, for NeoGenomics' use in connection with the Melanoma LDT; *provided, however*, that Abbott may do so only in accordance with NeoGenomics' independently developed technical requests or instructions. Such customized, optimized or new ASRs would then constitute Evaluation Products, Products, and/or Exclusive Products for purposes of this Agreement.

9.2 Failure to Develop. If NeoGenomics does not develop and launch the Melanoma LDT within six (6) months after the date on which Abbott first supplies Products (as identified on Exhibit A and excluding Evaluation Products) to NeoGenomics under this Agreement, and if such failure or delay is due to causes beyond NeoGenomics' reasonable control or to new or changed circumstances not anticipated by the parties, then Abbott will consult with NeoGenomics regarding the reasons for such failure or delay and will consider in good faith a reasonable extension of time for NeoGenomics to complete development and launch of the Melanoma LDT; *provided, however*, that Abbott will have no obligation to grant such an extension of time. If, after fifteen (15) days of such consultation and good faith consideration, Abbott does not agree to an extension of time, then it may, in its sole discretion, upon written notice to NeoGenomics, either: (a) convert this Agreement to a non-exclusive agreement pursuant to Section 3.4(c); or (b) terminate this Agreement. Notwithstanding the foregoing, in the event that NeoGenomics, due to factors beyond its reasonable control, encounters delays in receiving patient samples with the appropriate patient consents beyond sixty (60) days from the Effective Date, then the six (6) month deadline in the first sentence of this Section 9.2 shall be extended day for day for up to an additional sixty (60) days.

9.3 Marketing of Melanoma LDT. NeoGenomics will be solely responsible for marketing, promoting, offering, selling, performing and billing customers and/or Third Party payors for the Melanoma LDT in accordance with applicable law, rules and regulations. Abbott and its Affiliates will not participate in any way, directly or indirectly, in the foregoing activities and will not engage in any co-promotion or other similar activities intended to promote or otherwise create demand for the Melanoma LDT.

9.4 Abbott IVD.

(a) Right to Continue Developing Abbott IVD. Nothing in this Agreement will prevent or restrict Abbott from continuing to develop and seeking FDA approval or clearance for the Abbott IVD, which may include ASRs that are similar or identical to the Products, including the Exclusive Products. To the extent permitted by, and subject to, all applicable laws and regulations, including those relating to data privacy, if requested by Abbott, NeoGenomics will provide Abbott with data generated in clinical studies conducted in connection with the Melanoma LDT for the purpose of supporting Abbott's regulatory submissions for the Abbott IVD; *provided,* that NeoGenomics shall have no obligation to provide such data if Abbott has terminated this Agreement for any reason.

(b) Co-Exclusive Rights. If Abbott is successful in developing and obtaining FDA approval or clearance for the Abbott IVD, Abbott will offer to NeoGenomics the co-exclusive right to purchase the Abbott IVD and offer it as a service to its customers through its laboratories (the "IVD Opportunity"). Such right will be co-exclusive with Abbott, and Abbott would agree not to sell the Abbott IVD, or sell or license the technology underlying the Abbott IVD, to Third Party laboratories (other than academic collaborators for research purposes) during the term of the IVD Agreement (as defined below), so long as NeoGenomics maintains co-exclusivity in accordance with subparagraph (d) below.

(c) IVD Agreement. Abbott and NeoGenomics both acknowledge and agree that if Abbott is successful in developing and obtaining FDA approval or clearance for the Abbott IVD and if NeoGenomics elects to purchase and offer the Abbott IVD, the parties will use their commercially reasonable best efforts and will negotiate in good faith to enter into a separate written agreement (the "IVD Agreement") setting forth pricing and other terms and conditions substantially similar to the terms and conditions in this Agreement, modified as appropriate to reflect the different types of products, *provided*, that the effective price of the Abbott IVD will not materially change from the aggregate Purchase Price paid under this Agreement by NeoGenomics for the Products used in its Melanoma LDT (calculated on a per test basis). Notwithstanding the foregoing:

(i) if Abbott utilizes ASRs in the Abbott IVD which are different than the Products utilized in the Melanoma LDT and the ASRs used in the Abbott IVD are subject to licensing and/or royalty payments for the intellectual property underlying such ASRs that are higher in the aggregate than the licensing and/or royalty payments incurred for the Products used in the Melanoma LDT, then, after conferring with NeoGenomics and outlining the differences in royalties and licensing fees underlying the ASRs, Abbott shall have the right to pass through solely the effects of such incremental royalty/licensing costs to NeoGenomics in the effective pricing for the Abbott IVD; and/or

(ii) if the Abbott IVD includes a greater number of ASRs (*i.e.*, probes) than NeoGenomics uses in its Melanoma LDT, the price for the Abbott IVD will be increased proportionately (but taking into account manufacturing costs for such additional ASR(s) used in the Abbott IVD to the extent such manufacturing costs are greater than the manufacturing costs for the Products used in the Melanoma LDT) to reflect such greater number of ASRs.

In addition, in connection with entering into the IVD Agreement, Abbott and NeoGenomics will use their commercially reasonable best efforts and negotiate in good faith to agree upon new annual forecasts pursuant to the IVD Agreement to reflect the anticipated impact to NeoGenomics of the Abbott IVD which new annual forecasts will not be materially higher than the Annual Forecasts for the Melanoma LDT. At least ninety (90) days prior to Abbott's anticipated submission of a Pre-Market Approval application (PMA) for the Abbott IVD, Abbott will provide NeoGenomics with written notice offering it the IVD Opportunity. If NeoGenomics elects to commence negotiations relating to the IVD Opportunity, it will so notify Abbott in writing within ten (10) days after its receipt of such notice. If NeoGenomics does not elect to purchase and offer the Abbott IVD within ten (10) days after its receipt of such notice, or if the parties are unable to reach agreement as to the terms of the IVD Agreement within sixty (60) days of good faith negotiations consistent with this paragraph (c) after NeoGenomics elects to enter into negotiations with respect to the IVD Opportunity, the matter will be escalated to the President of NeoGenomics (currently Robert Gasparini) and the President of Abbott (currently Stafford O'Kelly) for resolution.

(d) Maintenance of Co-Exclusivity; Termination. Without limiting the foregoing, the parties agree that the IVD Agreement will contain provisions substantially similar to those set forth in Section 3.4 of this Agreement requiring annual forecasts and annual reviews thereof with respect to NeoGenomics' sales of the Abbott IVD, and its maintenance of its co-exclusive rights. The parties agree that the IVD Agreement will permit Abbott, in its sole discretion to: (i) in a manner consistent with Section 3.4(c) of this Agreement, convert the IVD Agreement to a non-exclusive agreement if NeoGenomics' actual sales of the Abbott IVD in a given Calendar Year are less than seventy-five percent (75%) of the agreed upon annual sales forecast for such Calendar Year; and (ii) in a manner consistent with Section 3.4(d) of this Agreement, limit purchases of the Abbott IVD to pre-existing customers if NeoGenomics' actual sales of the Abbott IVD in a given Calendar Year are less than thirty-five percent (35%) of the agreed upon annual sales forecast for such Calendar Year.

9.5 Other Tests. Abbott hereby grants to NeoGenomics a first right to develop two (2) additional LDTs using Abbott ASRs, other Abbott products and/or Abbott Intellectual Property relating to the disease states identified in Exhibit G (each, an "Additional Test"). NeoGenomics will notify Abbott in writing within ninety (90) days after the Effective Date if it elects to commence negotiations relating to the first Additional Test described in Exhibit G (the "Initial Decision Period"). Abbott will notify NeoGenomics in writing when Abbott believes that its products or intellectual property relating to other potential Additional Tests are ready to be commercialized, which notice will describe the applicable products and/or intellectual property in reasonable detail; *provided*, that Abbott will not deliver such notice to NeoGenomics prior to the earlier of June 30, 2010, or the date which is thirty (30) days after the parties have executed a Subsequent Development Agreement (as defined below) regarding the first Additional Test described in Exhibit G. If NeoGenomics elects to commence negotiations relating to an Additional Test other than the first Additional Test described in Exhibit G, it will so notify Abbott in writing within thirty (30) days after its receipt of notice from Abbott relating to such Additional Test (the "Additional Decision Period" and together with the Initial Decision Period, each a "Decision Period"). Subject to the terms hereof, until the expiration of both the applicable Decision Period and Negotiation Period with respect to an Additional Test, Abbott shall not pursue negotiations with, nor negotiate with or furnish information regarding such Additional Test to any Third Party (except academic collaborators for research purposes). Each date on which NeoGenomics provides written notice of its desire to commence negotiations regarding an Additional Test is referred to herein as a "Commencement Date." For a period of ninety (90) days following a Commencement Date (an "Initial Negotiation Period"), the parties will negotiate exclusively and in good faith to enter into a definitive agreement (a "Subsequent Development Agreement") providing for the development and commercialization of the applicable Additional Test; *provided, however*, that neither party will be obligated to enter into such a Subsequent Development Agreement except on mutually acceptable terms and conditions. The parties intend and agree that each Subsequent Development Agreement shall be negotiated in good faith based upon the same guiding principles and economic models that were the basis for this Agreement, and each Subsequent Development Agreement will, to the extent applicable in light of the different products and intellectual property at issue, contain terms and conditions that are similar to the terms and conditions in this Agreement. If, for any reason, the parties do not execute a Subsequent Development Agreement for a particular Additional Test, the parties rights and obligations under this Section 9.5 shall continue with respect to the other Additional Tests. If the parties execute Subsequent Development Agreements relating to any two (2) of the Additional Tests, the parties' respective rights and obligations under this Section 9.5 shall terminate with respect to the other Additional Tests. If NeoGenomics does not notify Abbott of its election to commence negotiations for an Additional Test within the above thirty (30) day or ninety (90) day period, as applicable, Abbott will be free to enter into one or more agreements with one or more Third Parties regarding the development and commercialization of such Additional Test. If the parties do not execute a Subsequent Development Agreement within ninety (90) days after the Commencement Date for an Additional Test, the matter will be escalated to the President of NeoGenomics (currently Robert Gasparini) and the President of Abbott (currently Stafford O'Kelly) for resolution, and such individuals shall have an additional fifteen (15) days (the "Escalated Negotiation Period") in which to negotiate in good faith the terms of such Subsequent Development Agreement. If such individuals are unable to agree upon the terms of such Subsequent Development Agreement within such additional fifteen (15) day period, Abbott will be free to enter into one or more agreements with one or more Third Parties regarding the development and commercialization of the applicable Additional Test, and NeoGenomics will have no further rights with respect thereto.

9.6 Third Party Proposal. If at any time during the term of this Agreement, there is a Third Party Proposal, then NeoGenomics will notify Abbott in writing of such Third Party Proposal thirty (30) days prior to acceptance of such Third Party Proposal, such notice to include a reasonably detailed description of such Third Party Proposal including the identity of the Third Party involved to the extent not precluded by a confidentiality agreement with such Third Party and a description of the relevant terms of such Third Party Proposal including the name of the Third Party if such Third Party is one of the parties listed on Exhibit I. As used herein, "Third Party Proposal" means: any written offer with respect to any: (i) merger, consolidation, other business combination or similar transaction involving NeoGenomics or any of its subsidiaries; (ii) sale, lease, license or other disposition, directly or indirectly, whether by merger, consolidation, business combination, share exchange, joint venture or otherwise, of assets of NeoGenomics (including equity interests of any of its subsidiaries) or any subsidiary of NeoGenomics representing fifty percent (50%) or more of the consolidated assets, revenues or net income of NeoGenomics and its subsidiaries; (iii) sale, lease, license or other disposition, directly or indirectly, of all or substantially all of NeoGenomics' assets that are used in designing, developing, validating, marketing, selling, performing or billing for the Melanoma LDT; (iv) issuance or sale or other disposition (including by way of merger, consolidation, business combination, share exchange, joint venture or similar transaction) of equity interests representing fifty percent (50%) or more of the voting power of NeoGenomics; (v) transaction or series of transactions in which any Third Party would acquire beneficial ownership or the right to acquire beneficial ownership, or any group (each as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) has been formed which beneficially owns or has the right to acquire beneficial ownership, of equity interests representing fifty percent (50%) or more of the voting power of NeoGenomics; or (vi) any combination of the foregoing.

Article 10
Representations And Warranties

10.1 Abbott Representations and Warranties. Abbott represents and warrants to NeoGenomics that:

(a) it has the full power and right to enter into this Agreement and it is not currently a party to any other agreements that are inconsistent with the provisions of this Agreement;

(b) the Products will be manufactured in accordance with the Specifications, Quality Systems and GMP Requirements, as required by the Act, all pertinent rules and regulations of the FDA, and all other applicable national, state and local laws, regulations, and guidelines;

(c) the Products will not be adulterated or misbranded within the meaning of the Act;

(d) Abbott owns or has the exclusive right to grant licenses and sublicenses to the patents and patent applications listed in Exhibit H; and

(e) Abbott has not granted any licenses or sublicenses to any Third Party under the patents and patent applications listed in Part 2 of Exhibit H.

10.2 NeoGenomics Representations and Warranties. NeoGenomics represents and warrants to Abbott that:

(a) it has the full power and right to enter into this Agreement and it is not currently a party to any other agreements that are inconsistent with the provisions of this Agreement; and

(b) the Melanoma LDT will be designed, developed, validated, marketed, sold, performed and billed by NeoGenomics in strict compliance with all applicable laws and regulations.

10.3 Disclaimers.

(a) Abbott makes no representation or warranty of any kind relating to the Melanoma LDT or any analytical or clinical performance claims concerning the Products (including the Evaluation Products), including without limitation any claim that the Products (including the Evaluation Products) are appropriate or suitable for use in the Melanoma LDT.

(b) Except as expressly set forth in this Agreement, Abbott makes no representations or warranties of any kind, either express or implied, including, but not limited to, implied warranties of merchantability, fitness for a particular purpose or non-infringement.

Article 11
Intellectual Property

11.1 Abbott Intellectual Property. Abbott (or its Affiliate) will be and remain the sole and exclusive owner of all right, title and interest in and to any and all Intellectual Property that is owned or developed by Abbott or its Affiliates.

11.2 NeoGenomics Intellectual Property. NeoGenomics (or its Affiliate) will be and remain the sole and exclusive owner of all right, title and interest in and to any and all Intellectual Property that is: (a) owned or developed by NeoGenomics or its Affiliates prior to the Effective Date; or (b) developed by NeoGenomics (or its Affiliate) on or after the Effective Date and does not arise or result from use or incorporation of the Products in any way.

11.3 Joint Intellectual Property. Any Intellectual Property developed by NeoGenomics after the Effective Date that arises or results from, or that uses or incorporates the Products in any way (including the Melanoma LDT) shall be jointly owned by NeoGenomics and Abbott. Neither party shall license such jointly owned Intellectual Property without the prior written consent of the other party, which shall not be unreasonably withheld.

11.4 No New License Grants. After the Effective Date, Abbott will not grant to any Third Party any license or sublicense under the patents and patent applications listed in Part 2 of Exhibit H for practice in the Territory in the field of melanoma diagnosis.

Article 12
Confidential Information

12.1 Confidential Information. It is contemplated that in the course of the performance of this Agreement each party may, from time to time, disclose certain trade secrets and other non-public, proprietary and/or confidential information to the other ("Confidential Information"). Each party (the "Receiving Party") agrees that it will not disclose Confidential Information received from the other party (the "Disclosing Party") and that it will not use Confidential Information disclosed to it by the Disclosing Party for any purpose other than to fulfill its obligations under this Agreement. Confidential Information includes, without limitation: (a) information constituting trade secrets of either party; (b) information relating to existing or contemplated products, services, technology, designs, processes, formulae and research and development (in whatever stage) of either party; (c) information relating to technology, patent rights or products of either party; (d) information relating to business plans, methods of doing business, sales or marketing methods, customer lists, customer usages or requirements of either party; and (e) any other information disclosed hereunder that is either identified as confidential or, from the nature of the information or the circumstances surrounding its disclosure, should reasonably be considered to be confidential.

12.2 Exclusions. Confidential Information does not include information that:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality to the Disclosing Party, at the time of disclosure by the other party;

(b) is or becomes generally available to the public or otherwise part of the public domain other than through the Receiving Party's breach of this Agreement;

(c) was disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who, to the Receiving Party's knowledge, had no obligation to the Disclosing Party not to disclose such information;

(d) was developed by the Receiving Party independently and without reference to Confidential Information received from the Disclosing Party as evidenced by the Receiving Party's own written records;

(e) was disclosed to the Receiving Party pursuant to the last sentence of Section 9.4(a), solely to the extent used for the purposes described therein; or

(f) was disclosed to the Receiving Party for purposes of prosecuting Intellectual Property rights arising under Section 11.3, solely to the extent used for the purposes described therein.

12.3 Term of Confidentiality; Safeguarding. Except as otherwise agreed in writing, during the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement for any reason, the Receiving Party shall take at least the same measures to protect the confidentiality of the Disclosing Party's Confidential Information as it takes to protect its own proprietary and confidential information of like kind and sensitivity, but in no event shall the Receiving Party use less than reasonable care.

12.4 Disclosure Required by Law. In the event that a Receiving Party is required by applicable law, rule or regulation or by judicial or administrative process to disclose the Disclosing Party's Confidential Information, the Receiving Party will notify the Disclosing Party as promptly as practicable and allow the Disclosing Party to oppose such process and/or seek protective order to limit exposure to and dissemination of said Confidential Information. The Receiving Party will cooperate with the Disclosing Party (at the Disclosing Party's expenses) in opposing such process or seeking a protective order. If the Disclosing Party is unsuccessful, the Receiving Party may disclose the requested Confidential Information to the minimum extent required by law.

12.5 Publicity. Neither party shall use the name or trademarks of the other party in any publicity, advertising or in any written, verbal or any other form of public disclosure without the express written consent of the other party. Notwithstanding the foregoing, Abbott agrees that it will work in good faith with NeoGenomics to develop a standard set of talking points about the nature of this Agreement that NeoGenomics can use to answer investor questions related to its relationship with Abbott and that once such talking points have been approved, NeoGenomics will not be required to seek the written consent of Abbott to utilize such talking points with investors. Abbott further agrees that it will work with NeoGenomics to develop a mutually acceptable written description of this Agreement and the relationship with Abbott contemplated by this Agreement which can be utilized in NeoGenomics' parent company's periodic filings with the SEC, and that once such written description has been approved by Abbott, NeoGenomics will not need to obtain further approvals from Abbott to utilize such written description in NeoGenomics' parent company's filings with the SEC, unless there are material changes to such description.

12.6 Existence of the Agreement. The existence of and the relationship created under this Agreement is confidential and shall be treated as Confidential Information pursuant to the terms of this Agreement.

12.7 Required Securities Disclosure. Notwithstanding anything to the contrary in this Agreement, if NeoGenomics is required to file a copy of this Agreement with the Securities and Exchange Commission, it shall provide Abbott with as much notice as possible and allow Abbott a reasonable opportunity to review and comment on any redacted version of this Agreement before it is filed by NeoGenomics, provided that NeoGenomics will bear the sole responsibility of ensuring its own compliance with applicable securities laws.

Article 13
Indemnification And Liability

13.1 Indemnification by Abbott. Abbott will indemnify, defend and hold harmless NeoGenomics and its Affiliates, employees, officers, directors and agents (collectively, the "NeoGenomics Indemnitees") from and against any suit, proceeding, claim, liability, loss, damage, fines, penalties, costs or expense, including reasonable attorneys' fees (collectively, "Losses") that any of the NeoGenomics Indemnitees may hereinafter incur, suffer, or be required to pay arising out of or resulting from: (a) any breach by Abbott of the terms of this Agreement; or (b) Abbott's negligence or willful misconduct. The foregoing indemnity shall not apply to the extent that any Losses arise or result from the negligence or willful misconduct of the NeoGenomics Indemnitees.

13.2 Indemnification by NeoGenomics. NeoGenomics will indemnify, defend and hold harmless Abbott and its Affiliates, employees, officers, directors and agents (collectively, the "Abbott Indemnitees") from and against any Losses that any of the Abbott Indemnitees may hereinafter incur, suffer, or be required to pay arising out of or resulting from: (a) the design, development, validation, marketing, sale, performance or billing of the Melanoma LDT; (b) any breach by NeoGenomics of the terms of this Agreement; or (c) NeoGenomics' negligence or willful misconduct. The foregoing indemnity shall not apply to the extent that any Losses arise or result from the negligence or willful misconduct of the Abbott Indemnitees.

13.3 Cooperation and Notice Requirements. With respect to any claim for which a party seeks indemnification from the other hereunder, the party seeking indemnification will: (a) provide prompt notice to the other of the claim for which indemnification is sought and tender to it the defense of such claim; and (b) provide reasonable cooperation and assistance to the indemnifying party in the defense of such claim. Neither party will be bound by any settlement agreement entered into without such party's prior written consent, which shall not be unreasonably withheld.

13.4 Termination of Indemnification Obligations. All obligations for indemnification on the part of parties hereto shall expire three (3) years from the date of termination of this Agreement, except with respect to claims already notified to the other party prior to the end of such three (3) year period.

13.5 Insurance.

(a) NeoGenomics will obtain and maintain during the term of the Agreement and for a period of two (2) years after expiration or termination of this Agreement product liability and general comprehensive liability insurance covering bodily injury and property damage in an amount of not less than $1.0 million per occurrence and $5.0 million in the aggregate.

(b) Abbott represents that it is self-insured for product liability and general liability, and that it has and will maintain such coverage for the term of this Agreement and for a period of two (2) years after the expiration or termination of this Agreement. Such self-insurance is in an amount which is reasonable and customary in the global pharmaceutical and medical products industry for companies of comparable size and activities.

13.6 Limitation of Liability. In no event shall either party be liable to the other party for any indirect, incidental, punitive, special, exemplary or consequential damages, whether based upon a claim or action of contract, warranty, negligence, strict liability or other tort, a product claim, or otherwise that arises out of or is related to this Agreement. In addition, except for liability arising from any intentional breach of this Agreement, fraud, gross negligence or willful misconduct on the part of Abbott, Abbott's maximum liability to NeoGenomics under this Agreement will not exceed Fifteen Million Dollars ($15,000,000). The forgoing limitations will not apply: (a) to breaches of the parties' confidentiality obligations under Article 12; or (b) where such indirect, incidental, punitive, special, exemplary or consequential damages are payable to a Third Party and subject to indemnification pursuant to this Article 13. The allocations of liability in this paragraph represent the agreed and bargained-for understanding of the parties and the Purchase Price for the Products reflects such allocations.

Article 14
Term And Termination

14.1 Term. This Agreement shall become effective on the Effective Date, and unless sooner terminated in accordance with the terms herein, this Agreement shall remain in effect until December 31, 2019 (the "Initial Term"). Thereafter this Agreement shall automatically renew and continue in effect for successive renewal terms of two (2) years each (each a "Renewal Term") unless twelve (12) months prior to the termination of the Initial Term of the Agreement or any Renewal Term thereof, either party provides written notice to the other party that it will not renew the Agreement at the end of said Initial Term or Renewal Term. Notwithstanding the foregoing, Abbott agrees that if NeoGenomics has continued to meet the threshold for exclusivity defined in Section 3.4(b) for the Calendar Year immediately preceding the year in which the Initial Term or any Renewal Term comes due, Abbott will renew this Agreement at the end of the Initial Term or such Renewal Term, as the case may be, pursuant to this Section 14.1; *provided, however*, nothing in the section shall obligate Abbott beyond two (2) renewal terms of two (2) years each.

14.2 Breach. In the event that either party commits a material breach or default of any of its obligations hereunder (excluding NeoGenomics' failure to meet the Annual Forecast), the other party may give the breaching party written notice of such material breach or default, and shall request that such material breach or default be cured as soon as reasonably practicable. In the event that the breach or default is not cured within ninety (90) days after the date of the non-breaching party's notice thereof, the non-breaching party may terminate this Agreement immediately upon written notice to the breaching party.

14.3 Insolvency. Either party may terminate this Agreement on the liquidation, bankruptcy or insolvency of the other party or the appointment of a receiver or trustee for the property of the other party, or if the other party makes an assignment for the benefit of creditors, whether any of the aforesaid events are the outcome of a voluntary act or otherwise. In the event that a party files for bankruptcy and such party's trustee rejects this Agreement, the other party may elect to retain its rights under this Agreement upon appropriate written notification to said trustee.

14.4 Change of Control.

(a) Abbott may terminate this Agreement upon ninety (90) days written notice to NeoGenomics following a Change of Control involving NeoGenomics (or its permitted successors or assigns) and any of the companies set forth in Exhibit I, or their successors or assigns. Abbott's right to terminate this Agreement pursuant to this Section 14.4 will continue until the earlier of (i) five (5) years following a Change of Control involving NeoGenomics (or its permitted successors or assigns) and any of the companies set forth in Exhibit I, or their successors or assigns and (ii) the date that is ninety (90) days after the Abbott IVD is first available for commercial sale in the United States.

(b) If Abbott terminates this Agreement pursuant to this Section 14.4, as NeoGenomics' sole and exclusive remedy for such termination, Abbott will pay to NeoGenomics (or its successor) a termination payment equal to the greater of: (i) all of the reasonable direct costs actually incurred by NeoGenomics (and subject to verification and audit by Abbott or its independent accounting firm) in designing, developing, validating, marketing, and performing the Melanoma LDT through the date of termination, not to exceed Seven Million Five Hundred Thousand Dollars ($7,500,000); or (ii) the sum of:

(A) two and three tenths (2.3) multiplied by the Unaudited Revenue realized by NeoGenomics for the twelve (12) month period immediately preceding the effective date of the Change of Control (the "Change of Control Base Revenue Amount"); plus

(B) one and five tenths (1.5) multiplied by an amount equal to: (1) the Unaudited Revenue realized by NeoGenomics and/or NeoGenomics' successor or acquirer, as the case may be, for the twelve (12) month period immediately preceding the date on which Abbott elects to terminate this Agreement pursuant to this Section 14.4 (the "Termination Date Revenue Amount"), less (2) the Change of Control Base Revenue Amount.

(c) Notwithstanding the foregoing, if the Termination Date Revenue Amount is less than the Change of Control Base Revenue Amount, then the termination payment payable by Abbott pursuant to this Section 14.4 shall be an amount equal to two and three tenths (2.3) multiplied by the Termination Date Revenue Amount.

(d) If Abbott terminates this Agreement and pays the foregoing termination payment, within thirty (30) days thereafter, NeoGenomics will transfer to Abbott all of the dedicated equipment (*i.e.*, greater than fifty percent (50%) usage), supplies, customer lists, sales aids, marketing materials and other relevant sales, marketing and promotional materials related to the Melanoma LDT, and Abbott will have the right (but not the obligation) to hire any of NeoGenomics' salespeople who are dedicated (on a full time equivalent basis) to promoting and selling the Melanoma LDT. If a Change of Control does not involve any of the companies set forth in Exhibit I, then this Agreement will continue in full force and effect and be binding upon Abbott and NeoGenomics (or its successor in interest following the Change of Control) in accordance with its terms. If a Change of Control involves any of the companies set forth in Exhibit I, but Abbott elects not to terminate this Agreement pursuant to this Section 14.4, then this Agreement will continue in full force and effect and be binding upon Abbott and NeoGenomics (or its successor in interest following the Change of Control) in accordance with its terms; *provided, however*, that in such event, NeoGenomics (or its successor) will no longer have the rights, and Abbott will no longer have the obligations, set forth in Section 9.5, except to the extent that NeoGenomics exercised such rights and Abbott's obligations accrued under such sections prior to termination pursuant to this Section 14.4.

14.5 Change in Law. If, in the reasonable opinion of Abbott's legal counsel (taking into account all of Abbott's and its Affiliates' various businesses and the legal and regulatory risks facing such businesses), there is a change in applicable law (whether by statute, regulation, judicial or administrative decision, informal policy guidance, warning letters or otherwise) that prohibits the manufacture, marketing, promotion or sale of the Products or the design, development, validation, marketing, performance or sale of the Melanoma LDT or LDTs in general and NeoGenomics has received an opinion of Abbott's counsel that the manufacture, marketing, promotion or sale of the Products or the design, development, validation, marketing, performance or sale of the Melanoma LDT or LDTs are prohibited, then Abbott and NeoGenomics will negotiate in good faith to amend this Agreement to reflect the anticipated impact of such events; *provided, however*, that if the parties are unable to reach agreement regarding such an amendment within ninety (90) days of good faith negotiations, Abbott will have the right to terminate this Agreement upon written notice to NeoGenomics.

14.6 Force Majeure. Either party may terminate this Agreement upon written notice to the other party if the other party's performance of its obligations hereunder is prevented for more than one hundred eighty (180) days due to a force majeure condition, as further described in Section 15.1.

14.7 IVD Agreement. This Agreement will terminate automatically on the date that the IVD Agreement is executed between the parties.

14.8 Other Provisions. In addition to the termination provisions set forth in this Article 14, this Agreement may be terminated in accordance with any other provision hereof that expressly gives either party a right to terminate.

14.9 Post Termination. Following the expiration or termination of this Agreement according to its terms (unless terminated automatically pursuant to Section 14.7 or by Abbott pursuant to Section 14.2, 14.3 or 14.4), Abbott and NeoGenomics agree to use commercially reasonable efforts to ensure that NeoGenomics can continue to meet its customers' requirements for the Melanoma LDT.

14.10 Survival. Termination of this Agreement shall not relieve either party of any obligations accrued prior to termination. Articles 1, 10, 11, 12, 13, 14 and 15, and Sections 3.5, 7.6 (subject to the time periods contained therein), 7.7, 8.1, 8.3 and 9.3 shall survive termination or expiration of this Agreement for any reason.

Article 15
Miscellaneous

15.1 Force Majeure. Neither party shall be liable to the other party for damages or losses on account of failure of performance (other than a failure to make payments when due) if such failure is occasioned by government action, war, terrorism, fire, explosion, flood, epidemic, strike, lockout, embargo, shortage of materials or utilities, vendor failure to supply, act of God or any other cause beyond the affected party's reasonable control, provided that the affected party uses commercially reasonable efforts to avoid the force majeure condition and to remedy the condition as quickly as possible. The affected party will give the other party prompt written notice of the occurrence of any force majeure condition, the nature thereof, and the extent to which the affected party will be unable to perform its obligations under this Agreement. Such excuse will continue as long as the force majeure condition continues. Upon cessation of such condition, the affected party will promptly resume performance under this Agreement.

15.2 Assignment. This Agreement shall inure to the benefit of and be binding upon and enforceable by the parties and their successors and permitted assigns. However, neither party may assign or delegate any of its rights or obligations under this Agreement without the prior written consent of the other party, which will not be unreasonably withheld. Notwithstanding the foregoing, without the other party's consent: (a) either party may assign or delegate its rights or obligations, in whole or in part, to one or more Affiliates of such party, provided that such assignment will not relieve the assigning party of any obligations under this Agreement; and (b) either party may assign or delegate its rights or obligations, in whole but not in part, under this Agreement to a Third Party in connection with a Change of Control, subject to Section 14.4.

15.3 Waiver. Any waiver by either party of a breach or a default of any provision of this Agreement by the other party must be in writing and will not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has or may have hereunder operate as a waiver of any right, power or privilege by such party.

15.4 Severability. If any part of this Agreement is declared invalid or unenforceable by any court of competent jurisdiction, such declaration shall not affect the remainder of the Agreement and the invalidated provision shall be revised in a manner that will render such provision valid while preserving the parties' original intent to the maximum extent possible.

15.5 Independent Contractors. The parties are independent contractors and nothing in this Agreement is intended to, or shall be construed to, constitute a partnership, joint venture or agency relationship between the parties. Neither party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other party. All persons employed by a party shall be employees of such party and not of the other party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such party.

15.6 Entire Agreement. This Agreement, together with any exhibits hereto, constitutes the entire agreement between the parties relating to the subject matter hereof and all previous agreements or arrangements between the parties, written or oral, relating to the subject matter hereof are superseded.

15.7 Amendment. No amendment, alteration or modification of any of the provisions of this Agreement will be binding unless made in writing and signed by the parties.

15.8 Compliance with Law. In performing this Agreement, each party shall comply with all applicable laws, rules and regulations and shall not be required to perform or omit to perform any act required or permitted under this Agreement if such performance or omission would violate the provisions of any such law, rule or regulation.

15.9 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

15.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its conflicts of laws principles.

15.11 Alternative Dispute Resolution. The parties agree that any dispute that arises in connection with this Agreement shall be settled by binding Alternative Dispute Resolution in the manner described in Exhibit J.

15.12 Notices. All notices required or permitted under this Agreement must be in writing and sent to the address or facsimile number identified below. Notices must be given: (a) by personal delivery, with receipt acknowledged; (b) by facsimile followed by hard copy delivered by the methods under (c) or (d); (c) by prepaid certified or registered mail, return receipt requested; or (d) by prepaid reputable overnight delivery service. Notices will be effective upon receipt. Either party may change its notice address by providing the other party written notice of such change. Notices shall be delivered as follows:

If to Abbott: Abbott Molecular Inc.
Attention: Senior Director, Business Development & Licensing
1300 East Touhy Avenue
Des Plaines, Illinois 60018-3315
Fax: (224) 361-7054

with a copy to:	Abbott Laboratories Attention: DVP, Commercial Legal Operations 100 Abbott Park Road Dept. 32MP, Bldg. AP6A-2 Abbott Park, Illinois 60064-6049 Fax: (847) 938-1206
If to NeoGenomics:	NeoGenomics Laboratories, Inc. Attention: Robert Gasparini, President 12707 Commonwealth Drive, Suite 9 Fort Myers, Florida 33913 Fax: (239) 768-0711
copy to:	K&L Gates LLP Attention: Clayton E. Parker, Esq. 200 South Biscayne Boulevard, Suite 3900 Miami, Florida 33131-2399 Fax: (305) 358-7095

15.13 Expenses. All costs and expenses incurred with connection with this Agreement and the transactions contemplated hereby shall be paid by the party which shall have incurred the same, and the other party shall no liability thereto.

15.14 Headings. The titles of the Articles and Sections contained in this Agreement are for convenience only and shall not be considered in construing this Agreement.

* * *

Signature page follows.

In Witness Whereof, the parties have caused this Agreement to be executed as of the Effective Date.

Abbott Molecular Inc.	NeoGenomics Laboratories, Inc.
By: /s/ Stafford O'Kelly	By: /s/ Douglas M. VanOort
Stafford O'Kelly	Douglas VanOort
President	Chairman and Chief Executive Officer

Exhibit A

Products

To be identified within one hundred twenty (120) days
after the Effective Date pursuant to Section 2.2.

Exclusive Products

To be designated pursuant to Section 3.2.

Exhibit B

Academic Collaborators

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit C

Model Forecast

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit D

[***]

[***] Information redacted from pages D-1, D-2 and D-3 pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit E

Purchase Price And Terms

[***]

[***] Information redacted from pages E-1, E-2 and E-3 pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit F

Release Testing

To be provided upon identification of Products pursuant to Section 2.2.

Exhibit G

Additional Tests

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit H

Patents and Patent Applications

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit I

Change of Control Parties

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Exhibit J

Alternate Dispute Resolution (ADR)

The parties recognize that from time to time a dispute may arise relating to either party's rights or obligations under this Agreement. The parties agree that any such dispute shall be resolved by the Alternative Dispute Resolution ("ADR") provisions set forth in this Exhibit, the result of which shall be binding upon the parties.

To begin the ADR process, a party first must send written notice of the dispute to the other party for attempted resolution by good faith negotiations between their respective presidents (or their designees) of the affected subsidiaries, divisions, or business units within twenty-eight (28) days after such notice is received (all references to "days" in this ADR provision are to calendar days). If the matter has not been resolved within twenty-eight (28) days after the written notice of dispute, or if the parties fail to meet within such twenty-eight (28) days, either party may initiate an ADR proceeding as provided herein. The parties shall have the right to be represented by counsel at any stage of the ADR process.

1. To begin an ADR proceeding, a party shall provide written notice to the other party of the disputed matter(s) to be resolved by ADR. Within fourteen (14) days after its receipt of such notice, the other party may, by written notice to the party initiating the ADR, add additional disputed matter(s) to be resolved within the same ADR.

2. Within twenty-eight (28) days following the initiation of the ADR proceeding, the parties shall select a mutually acceptable independent, impartial and conflicts-free neutral to preside over the resolution of the parties' disputes in this ADR proceeding. If the parties are unable to agree on a mutually acceptable neutral within such period, within thirty-five (35) days following the initiation of the ADR proceeding, each party will select and notify the other party of one independent, impartial and conflicts-free neutral and those two neutrals will select a third independent, impartial and conflicts-free neutral within fourteen (14) days thereafter. None of the neutrals selected may be current or former employees, officers or directors of either party, its subsidiaries or affiliates.

3. No earlier than twenty-eight (28) days or later than eighty-four (84) days after selection, the neutral(s) shall hold a hearing to resolve each of the disputed matters identified by the parties. The ADR proceeding shall take place at a location mutually agreed upon by the parties. If the parties cannot agree, the neutral(s) shall designate a location other than the principal place of business of either party or any of their subsidiaries or affiliates.

4. At least seven (7) days prior to the hearing, each party shall submit the following to the other party and the neutral(s):

(a) a copy of all exhibits on which such party intends to rely in any oral or written presentation to the neutral(s);

(b) a list of any witnesses, including expert witnesses, such party intends to call at the hearing, and a short summary of the anticipated testimony of each witness. No witness will be heard at the hearing unless identified at least seven (7) days prior to the hearing, and no witness' testimony will be accepted by sworn declaration or affidavit. Witnesses must make themselves available for cross-examination by the opposing party;

(c) a proposed ruling on each disputed matter to be resolved, together with a request for a specific damage award or other remedy for each disputed matter. The proposed rulings and remedies shall not contain any recitation of the facts or any legal arguments and shall not exceed one (1) page per issue unless the parties, with the consent of the neutral(s), otherwise agree. The parties agree that neither side shall seek as part of its remedy any punitive damages.

(d) a brief in support of such party's proposed rulings and remedies, provided that the brief shall not exceed twenty (20) pages unless the parties, with the consent of the neutral(s), otherwise agree.

Except as expressly set forth in subparagraphs 4(a) - 4(d), and unless otherwise agreed by the parties, no discovery shall be required or permitted by any means, including depositions, interrogatories, requests for admissions, or production of documents.

5. Unless otherwise agreed by the parties, the hearing shall be conducted on two (2) consecutive days and shall be governed by the following rules:

(a) Each party shall be entitled to five (5) hours of hearing time to present its case. The neutral(s) shall determine whether each party has had the five (5) hours to which it is entitled.

(b) Each party shall be entitled, but not required, to make an opening statement, to present regular and rebuttal testimony, documents or other evidence, to cross-examine witnesses, and to make a closing argument. Cross-examination of witnesses shall occur immediately after their direct testimony, and cross-examination time shall be charged against the party conducting the cross-examination.

(c) The party initiating the ADR shall begin the hearing and, if it chooses to make an opening statement, shall address not only the disputed matters it raised but also any disputed matters raised by the responding party. The responding party, if it chooses to make an opening statement, also shall address all disputed matters raised in the ADR. Thereafter, the presentation of regular and rebuttal testimony and documents, other evidence, and closing arguments shall proceed in the same sequence.

(d) Each party may designate a single corporate representative to be present for the entirety of the hearing. Except when testifying, witnesses other than the designated corporate representatives, shall be excluded from the hearing until closing arguments.

(e) Settlement negotiations, including any statements made therein, shall not, under any circumstances, be admissible during the hearing. As to all other matters, the neutral(s) shall have sole discretion regarding the admissibility of any evidence.

6. Within fourteen (14) days following completion of the hearing, each party may submit to the other party and the neutral(s) a post-hearing brief in support of its proposed rulings and remedies, provided that such brief shall not contain or discuss any new evidence and, unless otherwise agreed by the parties, shall not exceed ten (10) pages.

7. The neutral(s) shall provide a written ruling on each disputed matter within thirty (30) days following completion of the hearing. The ruling shall not contain any recitation of the facts or any legal rationale or otherwise explain the basis of the ruling.

8. The neutral(s) shall be paid a reasonable fee plus expenses. These fees and expenses, along with the reasonable legal fees and expenses of the prevailing party (including all expert witness fees and expenses), the fees and expenses of a court reporter and any expenses for a hearing room, shall be paid as follows:

(a) If the neutral(s) rule(s) in favor of one party on all disputed issues in the ADR proceeding, the losing party shall pay 100% of the prevailing party's legal fees and expenses.

(b) If the neutral(s) rule(s) in favor of one party on some matters and the other party on other matters, the neutral(s) shall include in their ruling a written determination as to how the parties' legal fees and expenses shall be allocated between the parties. The neutral(s) shall allocate legal fees and expenses in a way that bears a reasonable relationship to the outcome of the ADR proceeding, with the party prevailing on more matters, or on matters of greater value or gravity, recovering a relatively larger share of its legal fees and expenses.

9. The rulings of the neutral(s) and the allocation of fees and expenses shall be binding, non-reviewable, and non-appealable, and may be entered as a final judgment in any court having jurisdiction.

10. Except as provided in paragraph 9 or as required by law, the existence of the dispute, any settlement negotiations, the ADR hearing, any submissions (including exhibits, testimony, proposed rulings, and briefs), and the neutral(s)' rulings shall be deemed Confidential Information. The neutral(s), during the pendency of the ADR proceeding, shall have the authority to impose sanctions for unauthorized disclosure of Confidential Information.

11. All ADR hearings shall be conducted in the English language.

Exhibit 10.41

November 3, 2009

George Cardoza

Dear George,

On behalf of NeoGenomics Laboratories ("NeoGenomics" or the "Company"), it is my pleasure to extend this offer of employment for the Chief Financial Officer position to you. If the following terms are satisfactory, please countersign this letter (the "Agreement") and return a copy to me at your earliest convenience.

Position: Chief Financial Officer.

Duties: As Chief Financial Officer, you will report to the Chief Executive Officer of the Company or such other person as may be appointed by the CEO and you will be responsible for the administrative, financial, and risk management operations of the company, to include the development of a financial strategy, metrics tied to that strategy, and the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results in addition to other duties as may be assigned to you by the CEO of the Company or the Board's designee in the absence of the CEO.

Start Date: On or before December 1, 2009.

Base Salary: $190,000/year, payable bi-weekly. The parties agree that this salary is for a full-time position. Thereafter, increases in base salary may occur annually at the discretion of the CEO of the Company with the approval of the Compensation Committee of the Board of Directors.

Relocation: You will be eligible for relocation assistance should you agree to establish a residence in the greater Fort Myers area no later than December 1, 2010. Please refer to the terms in the attached Relocation Agreement.

Bonus: Beginning with the fiscal year ending December 31, 2010, you will be eligible to receive an incentive bonus payment which will be targeted at 30% of your Base Salary based on 100% achievement of goals as agreed upon between you and the CEO of the Company and approved by the Board of Directors for such fiscal year.

Benefits: You will be entitled to participate in all medical and other benefits that the Company has established for its employees in accordance with the Company's policy for such benefits at any given time. Other benefits may include but not be limited to: short term and long term disability, dental, a 401K plan, a section 125 plan and an employee stock purchase plan.

Paid Time Off: You will be eligible for 4 weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis beginning from your hire date and be may carried over from year to year. It is company policy that when your accrued PTO balance reaches 160 hours, you will cease accruing PTO until your accrued PTO balance is 120 hours or less – at which point you will again accrue PTO until you reach 160 hours. You are eligible to use PTO after completing 3 months of employment. In addition to paid time off, there are also 6 paid national holidays and 1 "floater" day available to you.

Stock Options: You will be granted stock options to purchase up to 150,000 shares of the common stock of the Company's publicly-traded holding company, NeoGenomics, Inc., a Nevada corporation, at an exercise price equivalent to the closing price per share at which such stock was quoted on the NASDAQ Bulletin Board on the day prior to your Start Date. The grant of such options will be made pursuant to the Company's stock option plan then in effect and will be evidenced by a separate Option Agreement, which the Company will execute with you within 60 days of receiving a copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement which has been executed by you. So long as you remained employed by the Company, such options will have a five-year term from the grant date and will vest according to the following schedule:

Time-Based Vesting

37,500	at your first year anniversary
37,500	at your second year anniversary
37,500	at your third year anniversary
37,500	at your fourth year anniversary

If for any reason you resign prior to the time which is 12 months from your Start Date, you will forgo all such options. Furthermore, you understand that the Company's stock option plan requires that any employee who leaves the employment of the Company will have no more than three (3) months from their termination date to exercise any vested options.

The Company agrees that it will grant to you the maximum number of Incentive Stock Options ("ISO's") available under current IRS guidelines and that the remainder, if any, will be in the form of non-qualified stock options.

Termination Without Cause:

If the Company terminates you without "Cause" for any reason during the Term or any extension thereof, then the Company agrees that as severance it will continue to pay you your Base Salary and maintain your employee benefits for a period that is equal to six (6) months of your employment by the Company, beginning on the date of your termination notice.

For the purposes of this letter agreement, the Company shall have "Cause" to terminate your employment hereunder upon: (i) failure to materially perform

and discharge your duties and responsibilities under this Agreement (other than any such failure resulting from incapacity due to illness) after receiving written notice and allowing you ten (10) business days to cure such failures, if so curable, provided, however, that after one such notice has been given to you, the Company is no longer required to provide time to cure subsequent failures under this provision, or (ii) any breach by you of the provisions of this Agreement; or (iii) misconduct which, in the opinion and sole discretion of the Company, is injurious to the Company; or (iv) any felony conviction involving the personal dishonesty or moral turpitude, or (v) engagement in illegal drug use or alcohol abuse which prevents you from performing your duties in any manner, or (vi) any material misappropriation, embezzlement or conversion of the Company's or any of its subsidiary's or affiliate's property or business opportunities by you; or (vii) willful misconduct by you in respect of your duties or obligations under this Agreement and/or the Confidentiality, Non-Solicitation, and Non-competition Agreement.

You acknowledge and agree that any and all payments to which you are entitled under this Section are conditioned upon and subject to your execution of a general waiver and release, in such reasonable form as counsel for each of the Company and you shall agree upon, of all claims you have or may have against the Company.

Confidentiality, Non-Compete, & Work +Products:

You agree that prior to your Start Date, you will execute the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement attached to this letter as Exhibit 1. You understand that if you should fail to execute such Confidentiality, Non-Competition and Non-Solicitation Agreement in the agreed-upon form, it will be grounds for revoking this offer and not hiring you. You understand and acknowledge that this Agreement shall be read *in pari materia* with the Confidentiality, Non-Competition and Non-Solicitation Agreement and is part of this Agreement.

Executive's Representations:

You understand and acknowledge that this position is an officer level position within NeoGenomics. You represent and warrant, to the best of your knowledge, that nothing in your past legal and/or work experiences, which if became broadly known in the marketplace, would impair your ability to serve as an officer of a public company or materially damage your credibility with public shareholders. You further represent and warrant, to the best of your knowledge, that, prior to accepting this offer of employment, you have disclosed all material information about your past legal and work experiences that would be required to be disclosed on a Directors' and Officers' questionnaire for the purpose of determining what disclosures, if any, will need to be made with the SEC. Prior to the Company's next public filing, you also agree to fill out a Director's and Officer's questionnaire in form and substance satisfactory to the Company's counsel. You further represent and warrant, to the best of your knowledge, that you are currently not obligated under any form of non-competition or non-solicitation agreement which would preclude you from serving in the position indicated above for NeoGenomics or soliciting business relationships for any laboratory services from any potential customers in the United States.

Miscellaneous:

(i) This Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification or attempted waiver will be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(ii) The provisions of this Agreement are separate and severable, and if any of themis declared invalid and/or unenforceable by a court of competent jurisdiction oran arbitrator, the remaining provisions shall not be affected.

(iii) This Agreement is the joint product of the Company and you and each provisionhereof has been subject to the mutual consultation, negotiation and agreement ofthe Company and you and shall not be construed for or against either partyhereto.

(iv) This Agreement will be governed by, and construed in accordance with theprovisions of the law of the State of Florida, without reference to provisions thatrefer a matter to the law of any other jurisdiction. Each party hereto herebyirrevocably submits itself to the exclusive personal jurisdiction of the federal and state courts sitting in Florida; accordingly, any matters involving the Company and the Executive with respect to this Agreement may be adjudicated only in a federal or state court sitting in Lee County, Florida.

(v) This Agreement may be signed in counterparts, and by fax, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument

(vi) Within three days of your start date, you will need to provide documentation verifying your legal right to work in the United States. Please understand that this offer of employment is contingent upon your ability to comply with the employment verification requirements under federal laws and that we cannot begin payroll until this requirement has been meet.(vii) Employment with NeoGenomics is an “at-will” relationship and not guaranteed for any term. You or the Company may terminate employment at anytime for any reason.

(Signatures Appear on the Next Page)

George, I know that with your help we can build a world-class team to help drive this company. Welcome aboard!

Sincerely,

/s/ Douglas M. VanOort

Douglas M. VanOort
Executive Chairman and CEO

Agreed and Accepted:

/s/ George Cardoza	11/4/2009
George Cardoza	Date

EXHIBIT 1

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "Agreement") dated this 3rd day of November, 2009 is entered into by and between George Cardoza ("Employee") and NeoGenomics, Inc., a Florida corporation ("Employer" and collectively with NeoGenomics, Inc, a Nevada corporation, the Employer's parent corporation, the "Company"). Hereinafter, each of the Employee or the Company may be referred to a "Party" and together be referred to as the "Parties".

RECITALS:

WHEREAS, the Parties have entered into that certain letter agreement, dated November 3, 2009, that creates an employment relationship between the Company and Employee (the "Employment Agreement"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's standard Confidentiality, Non-Solicitation and Non-Compete; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company.

Now, therefore, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Employee, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon execution and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties, whether termination is by the Company and/or any entity that is wholly or partially owned by the Company (all of such entities being hereinafter referred to as "Affiliated Entities"), with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee ("Term").

2. Confidential Information.

a. The term “Confidential Information” as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, customer lists and names and other information, customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans therefor, business plans, financial information and other financial plans, data pertaining to the Company’s operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any Affiliated Entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company or any Affiliated Entity to Employee or developed by the Employee on behalf of the Company or any Affiliate Entity as Work Product (as defined in Paragraph 7) are expressly included within the definition of “Confidential Information.” The Parties further agree that the fact the Company or any Affiliated Entity may be seeking to complete a business transaction is “Confidential Information” within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information.

b. Employee acknowledge(s) that this "Confidential Information" is of value to the Company and/or any Affiliated Entities by providing them with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company or any Affiliated Entities for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes “Trade Secrets” under Section 688.002 and Chapter 812 of the Florida Statutes.

3. Duty of Confidentiality. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company or any Affiliated Entity for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company or any Affiliated Entities and their business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company or any Affiliated Entity and for no other purpose, (iii) take all precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company or any Affiliated Entity, (iv) observe all security policies implemented by the Company or any Affiliated Entity from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company’s and any Affiliated Entity’s Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company’s and any Affiliated Entity’s legitimate business interest in preserving its Confidential Information.

In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company or any Affiliated Entities with prompt notice of such request or order so that the Company or any Affiliated Entity may seek to prevent disclosure.

4. **Limited Right of Disclosure.** Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("Representative(s)"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s), and Employee shall show this Agreement to them and shall obtain their signed consent to be bound by this Agreement prior to any disclosures.

5. **Return of Company Property and Confidential Materials.** All tangible property, including cell phones, laptop computers and other company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and/or its Affiliated Entities and must be returned to the Company and/or its Affiliated Entities in accordance with the instructions of the Company and/or such Affiliated Entities either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment with the Company or any Affiliated Entity, whether termination is by the Company or the Affiliated Entity, with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee, Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company and/or the Affiliated Entity, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all information to the Company and/or any Affiliated Entities as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any intentional or unauthorized retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. **Agreement Not To Circumvent.** Employee agrees not to pursue any transaction or comparable concept that makes use of any information identified herein as Confidential Information during the Term of this Agreement, other than through the Company and/or its Affiliated Entities or on behalf of the Company and/or its Affiliated Entities. It is further understood and agreed that the Employee will direct all communications and requests regarding Confidential Information from any third parties through the Company's then chief executive officer or president. Any violation of this covenant shall subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company or any of its Affiliated Entities during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "Work Product"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to an Affiliated Entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or any Affiliated Entity or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company or any Affiliated Entity apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to an Affiliated Entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the business of the Company, or any Affiliated Entity, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its Affiliated Entities are engaged in the business of providing cancer genetic and molecular testing services to oncologists, urologists, pathologists, physicians, hospitals, and other medical laboratories. The covenants contained in this Paragraph 8 (the "Restrictive Covenants") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period time following termination of such employment, as defined below, whether termination is by the Company, with or without cause, wrongful discharge, or for any other reason whatsoever, or by Employee (such period of time is hereinafter referred to as the "Restrictive Period"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants. The Restrictive Period will be defined as a period of two (2) years for the Non-Solicitation Covenant and a period of one (1) year for the Non-Competition Covenant.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) induce any customer, or any pending customer, of the Company or of any Affiliated Entity to patronize or do business with any business directly or indirectly in competition with the businesses conducted by the Company or any Affiliated Entity in any market in which the Company or any Affiliated Entity does business; or

(ii) canvass, solicit or accept from any customer, or any pending customer, of the Company or of any Affiliated Entity, any such business relationship that is in competition with the Company or any Affiliated Entity; or

(iii) request or advise any customer or vendor, or any pending customer or vendor, of the Company or of any Affiliated Entity to withdraw, curtail or cancel any such customer's or vendor's business with the Company or any Affiliated Entity; or

(iv) recruit, solicit or otherwise induce or influence any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or modify such employment, agency or business relationship with the Company or any Affiliated Entity; or

(v) employ or seek to employ any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity employs or seeks to employ such person) employed or retained by the Company or any Affiliated Entity.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, for himself or herself, or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or herself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in, accept employment from, or participate in, any business that is in competition with the business of the Company or any Affiliated Entity in any location in the United States of America.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event of a termination of the Employee by the Company without "Cause" (as such term in defined in the Employment Agreement), the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder. The Employee specifically acknowledges that any termination by the Company for "Cause" or any termination by resignation of the Employee shall result in the Non-competition covenant described in paragraph 8(b) remaining valid and enforceable hereunder.

Notwithstanding the preceding paragraphs, the spirit and intent of this non-competition clause is not to deny the Employee the ability to support his or her family, but rather to prevent the Employee from using the knowledge and experiences obtained from the Company in a similar competitive environment. Along those lines, should the Employee leave the employment of the Employer for any reason, he or she would be prohibited from joining a for-profit cancer testing genetics laboratory and/or competing against the Company in the same market place. The Parties agree that the phrase "in any business that is in competition with the business of the Company" in the preceding paragraph 8(b) specifically excludes all non-profit medical testing laboratories, hospitals and academic institutions as well as for-profit prenatal and pediatric/constitutional genetic testing laboratories. In other words, the Employee would be allowed under this non-compete clause to work in a private, for-profit prenatal laboratory or pediatric/constitutional genetics testing laboratory as well as any non-profit cancer genetics testing laboratory. Thus, the spirit and intent of this non-competition clause is intended to prevent the Employee from acting in any of the capacities outlined in this paragraph for any "for-profit" cancer genetics testing laboratory only. For purposes of this agreement, cancer genetic testing laboratories shall be defined as laboratories that perform the following types of cancer genetics testing: cytogenetics testing, Flourescence In-Situ Hybridization (FISH) testing, flow cytometry testing and molecular genetics testing.

c. Acknowledgements of Employee.

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company or any Affiliated Entity for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company and its Affiliated Entities will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company or any Affiliated Entity shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company or any Affiliated Entity.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's assignee or successor or any of the Affiliated Entities and Employee acknowledges and agrees that assignees, successors and Affiliated Entities are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants are held by an arbitration panel or court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, they shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee agrees that any violation of the Restrictive Covenants, in any capacity identified herein, are a material breach of this Agreement and that any and all sales by Employee for himself or herself, other individual(s), partnership, corporation, joint venture, or any other entity with which he or she is associated, shall be conclusively presumed to have been made by the Company or any Affiliated Entity, but for the violation.

(vii) Employee agrees that any failure of the Company or any Affiliated Entity to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company or any of its Affiliated Entities. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the Parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement, shall constitute misappropriation under Florida Statutes, and shall cause irreparable harm and loss to the Company or any of its Affiliated Entities for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company or any of its Affiliated Entities will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without being required to post a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without being required to post a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment; and

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction or arbitration panel has determined conclusively that the Company or any of its assignees, successors or Affiliated Entities is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company or any Affiliated Entities from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 2 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company or any of its Affiliated Entities shall not constitute a defense to the enforcement by the Company or any of its Affiliated Entities of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 2 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction with the arbitration tribunals of the American Arbitration Association for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. **Arbitration Agreement.** Employee agrees that all controversies, claims, disputes and matters in question arising out of, or related to this Agreement, the breach of this Agreement, the business relationship between signatories to this Agreement or any other matter or claim whatsoever shall be decided by binding arbitration before the American Arbitration Association, utilizing its Commercial Rules by a panel of one arbitrator. Venue for any arbitration between the Parties shall be held in Fort Myers, Lee County, Florida.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee at any time. This Agreement may be assigned only by the Company to an Affiliated Entity and shall inure to the benefit of its successors and/or assigns.

13. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

14. **Construction.** The Parties agree that, notwithstanding the authorship of this Agreement by the Company, such Agreement shall not be construed more favorably to one Party than the other.

15. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

16. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee. The refusal or failure of the Company or any Affiliated Entity to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company or any Affiliated Entity of any other restrictive covenant provision set forth in this Agreement.

17. **Consideration.** Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

18. **Notices**. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

19. **Acknowledgements.** Employee acknowledge(s) that he or she has reviewed this Agreement prior to signing it, that he or she knows and understands the contents, purposes and effect of this Agreement, and that he or she has been given a signed copy of this Agreement for his or her records. Employee further acknowledges and agrees that he or she has entered into this Agreement freely, without any duress or coercion.

20. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: /s/ George Cardoza 11/4/2010

Employee Signature Date

Employee Name: George Cardoza

Employee Address: c/o NeoGenomics, Inc.

12701 Commonwealth Drive Suite 9

Fort Myers, FL 33913

NeoGenomics, Inc.

12701 Commonwealth Drive, # 5

Fort Myers, FL 33913

By: /s/ Douglas VanOort 11/4/2009

Date

Name: /s/ Douglas VanOort

Title: CEO

Exhibit 2

RELOCATION AGREEMENT
George Cardoza

Chief Financial Officer

NeoGenomics Laboratories (the "Company") acknowledges that you will incur certain relocation expenses as a result of accepting employment with us. We consider the reimbursement of these expenses to be related to the employer-employee relationship that we are attempting to establish and that these are items that we *share* as the relationship is established.

NeoGenomics agrees to reimburse you for up to $20,000 in the aggregate (the "Relocation Cap") for commuting, temporary housing and permanent relocation expenses. This assistance will be comprised of two parts: (i) reimbursement for commuting, temporary housing and other related transition expenses (the "Temporary Commuting Allowance"), and (ii) reimbursement for permanent relocation expenses that are identified by the Internal Revenue Service ("IRS") as "deductible moving expenses" (the "Permanent Relocation Assistance").

You may use up to $15,000 of the Relocation Cap for the Temporary Commuting Allowance. Expenses reimbursable under the Temporary Commuting Allowance include pre-move travel (between Tampa, FL and Fort Myers, FL), related lodging and meal expenses, and other related transition expenses, incurred in accordance with the Company's applicable policies in effect from time to time.

All such payments made by the Company as part of your Temporary Commuting Allowance shall be subject to withholding for federal, state or local taxes as the Company reasonably may determine. However, you should consult with your own tax advisor to determine what payments (or reimbursements), if any, may be tax deductible to you.

The dollar amount of Permanent Relocation Assistance available to you is the difference between the Relocation Cap and any payments made to you (or on your behalf) under the Temporary Commuting Allowance. The Permanent Relocation Assistance is available to you for your permanent move to Fort Myers, Florida, which will need to occur on or prior to December 1, 2010. Any relocation expenses incurred by you (or on your behalf) occurring after December 1, 2010 will not be reimbursable by the Company unless otherwise mutually agreed upon in writing by you and the CEO of the Company. The Company will require two (2) quotes from vendors prior to payment for moving expenses.

The Permanent Relocation Assistance payments will not be taxable to you to the extent the expenses are identified by the IRS as "deductible moving expenses," and, accordingly, reimbursable expenses shall be limited to: (i) moving your household goods and personal effects, and (ii) travel (including lodging, but not meals) to your new home.

All claims for reimbursable expenses, together with proper receipts and supporting documentation, must be submitted to the Company within 45 days following the date(s) the expenses are incurred. Thereafter, reimbursement by the Company will be made in accordance with the Company's normal payroll practices no later than 45 days following the timely submission of applicable claims.

I, George Cardoza, agree to provide proper receipts and documentation in a form acceptable to the Company in order to receive reimbursement from the Company, and I understand that failure to do so in accordance with the requirements set forth herein (including, but not limited to, timely submission) will jeopardize my rights to any reimbursements under this Agreement.

I further agree that:

(a) I will reimburse NeoGenomics all Permanent Relocation Assistance and Temporary Commuting Allowance payments paid on my behalf directly to vendors or to me by NeoGenomics should I resign my employment for any reason with NeoGenomics Laboratories according to the below listed schedule. Reimbursement will not be required should NeoGenomics initiate the separation of employment.

Reimbursement will be based on the following schedule:

1) 100 % reimbursement if resignation occurs within a 14 month time period from the start of employment or within six months after my permanent relocation to Fort Myers, Fl.
2) 50% reimbursement if resignation occurs within 6 months to 12 months after my permanent relocation to Fort Myers, FL.

(b) Any reimbursements paid to me in error will be returned to the Company within 60 days of (i) the date the expense was incurred, or (ii) becoming aware of the existence of an erroneous reimbursement.

(c) My final paycheck for any wages and/or accrued paid time-off will be reduced, to the extent allowable by law, in the amount of any monies I owe to the Company pursuant to the terms of this Agreement. If the amount of my final paycheck is insufficient to cover all the monies I owe to the Company hereunder, the Company may pursue any and all remedies available under the law.

This agreement will be governed by the laws of the State of Florida.

Agreed and Accepted:

By: /s/ George Cardoza Date 11/4/2009

George Cardoza

NEOGENOMICS LABORATORIES

By: /s/ Douglas VanOort

Name: Douglas VanOort

Title: CEO

Exhibit 10.42

November 9, 2009

Mr. Jack Spitz
951 Longwood Club Place
Longwood, FL 32750

Dear Jack,
On behalf of NeoGenomics Laboratories ("NeoGenomics" or the "Company"), it is my pleasure to extend this offer of employment for the Vice President of Laboratory Operations position to you. If the following terms are satisfactory, please countersign this letter (the "Agreement") and return a copy to me at your earliest convenience.

Position: Vice President (VP) of Laboratory Operations

Duties: As VP of Lab Ops, you will report to the President of the Company or such other person as may be appointed by the President or CEO and you will be responsible for the laboratory's technical, administrative and financial operations of the laboratory. This will include any/all lab sites the company has which currently include Ft. Myers, FL (corporate headquarters), Nashville, TN and Irvine, CA. In addition you may be assigned other duties by the President or CEO, or by the Board's designee in the absence of the President or CEO.

Start Date: On or before December 7, 2009.

Base Salary: $210,000/year, payable bi-weekly. The parties agree that this salary is for a full-time position. Increases in base salary may occur annually at the discretion of the President of the Company with the approval of the CEO and the Compensation Committee of the Board of Directors.

Relocation: You will be eligible for relocation assistance should you agree to establish a residence in the greater Fort Myers area no later than December 1, 2010. Please refer to the terms in the attached Relocation Agreement.

Bonus: Beginning with the fiscal year ending December 31, 2010, you will be eligible to receive an incentive bonus payment which will be targeted at 30% of your Base Salary based on 100% achievement of the goals set forth for you by the President or CEO of the Company and approved by the Board of Directors for such fiscal year. Such goals will have overall company performance targets and individual performance targets.

Benefits: You will be entitled to participate in all medical and other benefits that the Company has established for its employees in accordance with the Company's policy for such benefits at any given time. Other benefits may include but not be limited to: short term and long term disability, dental, a 401K plan, a section 125 plan and an employee stock purchase plan.

Paid Time Off: You will be eligible for 4 weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis beginning from your hire date and be may carried over from year to year. It is company policy that when your accrued PTO balance reaches 160 hours, you will cease accruing PTO until your accrued PTO balance is 120 hours or less – at which point you will again accrue PTO until you reach 160 hours. You are eligible to use PTO after completing 3 months of employment. In addition to paid time off, there are also 6 paid national holidays and 1 "floater" day available to you.

Stock Options: You will be granted stock options to purchase up to 150,000 shares of the common stock of the Company's publicly-traded holding company, NeoGenomics, Inc., a Nevada corporation, at an exercise price equivalent to the closing price per share at which such stock was quoted on the NASDAQ Bulletin Board on the day prior to your Start Date. The grant of such options will be made pursuant to the Company's stock option plan then in effect and will be evidenced by a separate Option Agreement, which the Company will execute with you within 60 days of receiving a copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement which has been executed by you. So long as you remained employed by the Company, such options will have a five-year term from the grant date and will vest according to the following schedule:

Time-Based Vesting

37,500 options will vest at the first year anniversary of your Start Date

3,125 options will vest each month beginning on the 13th monthly anniversary of your Start Date and continuing on each monthly anniversary thereafter until the fourth anniversary of your Start Date

If for any reason you resign prior to the time which is 12 months from your Start Date, you will forgo all such options. Furthermore, you understand that the Company's stock option plan requires that any employee who leaves the employment of the Company will have no more than three (3) months from their termination date to exercise any vested options.

The Company agrees that it will grant to you the maximum number of Incentive Stock Options ("ISO's") available under current IRS guidelines and that the remainder, if any, will be in the form of non-qualified stock options.

Termination Without Cause: If the Company terminates you without "Cause" for any reason during the Term or any extension thereof, then the Company agrees that as severance it will continue to pay you your Base Salary and maintain your employee benefits for a period that is equal to six (6) months of your employment by the Company, beginning on the date of your termination notice.

For the purposes of this letter agreement, the Company shall have "Cause" to terminate your employment hereunder upon: (i) failure to materially perform and discharge your duties and responsibilities under this Agreement (other than any such failure resulting from incapacity due to illness) after receiving written notice and allowing you ten (10) business days to cure such failures, if so curable, provided, however, that after one such notice has been given to you, the Company is no longer required to provide time to cure subsequent failures under this provision, or (ii) any breach by you of the provisions of this Agreement; or (iii) misconduct which, in the opinion and sole discretion of the Company, is injurious to the Company; or (iv) any felony conviction involving the personal dishonesty or moral turpitude, or (v) engagement in illegal drug use or alcohol abuse which prevents you from performing your duties in any manner, or (vi) any material misappropriation, embezzlement or conversion of the Company's or any of its subsidiary's or affiliate's property or business opportunities by you; or (vii) willful misconduct by you in respect of your duties or obligations under this Agreement and/or the Confidentiality, Non-Solicitation, and Non-competition Agreement.

You acknowledge and agree that any and all payments to which you are entitled under this Section are conditioned upon and subject to your execution of a general waiver and release, in such reasonable form as counsel for each of the Company and you shall agree upon, of all claims you have or may have against the Company.

Confidentiality, Non-Compete, & Work +Products: You agree that prior to your Start Date, you will execute the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement attached to this letter as Exhibit 1. You understand that if you should fail to execute such Confidentiality, Non-Competition and Non-Solicitation Agreement in the agreed-upon form, it will be grounds for revoking this offer and not hiring you. You understand and acknowledge that this Agreement shall be read *in pari materia* with the Confidentiality, Non-Competition and Non-Solicitation Agreement and is part of this Agreement.

Executive's Representations: You understand and acknowledge that this position is an officer level position within NeoGenomics. You represent and warrant, to the best of your knowledge, that nothing in your past legal and/or work experiences, which if became broadly known in the marketplace, would impair your ability to serve as an officer of a public company or materially damage your credibility with public shareholders. You further represent and warrant, to the best of your knowledge, that, prior to accepting this offer of employment, you have disclosed all material information about your past legal and work experiences that would be required to be disclosed on a Directors' and Officers' questionnaire for the purpose of determining what disclosures, if any, will need to be made with the SEC. Prior to the Company's next public filing, you also agree to fill out a Director's and Officer's questionnaire in form and substance satisfactory to the Company's counsel. You further represent and warrant, to the best of your knowledge, that you are currently not obligated under any form of non-competition or non-solicitation agreement which would preclude you from serving in the position indicated above for NeoGenomics or soliciting business relationships for any laboratory services from any potential customers in the United States.

Miscellaneous: (i) This Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification or attempted waiver will be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(ii) The provisions of this Agreement are separate and severable, and if any of them is declared invalid and/or unenforceable by a court of competent jurisdiction or an arbitrator, the remaining provisions shall not be affected.

(iii) This Agreement is the joint product of the Company and you and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Company and you and shall not be construed for or against either party hereto.

(iv) This Agreement will be governed by, and construed in accordance with the provisions of the law of the State of Florida, without reference to provisions that refer a matter to the law of any other jurisdiction. Each party hereto hereby irrevocably submits itself to the exclusive personal jurisdiction of the federal and state courts sitting in Florida; accordingly, any matters involving the Company and the Executive with respect to this Agreement may be adjudicated only in a federal or state court sitting in Lee County, Florida.

(v) This Agreement may be signed in counterparts, and by fax or by PDF, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument

(vi) Within three days of your start date, you will need to provide documentation verifying your legal right to work in the United States. Please understand that this offer of employment is contingent upon your ability to comply with the employment verification requirements under federal laws and that we cannot begin payroll until this requirement has been meet.

(vii) Employment with NeoGenomics is an "at-will" relationship and not guaranteed for any term. You or the Company may terminate employment at anytime for any reason.

Jack, I know that with your help we can build a world-class laboratory with a national footprint and a team focused on the highest quality standards. I am looking forward to working with you as we drive NeoGenomics to new heights. Welcome aboard!

Sincerely,

/s/ Robert Gasparini

Robert Gasparini, M.S., CLSp (CG), CLDir
President and Chief Scientific Officer

Agreed and Accepted:

By: /s/ Jack Spitz Date: 11/10/2009

EXHBIT 1

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "**Agreement**") dated this 9th day of November, 2009 is entered into by and between Jack Spitz ("**Employee**") and NeoGenomics, Laboratories Inc., a Florida corporation ("**Employer**" and collectively with NeoGenomics, Inc., a Nevada corporation (the "**Parent Company**") and any entity that is wholly or partially owned by the Employer or the Parent Company or otherwise affiliated with the Parent Company, the "**Company**"). Hereinafter, each of the Employee or the Company maybe referred to as a "**Party**" and together be referred to as the "**Parties**".

RECITALS:

WHEREAS, the Parties have entered into that certain letter agreement, dated November 9, 2009, that creates an employment relationship between the Employer and Employee (the "**Employment Agreement**"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's Confidentiality, Non-Solicitation and Non-Compete Agreement; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company; and

WHEREAS, the Employee acknowledges that the terms of the Employment Agreement including, but not limited to the Company's commitments to the Employee with respect to base salary, fringe benefits and stock options are sufficient consideration to the Employee for the entry into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon the Employee's first day of employment with the Company and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties ("**Term**"), whether termination is by the Company with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee unless an exception is specifically provided in certain situations in any such Restrictive Covenants.

2. Definitions.

a. The term "**Confidential Information**" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, Customer lists and names and other information, Customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans thereof, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any affiliated entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company to Employee or developed by the Employee on behalf of the Company as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information. Nevertheless, Confidential Information shall not include any information of any kind which (1) is in the possession of the Employee prior to the date of this Agreement, as shown by the Employee's files and records, or (2) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any violation of this Agreement or inaction or action of the receiving party, or (3) is rightfully received from a third party without any obligation of confidentiality; or (4) independently developed after termination without reference to the Confidential Information or materials based thereon; or (5) is disclosed pursuant to the order or requirement of a court, administrative agency, or other government body; or (6) is approved for release by the non-disclosing party.

b. The term "**Customer**" shall mean any person or entity which has purchased or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year immediately preceding the termination of the Employee's employment with the Company.

c. The term "**Prospective Customer**" shall mean any person or entity which has evidenced an intention to order products or services with the Company within one year immediately preceding the termination of the Employee's employment with the Company.

d. The term "**Restricted Area**" shall include any geographical location anywhere in the United States. If the Restricted Area specified in this Agreement should be judged unreasonable in any proceeding, then the period of Restricted Area shall be reduced so that the restrictions may be enforced as is judged to be reasonable.

e. The phrase "**directly or indirectly**" shall include the Employee either on his/her own account, or as a partner, owner, promoter, joint venturer, employee, agent, consultant, advisor, manager, executive, independent contractor, officer, director, or a stockholder of 5% or more of the voting shares of an entity in the Business of Company.

f. The term "**Business**" shall mean the business of providing non-academic, for-profit cancer genetic and molecular laboratory testing services, including, but not limited to, cytogenetics, flow cytometry, fluorescence in-situ hybridization ("FISH"), morphological studies, and molecular testing, to hematologists, oncologists, urologists, pathologists, hospitals and other medical reference laboratories.

3. Duty of Confidentiality.

a. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company and its business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company and for no other purpose, (iii) take all reasonable precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company, (iv) observe all security policies implemented by the Company from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company's Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company's legitimate business interest in preserving its Confidential Information.

b. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company with prompt notice of such request or order so that the Company may seek to prevent disclosure.

c. Employee acknowledge(s) that this "Confidential Information" is of value to the Company by providing it with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes "**Trade Secrets**" under Section 688.002 and Chapter 812 of the Florida Statutes.

4. Limited Right of Disclosure. Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("**Representative(s)**"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s).

5. Return of Company Property and Confidential Materials. All tangible property, including cell phones, laptop computers and other Company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and must be returned to the Company in accordance with the instructions of the Company either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment for any reason whatsoever Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all Confidential Information to the Company as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. Agreement Not To Circumvent. Employee agrees not to pursue any transaction or business relationship that is directly competitive to the Business of the Company that makes use of any Confidential Information during the Term of this Agreement, other than through the Company or on behalf of the Company. It is further understood and agreed that, after the Employee's employment with the Company has been terminated, the Employee will direct all communications and requests from any third parties regarding Confidential Information or Business opportunities which use Confidential Information through the Company's then chief executive officer or president. Employee acknowledges that any violation of this covenant may subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. **Title to Work Product.** Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "**Work Product**"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the Business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to another entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to another entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the Business of the Company, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its affiliated entities are engaged in the Business of providing genetic and molecular testing services. The covenants contained in this Paragraph 8 (the "**Restrictive Covenants**") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period of two (2) years following termination of such employment (such period of time is hereinafter referred to as the "**Restrictive Period**"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) solicit or induce any Customer or Prospective Customer of the Company to patronize or do business with any other company (or business) that is in the Business conducted by the Company in any market in which the Company does Business; or

(ii) request or advise any Customer or vendor, or any Prospective Customer or prospective vendor, of the Company, who was a Customer, Prospective Customer, vendor or prospective vendor within one year immediately preceding the termination of the Employee's employment with the Company, to withdraw, curtail, cancel or refrain from doing Business with the Company in any capacity; or

(iii) recruit, solicit or otherwise induce any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, Customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or detrimentally modify such employment, agency or business relationship with the Company; or

iv) employ or solicit for employment any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity seeks to employ such person) employed or retained by the Company. Notwithstanding the foregoing, to the extent the Employee works for a larger firm or corporation after his termination from the Company and he does not have any personal knowledge and/or control over the solicitation of or the employment of a Company employee or agent, then this provision shall not be enforceable.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he will not, directly or indirectly, for himself , or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in or accept employment from any business that is in the Business of the Company in the Restricted Area during his last twelve months of employment. The parties agree that this non-competition provision is intended to cover situations where a future business opportunity in which the Employee is engaged or a future employer of the Employee is selling the same or similar products and services in the Business which may compete with the Company's products and services to Customers and Prospective Customers of the Company in the Restricted Area. This provision shall not cover future business opportunities or employers of the Employee that sell different types of products or services in the Restricted Area so long as such future business opportunities or employers are not in the Business of the Company.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event of a termination of the Employee by the Company without "Cause" (as such term in defined in the Employment Agreement), the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder. The Employee specifically acknowledges that any termination by the Company for "Cause" or any termination by resignation of the Employee shall result in the Non-competition covenant described in paragraph 8(b) remaining valid and enforceable hereunder.

Notwithstanding the preceding paragraphs, the spirit and intent of this non-competition clause is not to deny the Employee the ability to support his or her family, but rather to prevent the Employee from using the knowledge and experiences obtained from the Company in a similar competitive environment. Along those lines, should the Employee leave the employment of the Employer for any reason, he or she would be prohibited from joining a for-profit cancer testing genetics laboratory and/or competing against the Company in the same market place. The Parties agree that the phrase "in any business that is in competition with the business of the Company" in the preceding paragraph 8(b) specifically excludes all non-profit medical testing laboratories, hospitals and academic institutions as well as for-profit prenatal and pediatric/constitutional genetic testing laboratories. In other words, the Employee would be allowed under this non-compete clause to work in a private, for-profit prenatal laboratory or pediatric/constitutional genetics testing laboratory as well as any non-profit cancer genetics testing laboratory. Thus, the spirit and intent of this non-competition clause is intended to prevent the Employee from acting in any of the capacities outlined in this paragraph for any "for-profit" cancer genetics testing laboratory only that do the type of any one or more of the types of testing defined in the definition of Business.

c. Acknowledgements of Employee.

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and the Employment Agreement, and it may cause irreparable harm and loss to the Company for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's successor in interest by way of merger, business combination or consolidation where a majority of the surviving entity is not owned by Company's shareholders who owned a majority of the Company's voting shares prior to such transaction and Employee acknowledges and agrees that successors are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants is held by a court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, such shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee acknowledges that any violations of the Restrictive Covenants, in any capacity identified herein, may be a material breach of this Agreement and may subject the Employee, and/or any individual(s), partnership, corporation, joint venture or other type of business with whom the Employee is then affiliated or employed, to monetary and other damages.

(vii) Employee agrees that any failure of the Company to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is judged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of Confidential Information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company for which monetary damages may be an insufficient remedy. Therefore, in addition to any other remedy available, the Company will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment.

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction has determined conclusively that the Company or any successor is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 1 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company shall not constitute a defense to the enforcement by the Company of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 1 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. **Governing Law, Venue and Personal Jurisdiction .** This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee. This Agreement shall inure to the benefit of Company's s successors.

12. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all prior negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

13. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

14. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee unless such waiver so provides by its terms. The refusal or failure of the Company to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company of any other restrictive covenant provision set forth in this Agreement.

15. **Consideration.** Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

16. **Notices**. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

17. **Acknowledgements.** Employee acknowledge(s) that he has reviewed this Agreement prior to signing it, that he knows and understands the contents, purposes and effect of this Agreement, and that he has been given a signed copy of this Agreement for his records. Employee further acknowledges and agrees that he has entered into this Agreement freely, without any duress or coercion.

18. **Counterparts.** This Agreement may be executed in counterparts, by facsimile or pdf each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: /s/ Jack Spitz 11/10/2009

Employee Signature Date

Employee Name: Jack Spitz

Employee Address: c/o NeoGenomics Laboratories

12701 Commonwealth Drive Suite 9

Fort Myers, FL 33913

NeoGenomics, Inc.

12701 Commonwealth Drive, Suite #9

Fort Myers, FL 33913

By: /s/ Robert Gasparini Date: 11/10/2009

Name: Robert Gasparini

Title: President

Exhibit 2

RELOCATION AGREEMENT

Jack Spitz

Vice President of Laboratory Operations

NeoGenomics Laboratories (the "Company") acknowledges that you will incur certain relocation expenses as a result of accepting employment with us. We consider the reimbursement of these expenses to be related to the employer-employee relationship that we are attempting to establish and that these are items that we *share* as the relationship is established.

NeoGenomics agrees to reimburse you for up to $30,000 in the aggregate (the "Relocation Cap") for commuting, temporary housing and permanent relocation expenses. This assistance will be comprised of two parts: (i) reimbursement for commuting, temporary housing and other related transition expenses (the "Temporary Commuting Allowance"), and (ii) reimbursement for permanent relocation expenses that are identified by the Internal Revenue Service ("IRS") as "deductible moving expenses" (the "Permanent Relocation Assistance").

You may use up to $25,000 of the Relocation Cap for the Temporary Commuting Allowance; provided, however, the Company agrees that if your home in Longwood, FL does not sell by August 31, 2010, the Relocation Cap shall be increased to $35,000 and you may use up to $30,000 of the Relocation Cap for the Temporary Commuting Allowance. Expenses reimbursable under the Temporary Commuting Allowance include pre-move travel (between Longwood, FL and Fort Myers, FL), related lodging and meal expenses, and other related transition expenses, incurred in accordance with the Company's applicable policies in effect from time to time.

All such payments made by the Company as part of your Temporary Commuting Allowance shall be subject to withholding for federal, state or local taxes as the Company reasonably may determine. However, you should consult with your own tax advisor to determine what payments (or reimbursements), if any, may be tax deductible to you.

The dollar amount of Permanent Relocation Assistance available to you is the difference between the Relocation Cap and any payments made to you (or on your behalf) under the Temporary Commuting Allowance. The Permanent Relocation Assistance is available to you for your permanent move to Fort Myers, Florida, which will need to occur on or prior to December 1, 2010. Any relocation expenses incurred by you (or on your behalf) occurring after December 1, 2010 will not be reimbursable by the Company unless otherwise mutually agreed upon in writing by you and the President or CEO of the Company. The Company will require two (2) quotes from vendors prior to payment for moving expenses.

The Permanent Relocation Assistance payments will not be taxable to you to the extent the expenses are identified by the IRS as "deductible moving expenses," and, accordingly, reimbursable expenses shall be limited to: (i) moving your household goods and personal effects, and (ii) travel (including lodging, but not meals) to your new home.

All claims for reimbursable expenses, together with proper receipts and supporting documentation, must be submitted to the Company within 45 days following the date(s) the expenses are incurred. Thereafter, reimbursement by the Company will be made in accordance with the Company's normal payroll practices no later than 45 days following the timely submission of applicable claims.

I, Jack Spitz, agree to provide proper receipts and documentation in a form acceptable to the Company in order to receive reimbursement from the Company, and I understand that failure to do so in accordance with the requirements set forth herein (including, but not limited to, timely submission) will jeopardize my rights to any reimbursements under this Agreement.

I further agree that:

(a) I will reimburse NeoGenomics all Permanent Relocation Assistance and Temporary Commuting Allowance payments paid on my behalf directly to vendors or to me by NeoGenomics should I resign my employment for any reason with NeoGenomics Laboratories according to the below listed schedule. Reimbursement will not be required should NeoGenomics initiate the separation of employment.

Reimbursement will be based on the following schedule:

1) 100 % reimbursement if resignation occurs within a 14 month time period from the start of employment or within six months after my permanent relocation to Fort Myers, Fl.
2) 50% reimbursement if resignation occurs within 6 months to 12 months after my permanent relocation to Fort Myers, FL.

(b) Any reimbursements paid to me in error will be returned to the Company within 60 days of (i) the date the expense was incurred, or (ii) becoming aware of the existence of an erroneous reimbursement.

(c) My final paycheck for any wages and/or accrued paid time-off will be reduced, to the extent allowable by law, in the amount of any monies I owe to the Company pursuant to the terms of this Agreement. If the amount of my final paycheck is insufficient to cover all the monies I owe to the Company hereunder, the Company may pursue any and all remedies available under the law.

This agreement will be governed by the laws of the State of Florida.

Agreed and Accepted:

By: /s/ Jack Spitz Date 11/10/2009

Jack Spitz

NEOGENOMICS LABORATORIES

By: /s/ Robert Gasparini

Name: Robert Gasparini

Title: President

Exhibit 10.44
[Confidential Treatment Requested. Confidential portions of this document have been redacted and have been separately filed with the Securities and Exchange Commission]

AMENDED AND RESTATED REVOLVING CREDIT AND SECURITY AGREEMENT

between

NeoGenomics Laboratories, Inc., a Florida Corporation, as Borrower

and

NeoGenomics, Inc., a Nevada corporation, as Guarantor

and

CAPITALSOURCE FINANCE LLC

Dated as of

April 26, 2010

TABLE OF CONTENTS

EXHIBITS

This Draft Credit Agreement is for discussion purposes only. This is not a commitment to extend credit in any form, and remains subject to credit committee approval, due diligence, negotiation and documentation. No oral communications between the parties shall be deemed to indicate any commitment to extend credit in any form.

AMENDED AND RESTATED REVOLVING CREDIT AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED REVOLVING CREDIT AND SECURITY AGREEMENT (the **"Agreement"**) dated as of April 26, 2010 is entered into between **NeoGenomics Laboratories, Inc.**, a Florida corporation ("**Borrower**"), **NeoGenomics, Inc.**, a Nevada corporation ("**Guarantor**", together with Borrower, individually a "**Credit Party**" and collectively, the "**Credit Parties**") and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company (the **"Lender"**).

WHEREAS, Credit Parties and Lender are party to that certain Revolving Credit and Security Agreement, dated as of February 1, 2008 (as in effect, together with all amendments and modifications thereto, the "**Original Credit Agreement**"), pursuant to which Lender, provided a revolving credit facility (the "**Revolving Facility**") in a maximum principal amount at any time outstanding of up to Three Million ($3,000,000) Dollars and (the "**Original Facility Cap**");

WHEREAS, the Credit Parties have requested that Lender continue to make available to Borrowers the Revolving Facility and extend term thereof and increase the amount of the Original Facility Cap to an amount equal to Five Million ($5,000,000) Dollars (such Original Facility Cap, as extended and increased, the "**Facility Cap**"); and

WHEREAS, Lender is willing to continue to make the Revolving Facility available to Borrower and to amend and restate the Original Credit Agreement upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, and intending to be legally bound, Credit Parties and Lender hereby agree as follows:

1. DEFINITIONS

1.1. General Terms

In addition to the definitions above and elsewhere in this Agreement, the terms listed in Annex I hereto shall have the meanings given such terms in Annex I, which are incorporated herein and made a part hereof. All capitalized terms used which are not specifically defined herein shall have meanings provided in Article 9 of the UCC to the extent the same are used or defined therein. Unless otherwise specified herein or in Annex I, any agreement, contract or instrument referred to herein or in Annex I shall mean such agreement, contract or instrument as modified, amended, restated or supplemented from time to time. Unless otherwise specified, as used in the Loan Documents or in any certificate, report, instrument or other document made or delivered pursuant to any of the Loan Documents, all accounting terms not defined in Annex I or elsewhere in this Agreement shall have the meanings given to such terms in and shall be interpreted in accordance with GAAP. References herein to "Eastern Time" shall mean eastern standard time or eastern daylight savings time as in effect on any date of determination in the eastern United States of America. The terms "herein", "hereof" and similar terms refer to this Agreement as a whole. In the computation of periods of time from a specified date to a later specified date in any Loan Document, the terms "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including." In any other case, the term "including" when used in any Loan Document means "including without limitation." The term "documents" means all writings, however evidenced and whether in physical or electronic form, including all documents, instruments, agreements, notices, demands, certificates, forms, financial statements, opinions and reports. The term "incur" means incur, create, make, issue, assume or otherwise become directly or indirectly liable in respect of or responsible for, in each case whether directly or indirectly, and the terms "incurrence" and "incurred" and similar derivatives shall have correlative meanings. Unless otherwise expressly indicated, the meaning of any term defined (including by reference) in any Loan Document shall be equally applicable to both the singular and plural forms of such term.

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then Borrower and Lender agree to enter into good faith negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating Borrower's financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by Borrower and Lender, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred.

1.2. Definitions

"Acceptance Notice" shall have the meaning given such term in Section 8.11.

"Accounting Change" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the U.S. Securities and Exchange Commission.

"Accounts" shall mean "accounts" as defined in Section 9-102 of the UCC (including Health Care Insurance Receivables).

"Account Debtor" shall mean "account debtor" as defined in Section 9-102 of the UCC.

"Accumulated Distribution" shall have the meaning given to it in the definition of "Permitted Distribution".

"Accumulated Distribution Fiscal Quarter" shall have the meaning given to it in the definition of "Permitted Distribution".

"Advance" shall mean a borrowing under the Revolving Facility. Any amounts paid by Lender on behalf of Borrower or Guarantor under any Loan Document shall be an Advance for purposes of the Agreement.

"Affiliate" shall mean, as to any Person (a) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, (b) any other Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person, or (iii) of any Person described in clause (a) above with respect to such Person, (c) any other Person which, directly or indirectly through one or more intermediaries, is the beneficial or record owner (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended, as the same is in effect on the date hereof) of five percent (5%) or more of any class of the outstanding voting stock, securities or other equity or ownership interests of such Person and (d) in the case such Person is an individual, any other Person who is an immediate family member, spouse or lineal descendant of individuals of such Person or any Affiliate of such Person. For purposes of this definition, the term "control" (and the correlative terms, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through ownership of securities or other interests, by contract or otherwise. "Affiliate" shall include any Subsidiary. Notwithstanding anything herein to the contrary, in no event shall Lender be considered as "Affiliate" of Borrower or Guarantor.

"Applicable Rate" shall mean the interest rate applicable from time to time to Loans under the Agreement.

"Availability" shall mean the value, in U.S. Dollars of eighty-five percent (85%) of the Borrowing Base minus, if applicable amounts reserved pursuant to this Agreement.

"Borrowing Base" shall mean, as of any date of determination, the net collectible Dollar value of Eligible Accounts, as determined with reference to the most recent Borrowing Certificate and otherwise in accordance with the Agreement; provided, however, that if as of such date the most recent Borrowing Certificate is of a date more than four Business Days before or after such date, the Borrowing Base shall be determined by Lender in its Permitted Discretion. For purposes hereof, the net collectible Dollar value of Eligible Accounts is the amount due to Borrower as a result of a contractual right of payment from third-party payors less deductible obligations and contractual allowances as determined and approved by Lender in its Permitted Discretion.

"Borrowing Certificate" shall mean a Borrowing Certificate substantially in the form of Exhibit A attached hereto.

"Borrowing Date" shall the mean the date requested for an Advance by Borrower pursuant to Section 2.3.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which the Federal Reserve or Lender is closed.

"Capital Expenditures" shall mean, for any Test Period, the sum (without duplication) of all expenditures (whether paid in cash or accrued as liabilities) during the Test Period that are or should be treated as capital expenditures under GAAP.

"Capital Lease" shall mean, as to any Person, a lease of any interest in any kind of property or asset by that Person as lessee that is, should be or should have been recorded as a "capital lease" in accordance with GAAP.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Capitalized Lease Obligations" shall mean all obligations of any Person under Capital Leases, in each case, taken at the amount thereof accounted for as a liability in accordance with GAAP.

"Change of Control" shall mean, with respect to Borrower or Guarantor, the occurrence of any of the following: (i) a merger, consolidation, reorganization, recapitalization or share or interest exchange, sale or transfer or any other transaction or series of transactions in which its stockholders, managers, partners or interest holders immediately prior to such transaction or series of transactions receive, in exchange for the stock or interests owned by them, cash, property or securities of the resulting or surviving entity or any Affiliate thereof, and, as a result thereof, Persons who, individually or in the aggregate, were holders of fifty percent (50%) or more of its voting stock, securities or equity, partnership or ownership interests immediately prior to such transaction or series of transactions hold less than fifty percent (50%) of the voting stock, securities or other equity, partnership or ownership interests of the resulting or surviving entity or such Affiliate thereof, calculated on a fully diluted basis, (ii) a direct or indirect sale, transfer or other conveyance or disposition, in any single transaction or series of transactions, of all or substantially all of its assets, (iii) the initial public offering of its securities, (iv) any "change in/of control" or "sale" or "disposition" or similar event as defined in any document governing indebtedness of such Person which gives the holder of such indebtedness the right to accelerate or otherwise require payment of such indebtedness prior to the maturity date thereof, or (v) the replacement of a majority of the board of directors of Borrower over a one-year period from the directors who constituted the board of directors of such Borrower at the beginning of such period and such replacement shall not have been approved by a vote of at least a majority of the board of directors of such Borrower then still in office who either are members of such board of directors at the beginning of such period or whose election as a member of such board of directors was previously so approved.

"Chattel Paper" shall mean "chattel paper" as defined in Section 9-102 of the UCC, whether tangible or electronic.

"Closing" shall mean the satisfaction, or written waiver by Lender, of all of the conditions precedent set forth in the Agreement required to be satisfied prior to the consummation of the transactions contemplated hereby to be consummated following the amendment and restatement of the Original Credit Agreement.

"Closing Date" shall mean the date upon which the Closing occurs.

"Collateral" shall mean all of the property described below in, to, or under which a Borrower now has or hereafter acquires any right, title or interest, whether present, future, or contingent, including any such property acquired by assignment:

(a) All of Borrower's now-owned and hereafter acquired or arising Accounts, accounts receivable and rights to payment of every kind and description related to Accounts, and all of Borrower's contract rights, chattel paper, documents and instruments with respect to such Accounts and accounts receivable, and all of Borrower's rights, remedies, security and liens, in, to and in respect of the Accounts, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to the Accounts, deposits, Letters of Credit, Supporting Obligations or other security for the obligation of any Account Debtor, and credit and other insurance relating to such Accounts and accounts receivable;

(b) All of Borrower's right, title and interest in, to and in respect of all goods relating to, or which by sale have resulted in, Accounts, including, without limitation, all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing, any Account, and all returned, reclaimed or repossessed goods;

(c) All of Borrower's now owned or hereafter acquired (i) Lockbox Accounts (and the funds contained therein) and (ii) any deposit accounts (and the funds contained therein), other than the Lockbox Accounts, into which Accounts are deposited, to the extent Accounts are contained therein;

(d) All of Borrower's now owned and hereafter acquired or arising general intangibles and other property of every kind and description with respect to, evidencing or relating to its Accounts and other rights to payment, including, but not limited to, all existing books and records, as the same relate to the Accounts;

(e) The proceeds of all of the foregoing (including, without limitation, insurance proceeds) related to losses with respect to Collateral such as business interruption insurance or other insurance proceeds related specifically to losses from the Collateral.

"Collateral Management Fee" shall mean a monthly fee to be paid by Borrower to Lender in an amount equal to 0.0417% per month calculated on the basis of the daily average amount of the balances under the Revolving Facility outstanding during the preceding month.

"Commercial Tort Claims" shall mean "Commercial Tort Claims" as defined in Section 9-102 of the UCC.

"Compliance Certificate" shall mean a compliance certificate substantially in the form of Exhibit B attached hereto.

"Concentration Account" shall mean a depository account maintained by Lender or an affiliate of Lender at such bank as Lender may communicate to Borrower from time to time.

"Credit Party" shall have the meaning set forth in the first paragraph of this Agreement.

"Debtor Relief Law" shall mean, collectively, the Bankruptcy Code of the United States of America and all other applicable federal and state liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws from time to time in effect affecting the rights of creditors generally, as amended and in effect from time to time.

"Default" shall mean any event, fact, circumstance or condition that, with the giving of applicable notice or passage of time or both, would constitute or be or result in an Event of Default.

"Default Rate" shall mean at any time the Applicable Rate in effect at such time plus three percent (3%) per annum.

"Denial Disclosure" shall have the meaning given to it in Section 7.18.

"Deposit Accounts" shall mean "deposit accounts" as defined in Section 9-102 of the UCC.

"Distribution" shall mean any direct or indirect dividend, distribution or other payment of any kind or character (whether in cash, securities or other property) in respect of any equity interests.

"Documents" shall mean "documents" as defined in Section 9-102 of the UCC.

"Dollars" and the sign "$" each mean the lawful money of the United States of America.

"Eligible Accounts" shall mean each Account arising in the ordinary course of Borrower's business from the sale or lease of goods or rendering of Services which Lender, in its Permitted Discretion, deems an Eligible Account unless:

(a) such Account is not subject to a valid perfected first priority security interest in favor of Lender, subject to no other Lien;

(b) such Account is not evidenced by an invoice, statement or other documentary evidence satisfactory to Lender;

(c) such Account or any portion thereof (in which case only such portion shall not be an Eligible Account) is payable by a beneficiary, recipient or subscriber individually and not directly by a Medicaid/Medicare Account Debtor or commercial medical insurance carrier, or client acceptable to Lender in its Permitted Discretion;

(d) such Account arises out of Services rendered or a sale or lease made to, or out of any other transaction between Borrower or any of its Subsidiaries and, one or more Affiliates of Borrower;

(e) such Account remains unpaid for longer than (i) one hundred fifty (150) calendar days after the applicable Services were rendered with respect to Accounts payable by a Medicaid/Medicare Account Debtor or commercial medical insurance carrier acceptable to Lender and (ii) one hundred twenty (120) calendar days after the applicable Services were rendered with respect to all other Account Debtors;

(f) with respect to all Accounts owed by any particular Account Debtor (other than Accounts from Medicaid/Medicare Account Debtors) or its Affiliates, if more than twenty five percent (25%) of the aggregate balance of all such Accounts owing from such Account Debtor and its Affiliates are ineligible due to the requirements of clause (e) of this Section or such higher threshold which may be agreed in writing by Lender for any specific Account Debtor;

(g) with respect to all Accounts owed by any particular Account Debtor or its Affiliates, twenty-five percent (25%) or more of all such Accounts are deemed not to be Eligible Accounts for any reason hereunder (which percentage may, in Lender's Permitted Discretion, be increased or decreased);

(h) with respect to all Accounts owed by any particular Account Debtor or its Affiliates (other than Medicaid/Medicare Account Debtors) if such Accounts exceed twenty percent (20%) of the net collectible Dollar value of all Eligible Accounts at any one time (including Accounts from Medicaid/Medicare Account Debtors), then the amount by which such Accounts for that particular Account Debtor or its Affiliates exceed twenty percent (20%) of the net collectible Dollar value of all Eligible Accounts shall not be included as Eligible Accounts;

(i) any covenant, agreement, representation or warranty contained in any Loan Document with respect to such Account has been breached and remains uncured;

(j) the Account Debtor for such Account has commenced a voluntary case under any Debtor Relief Law or has made an assignment for the benefit of creditors, or a decree or order for relief has been entered by a court having jurisdiction in respect of such Account Debtor in an involuntary case under any Debtor Relief Law, or any other petition or application for relief under any Debtor Relief Law has been filed against such Account Debtor, or such Account Debtor has failed, suspended business, ceased to be solvent, called a meeting of its creditors, or has consented to or suffered a receiver, trustee, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs;

(k) such Account arises from the sale or lease of property or Services rendered to one or more Account Debtors outside the United States (including any territory or possession of the United States that has adopted Article 9 of the UCC) or that have their principal place of business or chief executive offices outside the United States (including any territory or possession of the United States that has adopted Article 9 of the UCC);

(l) such Account represents the sale or lease of goods or rendering of Services to an Account Debtor on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by Chattel Paper or an Instrument of any kind or has been reduced to judgment;

(m) the applicable Account Debtor for such Account is any Governmental Authority (excluding Medicaid/Medicare Account Debtors), unless rights to payment of such Account have been assigned to Lender pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Section 3727, et seq. and 41 U.S.C. Section 15, et seq.), or otherwise only if all applicable statutes or regulations respecting the assignment of Government Accounts have been complied with as determined by Lender in its Permitted Discretion;

(n) such Account is subject to any offset, credit (including any resource or other income credit or offset) deduction, defense, discount, chargeback, freight claim, allowance, adjustment, dispute or counterclaim (each an "Adjustment"), or is contingent in any respect or for any reason; provided, that, the discounted amount of such Account after giving effect to such Adjustment will be considered an Eligible Account;

(o) there is any agreement with an Account Debtor for any deduction from such Account; provided, that, the discounted amount of such Account after giving effect to such discounts and allowances shall be considered an Eligible Account;

(p) any return, rejection or repossession of goods or Services related to it has occurred;

(q) such Account is not payable to Borrower;

(r) a Borrower has agreed to accept or has accepted any non-cash payment for such Account;

(s) with respect to any Account arising from the sale of goods, the goods have not been shipped to the Account Debtor or its designee;

(t) with respect to any Account arising from the performance of Services, the Services have not been actually performed or the Services were undertaken in violation of any law; or

(u) such Account fails to meet such other specifications and requirements which may from time to time be established by Lender or is not otherwise satisfactory to Lender, as determined in Lender's Permitted Discretion.

"EMTALA" shall mean the Emergency Medical Treatment and Active Labor Act, as amended, and the regulations thereunder.

"Environmental Laws" shall mean any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, or protection of human health or employee health and safety (as affected by the environment or by any substance the exposure to which is reasonably suspected of causing harm to human health), as has been, is now, or may at any time hereafter be, in effect to which the Borrower is subject.

"Equipment" shall mean "equipment" as defined in Section 9-102 of the UCC.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"Event of Default" shall mean the occurrence of any event set forth in Article X.

"Excess Cash Flow" shall mean, for any fiscal year (or for such other period as may be specifically provided for herein), as calculated for Borrowers and their Subsidiaries on a consolidated basis, without duplication, an amount equal to the sum of (a) Net Income (as defined in Annex I) for such period, plus (b) an amount equal to the amount of depreciation expenses, amortization expense (including the amortization of goodwill), accrued non-cash interest expense and all other non-cash charges deducted in arriving at such Net Income, plus (c) an amount equal to the aggregate Net Cash Proceeds of the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent not required to be applied to mandatory prepayments or payments on the Loans, plus (d) an amount equal to the net loss on the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent deducted in arriving at such Net Income, plus (e) an amount equal to any tax refunds or credits received by Borrowers during such period, plus (f) other extraordinary or non-recurring charges that would not have otherwise been incurred in the ordinary course of business, less (g) an amount equal to the unfinanced permitted Capital Expenditures of Borrowers for such period, less (h) an amount equal to the sum of all regularly scheduled payments (to the extent such payments have not already been deducted in arriving at Net Income) and optional and mandatory prepayments of principal on Indebtedness for money borrowed actually made during such period to the extent permitted hereunder, less (i) an amount equal to the net gain on the sale, lease, transfer or other disposition of assets by Borrowers during such period to the extent included in arriving at such Net Income, less (j) other extraordinary or non-recurring gains that would not have otherwise been incurred in the ordinary course of business.

"Facility Cap" shall have the meaning given the term in the Recitals of this Agreement.

"Federal Reserve" shall mean the Federal Reserve Bank of the United States.

"Fixtures" shall mean "fixtures" as defined in Section 9-102 of the UCC.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect on the Closing Date.

"General Intangibles" shall mean "general intangibles" as defined in Section 9-102 of the UCC.

"Goods" shall mean "goods" as defined in Section 9-102 of the UCC.

"Government Account" shall mean all Accounts arising out of or with respect to any Government Contract.

"Government Contract" shall mean all contracts with any Governmental Authority.

"Governmental Authority" shall mean any federal, state, municipal, national, local or other governmental department, court, commission, board, bureau, agency or instrumentality or political subdivision thereof, or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case, whether of the United States or a state, territory or possession thereof, a foreign sovereign entity or country or jurisdiction or the District of Columbia.

"Guaranteed Obligations" shall have the meaning given such term in Section 14.1 hereof.

"Guarantor" shall have the meaning set forth in the first paragraph of this Agreement.

"Guaranty" shall mean, collectively and each individually, all guaranties executed by Guarantor.

"Hazardous Substances" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in or subject to any applicable Environmental Law.

"Healthcare Laws" shall mean all applicable statutes, laws, ordinances, rules and regulations of any Governmental Authority with respect to regulatory matters primarily relating to patient healthcare, healthcare providers and healthcare services (including without limitation Section 1128B(b) of the Social Security Act, as amended, 42 U.S.C. Section 1320a-7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," and the Social Security Act, as amended, Section 1877, 42 U.S.C. Section 1395nn (Prohibition Against Certain Referrals), commonly referred to as "Stark Statute"), and 31 U.S.C. Section 3279 et seq. (the False Claims Act) to which Borrower is subject.

"HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) and the regulations promulgated thereunder.

"HUD Application" shall have the meaning given such term in Section 8.11.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations for borrowed money, (b) all obligations evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit or bankers acceptances, (c) all Capitalized Lease Obligations, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person or its Subsidiaries, irrespective of whether such obligation or liability is assumed, (e) all obligations to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and not outstanding more than one hundred twenty (120) calendar days after the date such payable was created) or such longer period as shall be agreed in writing by Lender and Borrower, (f) all net obligations owing to counterparties under Hedging Agreements, (g) all obligations with respect to redeemable Capital Stock or repurchase obligations under any Capital Stock issued by such Person, (h) the present value of future rental payments under all synthetic leases (excluding specifically any operating leases or real estate leases) and (i) any obligation guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (h) above.

"Indemnified Person" shall have the meaning given such term in Section 15.4.

"Initial Advance" shall mean the initial Advance.

"Instrument" shall mean "instrument" as defined in Section 9-102 of the UCC.

"Insured Event" shall have the meaning given such term in Section 15.4.

"Insurer" shall mean a Person that insures another Person against any costs incurred in the receipt by such other Person of Services, or that has an agreement with Borrower to compensate it for providing Services to such Person.

"Intellectual Property" shall mean all patents, patent applications, trademarks, trademark applications, service marks, registered copyrights, copyright applications, copyrights, trade names, trade secrets and software and all rights in the foregoing.

"Inventory" shall mean "inventory" as defined in Section 9-102 of the UCC.

"Investment Property" shall mean "investment property" as defined in Section 9-102 of the UCC.

"Landlord Waiver and Consent" shall mean a waiver/consent from the owner/lessor/mortgagee of any premises either owned or occupied by Borrower at which any of the Collateral is now or hereafter located for the purpose of providing Lender access to such Collateral, in each case as such may be modified, amended or supplemented from time to time.

"Letter of Credit Rights" shall mean "letter of credit rights" as defined in Section 9-102 of the UCC, whether or not the letter of credit is evidenced by a writing.

"Liability Event" shall mean any event, fact, condition or circumstance (i) in or for which Borrower becomes liable or otherwise responsible for any amount over $50,000 owed or owing to any Medicaid, Medicare or CHAMPUS/TRICARE program by a provider under common ownership with such Borrower or any provider owned by such Borrower pursuant to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority after the failure of any such provider to pay any such amount when owed or owing, (ii) in which Medicaid, Medicare or CHAMPUS/TRICARE payments to Borrower are lawfully set-off against payments to such Borrower to satisfy any liability of or for any amounts over $50,000 owed or owing to any Medicaid, Medicare or CHAMPUS/TRICARE program by a provider under common ownership with such Borrower or any provider owned by such Borrower pursuant to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority, or (iii) any of the foregoing under clauses (i) or (ii) in each case pursuant to statutory or regulatory provisions that are similar to any applicable law, ordinance, rule, decree, order or regulation of any Governmental Authority referenced in clauses (i) and (ii) above or successor provisions thereto.

"LIBOR" shall mean a rate of interest equal to the rate per annum (rounded upwards to the nearest 1/100th of 1%) at which Dollar deposits for a period of one month are offered in the London interbank eurodollar market as displayed in the Bloomberg Financial Markets system (or as otherwise determined by Lender in its sole discretion) as of 11:00 A.M. (London time) on the applicable date of determination.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, restriction, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof), or any other arrangement pursuant to which title to the property is retained by or vested in some other Person for security purposes.

"Liquidity Factors" shall mean percentages which Lender, in its credit judgment, may apply to Eligible Accounts by payor class based upon Borrower's actual recent collection history for each such payor class (i.e. Medicare, Medicaid, commercial insurance, etc.) in a manner consistent with Lender's underwriting practices and procedures, including, without limitation, Lender's review and analysis of, among other things, Borrower's historical returns, rebates, discounts, credits and allowances, to adjust the Availability.

"Loan" or "Loans" shall mean, individually and collectively, all Advances.

"Loan Documents" shall mean, collectively and each individually, this Agreement and all other agreements, documents, instruments and certificates heretofore or hereafter executed or delivered to, or on behalf of, Lender in connection with this Agreement or the Loans, as the same may be amended, modified or supplemented from time to time.

Lockbox Accounts" shall mean, collectively and each individually, the Deposit Accounts maintained by Borrower at the Lockbox Banks into which all collections or payments on Borrower's Accounts and other Collateral are paid and which Accounts and other Collateral are subject to Lender's security interest granted by a Borrower.

"Lockbox Agreement" shall mean an agreement among Lender, Borrower who has granted a security interest in a Deposit Account and any of the Lockbox Banks governing the Lockbox Accounts, in form and substance satisfactory to Lender.

"Lockbox Banks" shall mean, collectively and each individually, the federally insured banks acceptable to Lender where Borrower who have granted security interests in a Lockbox Account shall maintain the Lockbox Accounts.

"Management or Service Fee" shall mean any management, service or related or similar fee paid by Borrower to any Person with respect to any facility owned, operated or leased by Borrower.

"Material Adverse Change" shall mean any event, condition or circumstance or set of events, conditions or circumstances or any change(s) which (i) has, had or would reasonably be likely to have any material adverse effect upon or change in the validity or enforceability of any Loan Document, (ii) has been or would reasonably be expected to be adverse to the value of any material portion of the Collateral, or to the priority of Lender's security interest in any portion of the Collateral, (iii) has been or would reasonably be expected to be materially adverse to the business, operations, prospects, properties, assets, liabilities or financial condition of any Credit Party, either individually or taken as a whole, or (iv) has materially impaired or would reasonably be likely to materially impair the ability of any Borrower to pay any portion of the Obligations or otherwise perform the Obligations or to consummate the transactions under the Loan Documents executed by such Person.

"Materials of Environmental Concern" shall mean any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity, and any other substances or forces of any kind, whether or not any such substance or force is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or would reasonably be expected to give rise to liability under any Environmental Law.

"Medicaid/Medicare Account Debtor" shall mean any Account Debtor which is (i) the United States of America acting under the Medicaid or Medicare program established pursuant to the Social Security Act or any other federal healthcare program, including, without limitation, TRICARE (f/k/a CHAMPUS), (ii) any state or the District of Columbia acting pursuant to a health plan 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.

"Minimum Termination Fee" shall mean (for the time period indicated) the amount equal to (i) 3.0% of the Facility Cap, if the Revolver Termination is at any time before February 1, 2011; (ii) 2.0% of the Facility Cap, if the Revolver Termination is after February 1, 2011 but before February 1, 2012; and (iii) 1.0% of the Facility Cap, if the Revolver Termination is on or after February 1, 2012. There shall be no Minimum Termination Fee if the Revolver Termination occurs within five (5) days of the end of the Term.

"Net Cash Proceeds" shall mean, with respect to any sale, lease, transfer or other disposition of assets by any Person, the amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of such Person in connection therewith after deducting therefrom (A) the amount of any Permitted Indebtedness secured by any Permitted Lien on such property which is required to be, and is, repaid in connection with such disposition, (B) reasonable expenses related thereto incurred by such Person in connection therewith, (C) transfer taxes paid to any taxing authorities by such Person in connection therewith, (D) net income taxes to be paid in connection with such disposition and (E) with respect to any lease, the cost of any tenant improvements paid by Borrower in connection therewith.

"Note" or "Notes" shall mean any promissory note or notes issued pursuant to Section 2.7.

"Obligations" shall mean all present and future obligations, Indebtedness and liabilities of Borrower or Guarantor to Lender at any time and from time to time of every kind, nature and description, direct or indirect, secured or unsecured, joint and several, absolute or contingent, due or to become due, matured or unmatured, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, (whether or not evidenced by a Note), including, without limitation, all principal, interest, applicable fees, charges and expenses and all amounts paid or advanced by Lender on behalf of or for the benefit of Borrower or Guarantor for any reason at any time, including in each case obligations of performance as well as obligations of payment and interest that accrue after the commencement of any proceeding under any Debtor Relief Law by or against any such Person.

"OFAC" shall mean the U.S. Department of Treasury's Office of Foreign Assets Control.

"Organizational and Good Standing Documents" shall mean, for any Person (i) a copy of the certificate of incorporation or formation (or other like organizational document) certified as of a date satisfactory to Lender before the Closing Date by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Person, (ii) a copy of the bylaws or similar organizational documents of certified as of a date satisfactory to Lender before the Closing Date by the corporate secretary or assistant secretary of such Person, (iii) an original certificate of good standing as of a date acceptable to Lender issued by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Person and of every other jurisdiction in which such Person has an office or conducts business or is otherwise required to be in good standing, and (iv) copies of the resolutions of the board of directors or managers (or other applicable governing body) and, if required, stockholders, members or other equity owners authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party, certified by an authorized officer of such Person as of the Closing Date.

"Paid in Full" and "Payment in Full" mean, with respect to the Obligations, all amounts owing with respect thereto (including any interest accruing thereon after the commencement of any proceeding under any Debtor Relief Law by or against Borrower, whether or not allowed as a claim against such Borrower in such proceeding, but excluding as yet unasserted contingent obligations), have been fully, finally and completely paid in cash.

"Parent Indebtedness" shall mean Indebtedness incurred by Borrower from Guarantor, provided, that, such Indebtedness shall be (i) up to $2,000,000 outstanding in the aggregate at any time, (ii) on an unsecured basis, (iii) subordinated in remedies to all of the Obligations and to all of Lender's rights in form and substance satisfactory to Lender and (iv) be subordinate in right of payment to the Obligations and shall only be repaid pursuant to a Permitted Distribution until the Obligations are Paid in Full; provided, that, at the request of Lender, the terms of the provisions of (iii) and (iv) shall be contained in a written subordination agreement between Lender and Parent acknowledged and agreed by Borrower, in form and substance satisfactory to Lender.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended.

"Payment Intangible" shall mean "payment intangible" as defined in Section 9-102 of the UCC.

"Payment Office" shall mean initially the address set forth beneath Lender's name on the signature page of the Agreement, and thereafter, such other office of Lender, if any, which it may designate by notice to Borrower to be the Payment Office.

"Permit" shall mean collectively all licenses, leases, powers, permits, franchises, certificates, authorizations, approvals, certificates of need, provider numbers and other rights.

"Permitted Acquisition" shall mean any acquisition by Borrower, whether through a purchase of stock, membership interests or otherwise or the purchase of assets or through a merger, consolidation or amalgamation, of another Person, or the assets constituting an entire or any portion of any business or operating business unit or division of another Person or securities of such other Person that satisfies the requirements set forth in Sections 8.14 and 9.4 hereof.

"Permitted Discretion" shall mean a determination or judgment made by Lender in good faith in the exercise of reasonable (from the perspective of a secured lender) business judgment.

"Permitted Distributions" shall mean Distributions to Guarantor for the purpose of making principal payments on the Parent Indebtedness and/or as periodic cash distributions to Guarantor as a shareholder of Borrower, provided, that (i) such Permitted Distributions are made no more than once per fiscal quarter thereafter and (ii) all of the following conditions are satisfied with respect to each such Distribution: (a) no Default or Event of Default has occurred and is continuing or would arise as a result of such Distribution, (b) after giving effect to such Distribution, Borrower is in compliance on a pro forma basis with the financial covenants set forth in Annex 1 (recomputed for the most recent three month period for which monthly financial statements have been delivered in accordance with the terms hereof after giving effect thereto); provided, however, that in situations where there is an Accumulated Distribution (as defined below) being made with respect to any Accumulated Distribution Fiscal Quarters, only that portion of the Distribution that is not related to the Accumulated Distributions shall be included in Fixed Charges for the purpose of calculating the pro forma Fixed Charge Coverage Ratio in Annex I for the most recent three-month period), (c) the aggregate amount of such Distributions shall not exceed fifty percent (50%) of undistributed Excess Cash Flow for the three month period immediately preceding such distribution, as determined pursuant to the Distribution Notice, (d) Lender shall have received written notice (the "Distribution Notice") from Borrower, of Borrower's intention to make such Distribution at least five (5) Business Days prior to the date of such proposed Distribution, which such notice shall include a detailed calculation satisfactory to Lender in its Permitted Discretion evidencing Excess Cash Flow for such three month period (except that for any amounts included in such Distribution that are a result of Accumulated Distributions, in which case, the Excess Cash Flow so measured shall be applicable to the appropriate Accumulated Distribution Fiscal Quarters to which they relate), as applicable, (e) Lender shall have consented in writing to such Distribution Notice prior to the making of such proposed Distribution, such consent not to be unreasonably withheld, and (g) until such time as the Parent Indebtedness is paid in full in cash, any such Distribution payable to Guarantor shall be utilized by Guarantor solely to repay the Parent Indebtedness; provided, that, if Borrower chooses not to make a Permitted Distribution (the "Accumulated Distribution") in any fiscal quarter (the "Accumulated Distribution Fiscal Quarter") Borrower may make such Accumulated Distribution in any of the subsequent three consecutive fiscal quarters following the Accumulated Distribution Fiscal Quarter; provided, that, Borrower provides Lender with Evidence of Compliance with the criteria set forth in the definition of Permitted Distribution for the Accumulated Distribution as of the end of the Accumulated Distribution Fiscal Quarter, except, that, the Distribution Notice shall not have been made in the Accumulated Distribution Fiscal Quarter but rather shall be made (5) Business Days prior to the date the Accumulated Distribution is to be distributed.

"Permitted Indebtedness" shall mean any of the following: (i) Indebtedness under the Loan Documents, (ii) any Indebtedness set forth on Schedule 9.2, (iii) Capitalized Lease Obligations and Indebtedness incurred to purchase Goods and secured by purchase money Liens constituting Permitted Liens: (A) in aggregate amount outstanding at any time not to exceed (1) $6,000,000 at any time before February 1, 2011, (2) $9,000,000 on or after February 1, 2011 but before February 1, 2012, and (3) $12,000,000 on or after February 1, 2012, in each of (1), (2) and (3) less the outstanding amount of such Indebtedness identified on Schedule 9.2 upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing and (B) in an aggregate amount in excess of any of the thresholds specified in subparagraph (A), provided, that, (1) ten (10) Business Days prior to the incurrence of such Indebtedness Borrower shall have provided pro forma financial statements along with any other supporting documentation required by Lender evidencing that Borrower would have been in compliance with the financial covenants set forth on Annex 1 hereto for the immediately preceding Test Period (as defined on Annex 1 hereto), if such Indebtedness had been incurred on the first day of such Test Period, (2) prior to the incurrence of such Indebtedness Borrower shall have received Lender's written confirmation of its agreement with such pro forma financial statements; and (3) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing, (iv) the accounts payable set forth on Schedule 1.2 and accounts payable to trade creditors and current operating expenses (other than for borrowed money) which are not aged more than one hundred twenty calendar days from the date such payable was created or such longer period as shall be agreed in writing by Lender, except, in each case incurred in the ordinary course of business and paid within such time period, unless the same are being contested in good faith and by appropriate and lawful proceedings and such reserves, if any, with respect thereto as are required by GAAP shall have been reserved, (v) borrowings incurred in the ordinary course of business and not exceeding $2,000,000 individually or in the aggregate outstanding at any one time; provided, however, that such Indebtedness (A) shall not be secured by Collateral, any cash, money, Investment Property or Deposit Accounts; (B) the debt service for such Indebtedness shall not exceed $400,000 for any twelve (12) month period; (C) ten (10) Calendar Days prior to the incurrence of such Indebtedness Borrower shall have provided pro forma financial statements along with any other supporting documentation required by Lender evidencing that Borrower would have been in compliance with the financial covenants set forth on Annex 1 hereto for the immediately preceding Test Period (as defined on Annex 1 hereto), if such Indebtedness had been incurred on the first day of such Test Period, (D) prior to the incurrence of such Indebtedness Borrower shall have received Lender's written confirmation of its agreement with such pro forma financial statements (which confirmation or denial shall be promptly provided by Lender to Borrower within ten (10) calendar days of Lender's receipt of such financial statements); (E) upon the incurrence of such Indebtedness and after giving effect thereto no Default or Event of Default shall exist and be continuing, (F) such Indebtedness shall be subordinated in right of repayment and remedies to all of the Obligations and to all of Lender's rights pursuant to a written agreement among Lender, Borrower and the lender with respect to such Indebtedness, in form and substance satisfactory to Lender and (vi) Parent Indebtedness.

"Permitted Liens" shall mean with respect to the Borrower any of the following: (i) Liens under the Loan Documents or otherwise arising in favor of Lender, (ii) Liens imposed by law for taxes (other than payroll taxes), assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained by such Person in accordance with GAAP to the satisfaction of Lender in its Permitted Discretion, (iii) (A) statutory Liens of landlords (provided, that, with respect to Required Locations any such landlord has executed a Landlord Waiver and Consent in form and substance satisfactory to Lender) and of carriers, warehousemen, mechanics, materialmen, and (B) other Liens imposed by law or that arise by operation of law in the ordinary course of business from the date of creation thereof, in each case only for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained by such Person in accordance with GAAP to the satisfaction of Lender in its Permitted Discretion, (iv) Liens (A) incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations, or (B) arising as a result of progress payments under government contracts, (v) purchase money Liens (A) securing the type of Permitted Indebtedness set forth under clause (iii) of the definition of "Permitted Indebtedness", or (B) in connection with the purchase by such Person of equipment in the normal course of business, provided, that, such payables shall not exceed any limits on Indebtedness provided for herein and shall otherwise be Permitted Indebtedness hereunder; (iv) liens securing the Indebtedness set forth in clause (v) of Permitted Indebtedness on assets other than: (A) the Collateral, (B) cash or other money of Borrower, (C) Deposit Accounts of Borrower and (D) Investment Property of Borrower; and (vii) Liens disclosed on Schedule 7.4B and Schedule 9.3.

"Person" shall mean an individual, a partnership, a corporation, a limited liability company, a business trust, a joint stock company, a trust, an unincorporated association, a joint venture, a Governmental Authority or any other entity of whatever nature.

"Pledge Agreement" shall mean that certain negative Pledge Agreement by and between Guarantor and Lender executed in connection herewith, as such may be modified, amended, restated or supplemented from time to time.

"Receipt" shall have the meaning given such term in Section 15.5.

"Required Locations" shall mean collectively: (a) the leased premises located at 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913, and (b) any location leased by Borrowers at which books and records relating to Accounts are kept of which duplicates are not kept at the location identified in (a) above.

"Released Parties" shall have the meaning given such term in Section 15.11.

"Releasing Parties" shall have the meaning given such term in Section 15.11.

"Revolver Termination" shall mean the termination of the Revolving Facility for any reason whatsoever.

"Revolving Loan Obligations" shall mean all of the Obligations related to the Revolving Facility.

"Services" shall mean medical and health care services provided to a Person, including, but not limited to, medical and health care services (including diagnostic testing and other testing services) which are covered by a policy of insurance issued by an Insurer, physician services, nurse and therapist services, dental services, hospital services, skilled nursing facility services, comprehensive outpatient rehabilitation services, home health care services, residential and out-patient behavioral healthcare services.

"Software" shall mean "software" as defined in Section 9-102 of the UCC.

"Solvency Certificate" shall mean a Solvency Certificate substantially in the form of Exhibit C attached hereto.

"Subsidiary" shall mean, (i) as to Borrower, any Person in which more than fifty percent (50%) of all equity, membership, partnership or other ownership interests is owned directly or indirectly by such Borrower or one or more of its Subsidiaries, and (ii) as to any other Person, any Person in which more than fifty percent (50%) of all equity, membership, partnership or other ownership interests is owned directly or indirectly by such Person or by one or more of such Person's Subsidiaries.

"Supporting Obligations" shall mean "supporting obligations" as defined in Section 9-102 of the UCC.

"Term" shall mean the period commencing on the Closing Date and ending on February 1, 2013.

"Termination Date" shall mean the date of termination of this Agreement set forth in any notice of termination delivered by Borrower in accordance with Section 13.1(a).

"Transaction" shall have the meaning given such term in Section 8.11.

"Transferee" shall have the meaning given such term in Section 15.2.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of Maryland from time to time.

"Unused Line Fee" shall mean a fee to be paid by Borrower to Lender on a monthly basis in an amount equal to 0.0417% (per month) of the difference derived by subtracting (i) the daily average amount of the balances under the Revolving Facility outstanding during the preceding month, from (ii) the Facility Cap.

"US Labs Award" shall mean any award in connection with the litigation between Borrower and Accupath Diagnostic Laboratories, Inc. described on Schedule 7.6.

2. ADVANCES, PAYMENT AND INTEREST

2.1. The Revolving Facility

(a) Subject to the provisions of this Agreement, Lender shall make Advances to Borrower under the Revolving Facility from time to time during the Term, unless this Agreement is terminated earlier, provided that, notwithstanding any other provision of this Agreement to the contrary, the aggregate amount of all Advances at any one time outstanding under the Revolving Facility shall not exceed the lesser of (a) the Facility Cap, and (b) the Availability. The Revolving Facility is a revolving credit facility, which may be drawn, repaid and redrawn, from time to time as permitted under this Agreement. Any determination as to whether there is Availability for Advances shall be made by Lender in its Permitted Discretion and is final and binding upon Borrower. Unless otherwise permitted by Lender, each Advance shall be in an amount of at least $1,000. Subject to the provisions of this Agreement, Borrower may request Advances under the Revolving Facility up to and including the value, in Dollars, of the Availability. Advances under the Revolving Facility shall automatically be made for the payment of interest on the Loans and other Obligations on the date when due to the extent available and as provided for herein.

(b) Lender in its Permitted Discretion may further adjust the Availability and the advance rate by applying Liquidity Factors. The Liquidity Factors and the advance rate for Availability may be adjusted by Lender throughout the Term as warranted by Lender's underwriting practices and procedures in its credit judgment. Also, Lender shall have the right to establish from time to time, in its Permitted Discretion, reserves against the Borrowing Base, which reserves shall have the effect of reducing the amounts otherwise eligible to be advanced to Borrower under the Revolving Facility pursuant to this Agreement.

(c) Borrower shall at all times, from and after the Closing Date, maintain a minimum outstanding principal balance under the Revolving Facility of at least $2,000,000 (the "**Minimum Revolving Facility Balance**"). If Borrower fails to maintain the Minimum Revolving Facility Balance at any time, such failure shall not be deemed a Default or Event of Default; however, in consideration and as a result of such failure Lender shall be entitled to charge and collect interest and all applicable fees on such Minimum Revolving Facility Balance (calculated in accordance with the terms of this Agreement for Advances under the Revolving Facility) as if such Minimum Revolving Facility Balance were outstanding at such time, and Borrower shall pay such interest and applicable fees thereon in accordance with the terms of this Agreement (and any failure by Borrower to timely pay such interest shall be deemed an Event of Default under Section 10(a)). Lender agrees that in the event that the outstanding principal balance under the Revolving Facility falls below the Minimum Revolving Facility Balance at any time. Lender will within twenty four (24) hours, without the necessity of receiving written request from the Borrower, provide an Advance to the Borrower in an amount equal to the difference between the Minimum Revolving Facility Balance and the amount of the principal amount then outstanding under the Revolving Facility; provided, however, Lender shall not be obligated to make such automatic Advances if Borrower has not met the conditions to funding Advances set forth in this Agreement (except for the requirement for the delivery of a Borrowing Certificate as set forth in Section 6.2(a)). For the avoidance of doubt, the foregoing requirement for Borrower to maintain the Minimum Revolving Facility Balance shall not be construed to obligate Lender to fund such minimum amount or otherwise limit any of Lender's rights set forth herein, including any of Lender's rights to determine, apply or adjust the Availability, the Liquidity Factors or the Borrowing Base.

2.2. The Revolving Loans; Maturity

All of the Revolving Loan Obligations shall be due and payable in full in cash, if not earlier in accordance with this Agreement, on the last day of the Term.

2.3. Revolving Facility Disbursements; Requirement to Deliver Borrowing Certificate

So long as no Default or Event of Default shall have occurred and be continuing, Borrower may give Lender irrevocable written notice requesting an Advance under the Revolving Facility by delivering to Lender not later than 12:00 p.m. (Eastern Time) at least one but not more than four Business Days before the proposed Borrowing Date of such requested Advance, a completed Borrowing Certificate and relevant supporting documentation satisfactory to Lender. Each time a request for an Advance is made, and, in any event and regardless of whether an Advance is being requested, on Tuesday of each week during the Term (and more frequently if Lender shall so request) until the Obligations are Paid in Full and fully performed and this Agreement is terminated, Borrower shall deliver to Lender a Borrowing Certificate accompanied by a separate detailed aging and categorizing of Borrower's accounts receivable and such other supporting documentation as Lender shall reasonably request from time to time. On each Borrowing Date, Borrower irrevocably authorizes Lender to disburse the proceeds of the requested Advance to the appropriate Borrower's account(s) as set forth on Schedule 2.3, in all cases for credit to the appropriate Borrower (or to such other account as to which the appropriate Borrower shall instruct Lender in writing) via Federal funds wire transfer no later than 4:00 p.m. (Eastern Time).

2.4. Promise to Pay; Manner of Payment

The Borrower absolutely and unconditionally promises to pay principal, interest and all other Obligations payable hereunder, or under any other Loan Document, without any defense, right of rescission and without any deduction whatsoever, including any deduction for any setoff, counterclaim or recoupment, and notwithstanding any damage to, defects in or destruction of the Collateral or any other event, including obsolescence of any property or improvements. All payments made by the Borrower (other than payments automatically paid through Advances under the Revolving Facility as provided herein), shall be made only by wire transfer on the date when due in Dollars, in immediately available funds to such account as may be indicated in writing by Lender to the Borrower from time to time. Any such payments received after 4:00 p.m. (Eastern Time) on the date when due shall be deemed received on the following Business Day. Whenever any payment hereunder shall be stated to be due or shall become due and payable on a day other than a Business Day, the due date thereof shall be extended to, and such payment shall be made on, the next succeeding Business Day, and such extension of time in such case shall be included in the computation of payment of any interest (at the interest rate then in effect during such extension) and fees, as the case may be.

2.5. Repayment of Excess Advances

Any balance of Advances under the Revolving Facility outstanding at any time in excess of either the Facility Cap or the Availability shall be immediately due and payable by Borrower without the necessity of any demand, at the Payment Office.

2.6. Payments by Lender

If the Borrower fails to make any payment required under any Loan Document as and when due and within any applicable grace period, Lender may make such payment, which payment shall be an Advance as of the date such payment is due notwithstanding the Availability, and the Borrower irrevocably authorizes disbursement of any such funds to Lender by way of direct payment of the relevant amount. No payment or prepayment of any amount by Lender or any other Person shall entitle any Person to be subrogated to the rights of Lender under any Loan Document unless and until all of the Obligations have been fully performed Paid in Full and this Agreement has been terminated. Any sums expended by Lender in its Permitted Discretion as a result of Borrower's or Guarantor's failure to pay, perform or comply with any Loan Document or any of the Obligations may be charged to Borrower's account as an Advance under the Revolving Facility.

2.7. Evidence of Loans

(a) Lender shall maintain, in accordance with its usual practice, electronic or written records evidencing the Indebtedness and Obligations to Lender resulting from each Loan made by Lender from time to time, including without limitation, the amounts of principal and interest payable and paid to Lender from time to time under this Agreement.

(b) The entries made in the electronic or written records maintained pursuant to subsection (a) of this Section 2.7 (the "**Register**") shall be prima facie evidence of the existence and amounts of the Obligations and Indebtedness therein recorded; provided, however, that the failure of Lender to maintain such records or any error therein shall not in any manner affect obligations of the Borrower to repay the Loans or Obligations in accordance with their terms.

(c) Lender will account to Borrower monthly with a statement of Advances under the Revolving Facility, and any charges and payments made pursuant to this Agreement, and in the absence of manifest error, such accounting rendered by Lender shall be deemed final, binding and conclusive unless Lender is notified by Borrower in writing to the contrary within fifteen calendar days of Receipt of such accounting, which notice shall be deemed an objection only to items specifically objected to therein.

(d) Borrower agrees that:

(i) upon written notice by Lender to Borrower that a Note or other evidence of Indebtedness is requested by Lender to evidence the Loans and other Obligations owing or payable to, or to be made by, Lender, Borrower shall promptly (and in any event within three (3) Business Days of any such request) execute and deliver to Lender an appropriate Note or Notes in form and substance reasonably acceptable to Lender and Borrower;

(ii) all references to Notes in the Loan Documents shall mean Notes, if any, to the extent issued (and not returned to the Borrower for cancellation) hereunder, as the same may be amended, modified, divided, supplemented or restated from time to time; and

(iii) upon Lender's written request, and in any event within three (3) Business Days of any such request, Borrower shall execute and deliver to Lender new Notes and divide the Notes in exchange for then existing Notes in such smaller amounts or denominations as Lender shall specify in its sole and absolute discretion; provided, that, the aggregate principal amount of such new Notes shall not exceed the aggregate principal amount of the Notes outstanding at the time such request is made; and provided, further, that such Notes that are to be replaced shall then be deemed no longer outstanding hereunder and replaced by such new Notes and returned to Borrower within a reasonable period of time after Lender's receipt of the replacement Notes.

3. INTEREST AND FEES

3.1. Interest on the Revolving Facility

Commencing May 1, 2010, and continuing until the later of the expiration of the Term and the Payment in Full and full performance of all of the Obligations and termination of this Agreement, interest on outstanding Advances under the Revolving Facility shall be payable monthly in arrears on the first day of each calendar month at an annual rate of LIBOR plus 4.25% in accordance with the procedures provided for in Section 2.4 and Section 5.1; provided, however, that, notwithstanding any provision of any Loan Document, for the purpose of calculating interest at any time hereunder, the LIBOR shall be not less than 2.0%, in each case calculated on the basis of a 360-day year and for the actual number of calendar days elapsed in each interest calculation period.

3.2. Commitment Fee

On or before the Closing Date, Borrower shall pay to Lender $33,500 as a nonrefundable commitment fee which shall be fully earned on the date paid. Lender hereby acknowledges receipt of $25,000 of such commitment fee on March 26, 2010 which amount was received by Lender as an amendment fee in connection with the Third Amendment to Revolving Credit and Security Agreement dated March 26, 2010, which amount will be credited as a portion of the commitment fee upon the Closing.

3.3. Unused Line Fee

Borrower shall pay Lender the Unused Line Fee monthly in arrears on the first day of each calendar month (starting with the calendar month immediately following the calendar month in which the Closing Date occurs).

3.4. Collateral Management Fee

Borrower shall pay Lender as additional interest the Collateral Management Fee. The Collateral Management Fee shall be payable monthly in arrears on the first day of each calendar month (starting with the calendar month immediately following the calendar month in which the Closing Date occurs).

3.5. Computation of Fees; Lawful Limits

All fees hereunder shall be computed on the basis of a year of three hundred and sixty days and for the actual number of days elapsed in each calculation period, as applicable. In no contingency or event whatsoever, whether by reason of acceleration or otherwise, shall the interest and other charges paid or agreed to be paid to Lender for the use, forbearance or detention of money hereunder exceed the maximum rate permissible under applicable law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. If, due to any circumstance whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall exceed any such limit, then, the obligation to be so fulfilled shall be reduced to such lawful limit, and, if Lender shall have received interest or any other charges of any kind which might be deemed to be interest under applicable law in excess of the maximum lawful rate, then such excess shall be applied first to any unpaid fees and charges hereunder, then to unpaid principal balance owed by Credit Parties hereunder, and if the then remaining excess interest is greater than the previously unpaid principal balance, Lender shall promptly refund such excess amount to Borrower and the provisions hereof shall be deemed amended to provide for such permissible rate. The terms and provisions of this Section 3.6 shall control to the extent any other provision of any Loan Document is inconsistent herewith. All fees hereunder shall be non-refundable and deemed fully earned when due and payable.

3.6. Default Rate of Interest

Upon the occurrence and during the continuation of an Event of Default, Lender may increase the Applicable Rate of interest in effect at such time with respect to the Obligations, without notice, to the Default Rate which Default Rate shall continue post-judgment and subsequent to the date that the provisions of any applicable Debtor Relief Law are exercised by or against a Borrower unless the statutory post-judgment rate of interest is higher in which case such statutory rate shall apply.

4. GRANT OF SECURITY INTERESTS

4.1. Security Interest; Collateral

(a) To secure the payment and performance in full of the Obligations, Borrower (or if referring to another Person, such Person) hereby grants to Lender a continuing security interest in and Lien upon, and pledges and assigns to Lender, all of its right, title and interest in and to the Collateral, wherever located, whether now owned or hereafter acquired or arising;

(b) Borrower hereby ratifies its authorization for Lender to have filed in any UCC jurisdiction any initial financing statements or amendments thereto indicating that those assets described in the definition of "**Collateral**" hereunder are pledged to the Lender.

(c) If Borrower shall at any time hold or acquire a Commercial Tort Claim that arises out of Borrower's Accounts or account receivable or would otherwise become part of the collateral under the definition of Collateral, Borrower shall immediately notify Lender in a writing signed by Borrower of the particulars thereof and grant to Lender in such a 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 satisfactory to Lender.

4.2. Power of Attorney

(a) Borrower hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of such Borrower or in Lender's own name, for the purpose of carrying out the terms of this Agreement and the grant of the security interests hereunder and under the other Loan Documents, and without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of such Borrower (without requiring Lender to act as such, and without notice to or assent by such Borrower) to do the following: (i) upon the occurrence and during the continuance of an Event of Default, to receive, open and dispose of all mail addressed to any such Person and to endorse the name of any such Person upon any and all checks, drafts, money orders, and other instruments for the payment of money that are payable to such Person and constitute collections on its or their Accounts; (ii) execute in the name of such Person any financing statements, schedules, assignments, instruments, documents, and statements that it is or they or are obligated to give Lender under any of the Loan Documents; and (iii) do such other and further acts and deeds in the name of such Person that Lender may deem necessary or desirable to enforce any Account or other Collateral or to perfect Lender's security interest or Lien in any Collateral. In addition, if any such Person breaches its obligation hereunder to direct payments of Accounts or the proceeds of any other Collateral to the appropriate Lockbox Account, Lender, as the irrevocably made, constituted and appointed true and lawful attorney for such Person pursuant to this paragraph, may, by the signature or other act of any of Lender's officers or authorized signatories (without requiring any of them to do so), direct any federal, state or private payor or fiscal intermediary to pay proceeds of Accounts or any other Collateral to the appropriate Lockbox Account.

(b) To the extent permitted by law, each Credit Party hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

(c) The powers conferred on Lender pursuant to this Section 4.2 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Credit Party for any act or failure to act, except for Lender's own gross negligence or willful misconduct.

4.3. Further Assurances

Borrower agrees, upon request of Lender, to take any and all other actions as Lender may determine to be necessary or appropriate for the attachment, perfection maintaining of the first priority security interest of, and for the ability of Lender to enforce, Lender's security interest in any and all of the Collateral, including, without limitation, (i) executing, obtaining, delivering, filing, registering and recording any and all financing statements, continuation statements, stock powers, instruments and other documents, or causing the execution, filing, registration, recording or delivery of any and all of the foregoing, that are necessary or required under law or otherwise or reasonably requested by Lender to be executed, filed, registered, obtained, delivered or recorded to create, maintain, perfect, preserve, validate or otherwise protect the pledge of the Collateral to Lender and Lender's perfected first priority Lien on the Collateral (and Borrower irrevocably grants Lender the right, at Lender's option, to file any or all of the foregoing), (ii) immediately upon learning thereof, report to Lender any reclamation, return or repossession of goods in excess of $50,000.00 that are part of the Collateral (individually or in the aggregate), (iii) defend the Collateral and Lender's perfected first priority Lien thereon against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to Lender, and pay all reasonable costs and expenses (including, without limitation, allocable costs of staff counsel, and diligence fees and reasonable attorneys' fees and expenses, provided, that, the payment of staff counsel and reasonable attorneys' fees shall be subject to the provisions of Section 15.7(b)) in connection with such defense, which may at Lender's discretion be added to the Obligations, (iv) comply with any provision of any statute, regulation or treaty of any Governmental Authority as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Lender to enforce, Lender's security interest in such Collateral and (v) obtain governmental and other third party waivers, consents and approvals in form and substance satisfactory to Lender, including any consent of any licensor, lessor or other Person obligated on Collateral and any party or parties whose consent is required for the security interest of Lender to attach under Section 4.1.

5. ADMINISTRATION AND MAINTENANCE OF COLLATERAL

5.1. Revolving Facility Collections; Repayment; Borrowing Availability and Lockbox

Borrower shall maintain one or more Lockbox Accounts with the Lockbox Banks, and shall execute with each of the Lockbox Banks a Lockbox Agreement, and such other agreements related thereto as Lender may require. Borrower shall ensure that all collections of their respective Accounts and all other cash payments received by Borrower are paid and delivered directly from Account Debtors and other Persons into the appropriate Lockbox Account. The Lockbox Agreements shall provide that the Lockbox Banks immediately will transfer all funds paid into the Lockbox Accounts into the Concentration Account. Notwithstanding and without limiting any other provision of any Loan Document, Lender shall apply, on a daily basis, all funds transferred into the Concentration Account pursuant to the Lockbox Agreement and this Section 5.1 in such order and manner as determined by Lender. To the extent that any Accounts are collected by Borrower or any other cash payments received by Borrower are not sent directly to the appropriate Lockbox Account but are received by Borrower or any of their Affiliates, such collections and proceeds shall be held in trust for the benefit of Lender and immediately remitted (and in any event within three (3) Business Days from receipt thereof), in the form received, to the appropriate Lockbox Account for immediate transfer to the Concentration Account. Borrower acknowledges and agrees that compliance with the terms of this Section 5.1 is an essential term of this Agreement. All funds transferred to the Concentration Account for application to the Obligations under the Revolving Facility shall be applied to reduce the Obligations under the Revolving Facility, but, for purposes of calculating interest hereunder, shall be subject to a three Business Day clearance period. If as the result of collections of Accounts and any other cash payments received by Borrower pursuant to this Section 5.1 a credit balance exists with respect to the Concentration Account, such credit balance shall not accrue interest in favor of a Borrower. If at any time there is a credit balance in excess of $100,000, in the Concentration Account, Lender agrees to automatically wire transfer (without Borrower's written request) all of such credit balance to the Borrower's operating account specified on Schedule 2.3 within one Business Day of such credit balance reaching $100,000, provided, however, Lender shall not be required to make such "no-notice" transfer more frequently than once per week. Notwithstanding the foregoing, upon the written request of Borrower, Lender shall wire transfer any credit balance in the Concentration Account to Borrower's operating account specified in Schedule 2.3., provided, that if Lender receives the written request of Borrower no later than 12:00 p.m. (Eastern Time), then Lender shall make such transfer the following Business Day and if Lender receives the written request of Borrower after 12:00 p.m. (Eastern time), then Lender shall make such transfer within two (2) Business Days from the date of receipt of such written notice. If applicable, at any time prior to the execution of all or any of the Lockbox Agreements and operation of all or any of the Lockbox Accounts, Borrower and their Affiliates shall direct all collections or proceeds it receives on Accounts or from other Collateral to the Concentration Account.

5.2. Accounts

In determining which Accounts are Eligible Accounts, Lender may rely on all statements and representations made by Borrower with respect to any Account. Unless otherwise indicated in writing to Lender, each Account of Borrower (i) is genuine and in all respects what it purports to be and is not evidenced by a judgment, (ii) arises out of a completed, bona fide sale and delivery of goods or rendering of Services by a Borrower in the ordinary course of business and in accordance with the terms and conditions of all purchase orders, contracts, certifications, participations, certificates of need and other documents relating thereto or forming a part of the contract between a Borrower and the Account Debtor, (iii) is for a liquidated amount (less any contractual allowances) maturing as stated in a claim or invoice covering such sale of goods or rendering of Services, a copy of which has been furnished or is available to Lender, (iv) together with Lender's security interest therein, is not and will not be in the future (by willful act or omission by Borrower), subject to any offset, lien, deduction, defense, dispute, counterclaim or other adverse condition, is absolutely owing to Borrower and is not contingent in any respect or for any reason (except Accounts owed or owing by Medicaid/Medicare Account Debtors that may be subject to offset or deduction under applicable law), and (v) has been billed and forwarded to the Account Debtor for payment in accordance with applicable laws and is in compliance and conformance with any requisite procedures, requirements and regulations governing payment by such Account Debtor with respect to such Account, and, if due from a Medicaid/Medicare Account Debtor, is properly payable directly to a Borrower.

5.3. Healthcare

(a) Borrower has obtained from (i) the Medicare program, approval to receive the provider numbers which will permit Borrower to bill the Medicare program with respect to covered services rendered to patients insured under the Medicare program, (ii) the applicable Medicaid programs, approval to receive the provider numbers/in-patient service contracts which will permit Borrower to bill the Medicaid program with respect to covered services rendered to patients insured under the Medicaid programs, and (iii) the CHAMPUS/TRICARE program, approval to receive the provider numbers which will permit Borrower to bill the CHAMPUS/TRICARE program with respect to covered services rendered to patients insured under the CHAMPUS/TRICARE program. Borrower is in compliance with the conditions of participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs.

(b) There is no pending nor to the knowledge of Borrower, threatened, proceeding or investigation of Borrower relative to EMTALA nor are there any investigations or proceedings pending, or to the knowledge of Borrower, threatened by any Governmental Authority with respect to the Medicare, Medicaid or CHAMPUS/TRICARE programs with respect to the operations of Borrower, except as set forth on Schedule 5.3A hereto. Without limiting or being limited by any other provision of any Loan Document, Borrower has timely filed or caused to be filed all cost and other reports of every kind required by law, agreement or otherwise. Subject to the last sentence of Section 7.18, there are no claims, actions or appeals pending (and Borrower has not filed any claims or reports which could reasonably result in any such claims, actions or appeals) before any commission, board or agency or other Governmental Authority, including, without limitation, any intermediary or carrier, the Provider Reimbursement Review Board or the Administrator of the Centers of Medicare and Medicaid Services, with respect to any state or federal Medicare or Medicaid or CHAMPUS/TRICARE cost reports or claims filed by Borrower, or any disallowance by any commission, board or agency or other Governmental Authority in connection with any audit of such cost reports or claims. No validation review or program integrity review related to Borrower or the consummation of the transactions contemplated herein or to the Collateral have been conducted by any commission, board or agency or other Governmental Authority in connection with the Medicare or Medicaid programs, and to the knowledge of Borrower, no such reviews are scheduled, pending or threatened against or affecting any of the providers, any of the Collateral or the consummation of the transactions contemplated hereby. Neither Credit Parties nor any of their respective officers, directors, or managing employees, employees or agents are, or while this Agreement shall remain in effect shall be, excluded from participation in, or sanctioned or convicted of a crime under or with respect to the Medicare, Medicaid or CHAMPUS/TRICARE programs, nor to the best of Credit Parties' knowledge, is any such exclusion threatened. Borrower has not received any notice from any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor programs, of any pending or threatened investigations, reviews or surveys of Borrower, its directors, officers or managing employees, and Borrower has no actual knowledge that any such investigation, reviews or surveys are pending or threatened.

(c) As of the Closing Date, Borrower has third party contracts with each of the third-party payors listed on Schedule 5.3B (unless noted otherwise), which constitutes (as indicated) each of the payors representing at least five percent (5%) of Borrower's historic third-party payor cash receipts for the twelve month period ended December 31, 2009.

5.4. Medicare and Medicaid Account Debtors and Third-Party Payor Information

Borrower (a) shall maintain applicable Medicare and Medicaid provider numbers, (b) shall maintain applicable CHAMPUS/TRICARE provider numbers, if applicable, and (c) to the extent Borrower shall enter into any other arrangements with non-governmental third-party payors, Borrower shall use commercially reasonable efforts to enter into agreements with such third-party payors in form and substance satisfactory to Lender.

5.5. Collateral Administration

(a) All Collateral (except proceeds of Accounts which shall be deposited with the Lockbox Banks) and records supporting the Collateral will at all times be kept by Borrower at the locations set forth on Schedule 7.18B hereto and shall not, without thirty calendar days prior written notice to Lender, be moved therefrom, and in any case shall not be moved outside the continental United States.

(b) Borrower shall keep accurate and complete records of its Accounts and all payments and collections thereon and shall submit such records to Lender on such periodic bases as Lender may request. In addition, if Accounts of Borrower in an aggregate face amount in excess of $100,000.00 become ineligible because they fall within one of the specified categories of ineligibility set forth in the definition of Eligible Accounts, Borrower shall notify Lender of such occurrence within two Business Days following the discovery of such occurrence or upon any submission to Lender of a Borrowing Certificate and the Borrowing Base shall thereupon be adjusted to reflect such occurrence.

(c) Whether or not an Event of Default has occurred, any of Lender's officers, employees, representatives or agents shall have the right, at any time during normal business hours upon reasonable notice, in the name of Lender, any designee of Lender or Borrower, to verify the validity, amount or any other matter relating to any Collateral. Notwithstanding the foregoing, so long as no Default or Event of Default has occurred and is continuing, Lender agrees to give Borrower at least seven (7) business days' written notice of such visit to Borrower's offices. Borrower shall cooperate fully with Lender in an effort to facilitate and promptly conclude such verification process.

(d) Borrower shall endeavor in the first instance to make collection of its Accounts for Lender. Lender shall have the right at all times after the occurrence and during the continuance of an Event of Default to notify (i) Account Debtors owing Accounts to Borrower other than Medicaid/Medicare Account Debtors that their Accounts have been assigned to Lender and to collect such Accounts directly in its own name and to charge collection costs and expenses, including reasonable attorney's fees, to Borrower, and (ii) Medicaid/Medicare Account Debtors that Borrower has waived any and all defenses and counterclaims they may have or could interpose in any such action or procedure brought by Lender to obtain a court order recognizing the collateral assignment or security interest and Lien of Lender in and to any Account or other Collateral and that Lender is seeking or may seek to obtain a court order recognizing the collateral assignment or security interest and Lien of Lender in and to all Accounts and other Collateral payable by Medicaid/Medicare Account Debtors.

(e) As and when determined by Lender in its Permitted Discretion, Lender will perform the searches described in clauses (i), (ii) and (iii) below against Borrower and Guarantor (the results of which are to be consistent with Borrower's representations and warranties under this Agreement), all at Borrower's expense: (i) UCC searches with the Secretary of State of the jurisdiction of organization of Borrower and Guarantor and, if deemed necessary by Lender, the Secretary of State and local filing offices of each jurisdiction where Borrower or Guarantor maintain their respective executive offices, a place of business or assets; (ii) Lien searches with the United States Patent and Trademark Office and the United States Copyright Office; and (iii) judgment, federal, state and local tax lien searches, in each jurisdiction searched under clause (i) above.

(f) Borrower (i) shall provide prompt written notice to its current bank to transfer all items, collections and remittances to the Concentration Account, (ii) shall direct each Account Debtor to make payments to the appropriate Lockbox Account, and Borrower hereby authorizes Lender, upon any failure to send such notices and directions within ten calendar days after the Closing Date (or ten calendar days after the Person becomes an Account Debtor), to send any and all similar notices and directions to such Account Debtors, and (iii) shall do anything further that may be lawfully required by Lender to create and perfect Lender's Lien on any Collateral and effectuate the intentions of the Loan Documents. At Lender's request, Borrower shall immediately deliver to Lender all Collateral for which Lender must receive possession to obtain a perfected security interest.

6. CONDITIONS PRECEDENT

6.1. Conditions to Initial Advance and Closing

The obligations of Lender to consummate the transactions contemplated herein and to make the Initial Advance are subject to the satisfaction, in the sole judgment of Lender, of the following:

(a) Lender shall have received information and responses to its due diligence requests, and completed examinations related to the Collateral, the financial statements and the books, records, business, obligations, financial condition and operational state of each Credit Party and any other information reasonably requested by Lender, and all such information and responses as well as the results of such examinations and each Credit Party shall demonstrate to Lender's satisfaction that (i) its operations comply, in all respects deemed material by Lender, in its sole judgment, with all applicable federal, state, foreign and local laws, statutes and regulations, (ii) its operations are not the subject of any governmental investigation, evaluation or any remedial action which could result in any expenditure or liability deemed material by Lender, in its sole judgment, and (iii) it has no liability (whether contingent or otherwise) that is deemed material by Lender, in its sole judgment;

(b) (i) Borrower shall have delivered to Lender (A) the Loan Documents to which Borrower is a party, each duly executed by an authorized officer of such Borrower and the other parties thereto, (B) a Borrowing Certificate for the Initial Advance under the Revolving Facility executed by an authorized officer of Borrower and (C) (1) audited annual consolidated and consolidating financial statements of Borrower for Borrower's most recently ended fiscal year, including notes thereto, consisting of a balance sheet at the end of such completed fiscal year and the related statements of income, retained earnings, cash flows and owner's equity for such completed fiscal year, which financial statements shall be prepared and certified without qualification by an independent certified public accounting firm reasonably satisfactory to Lender/in accordance with GAAP consistently applied with prior periods (except for changes in accounting methodology specified in such financial statements); and (2) unaudited consolidated and consolidating financial statements of Borrower consisting of a balance sheet and statements of income, retained earnings, cash flows and owner's equity for the period from the beginning of the current fiscal year through the end of the most recently ended calendar month, which financial statements shall be prepared in accordance with GAAP consistently applied with prior periods (except for changes in accounting methodology which have been enacted since such prior periods), (ii) Borrower shall have established and maintained the Lockbox Accounts and have entered into Lockbox Agreements, all as contemplated in Section 5.1; and (iii) Guarantor shall have delivered to Lender the Loan Documents to which such Guarantor is a party, each duly executed and delivered by such Guarantor or an authorized officer of such Guarantor, as applicable, and the other parties thereto;

(c) all in form and substance satisfactory to Lender in its Permitted Discretion, Lender shall have received (i) a report of Uniform Commercial Code financing statement, tax and judgment lien searches performed with respect to Borrower and Guarantor in each jurisdiction determined by Lender in its sole discretion, and such report shall show no Liens on the Collateral (other than Permitted Liens), (ii) each document (including, without limitation, any Uniform Commercial Code financing statement) required by any Loan Document or under law or requested by Lender to be filed, registered or recorded to create in favor of Lender, a perfected first priority security interest upon the Collateral, and (iii) evidence of each such filing, registration or recordation and of the payment by Borrower of any necessary fee, tax or expense relating thereto;

(d) Lender shall have received (i) the Organizational and Good Standing Documents of each Credit Party, all in form and substance acceptable to Lender, (ii) a certificate of the corporate secretary or assistant secretary of each Credit Party dated the Closing Date, as to the incumbency and signature of the Persons executing the Loan Documents, in form and substance acceptable to Lender, and (iii) the written legal opinion of counsel for Credit Parties, in form and substance satisfactory to Lender;

(e) Lender shall have received (i) a Solvency Certificate executed by the chief financial officer (or, in the absence of a chief financial officer, the chief executive officer) of Borrower and Guarantor, in form and substance satisfactory to Lender and (ii) an officer's certificate in the form attached hereto as Exhibit D, executed by the chief executive officer or President of Borrower;

(f) Lender shall have completed examinations, the results of which shall be satisfactory in form and substance to Lender, of the Collateral, the financial statements and the books, records, business, obligations, financial condition and operational state of Borrower and Guarantor, and each such Person shall have demonstrated to Lender's satisfaction that (i) its operations comply, in all respects deemed material by Lender, in its sole judgment, with all applicable federal, state, foreign and local laws, statutes and regulations, (ii) its operations are not the subject of any governmental investigation, evaluation or any remedial action which could result in any expenditure or liability deemed material by Lender, in its sole judgment, and (iii) it has no liability (whether contingent or otherwise) that is deemed material by Lender, in its sole judgment;

(g) Lender shall have received all fees, charges and expenses payable to Lender on or prior to the Closing Date pursuant to the Loan Documents;

(h) all in form and substance satisfactory to Lender in its Permitted Discretion, Lender shall have received such consents, approvals and agreements, including, without limitation, any applicable Landlord Waivers and Consents with respect to any and all leases set forth on Schedule 7.4A, from such third parties as Lender shall determine are necessary or desirable with respect to (i) the Loan Documents and the transactions contemplated thereby, and (ii) claims against Borrower or Guarantor or the Collateral;

(i) Borrower shall be in compliance with Section 8.5, and Lender shall have received copies of all insurance policies or binders, original certificates of all insurance policies of Borrower confirming that they are in effect and that the premiums due and owing with respect thereto have been paid in full and endorsements of such policies issued by the applicable Insurers and naming Lender as loss payee or additional insured on those policies specified in Section 8.5;

(j) all corporate and other proceedings, documents, instruments and other legal matters in connection with the transactions contemplated by the Loan Documents (including, but not limited to, those relating to corporate and capital structures of Borrower) shall be satisfactory to Lender;

(k) Lender shall have received, in form and substance satisfactory to Lender, release and termination of any and all Liens, security interest and Uniform Commercial Code financing statements in, on, against or with respect to any of the Collateral (other than Permitted Liens);

(l) Borrower shall have executed and delivered to Lender an IRS Form 8821;

(m) Lender shall be satisfied that there are no material defaults in any of Borrower's obligations under any contract required for the operation of its business;

(n) Lender shall have received the Pledge Agreement, in form and substance satisfactory to Lender, as duly authorized, executed and delivered by the parties thereto; and

(o) Lender shall have received such other documents, certificates, information or legal opinions as Lender may reasonably request, all in form and substance reasonably satisfactory to Lender.

6.2. Conditions to Each Advance

The obligations of Lender to make any Advance, including, without limitation, the Initial Advance, (or otherwise extend credit hereunder) are subject to the satisfaction, in the sole judgment of Lender, of the following additional conditions precedent:

(a) Borrower shall have delivered to Lender a Borrowing Certificate for the Advance executed by an authorized officer of Borrower, which shall constitute a representation and warranty by Borrower as of the Borrowing Date of such Advance that the conditions contained in this Section 6.2 have been satisfied; provided however, that any determination as to whether to fund Advances or extensions of credit shall be made by Lender in its Permitted Discretion;

(b) each of the representation and warranties made by Credit Parties in or pursuant to this Agreement, or under the other Loan Documents or which are contained in any certificate, document or financial or other statement furnished in connection herewith, shall be true and correct, before and after giving effect to such Advance;

(c) no Default or Event of Default shall have occurred or be continuing or would exist after giving effect to the Advance on such date;

(d) immediately after giving effect to the requested Advance, the aggregate outstanding principal amount of Advances shall not exceed the lesser of the Availability and the Facility Cap;

(e) at the time of making such requested Advance, no Material Adverse Change has occurred or is continuing; and

(f) Lender shall have received all fees, charges and expenses payable to Lender on or prior to such date pursuant to the Loan Documents.

7. REPRESENTATIONS AND WARRANTIES

Credit Parties, jointly and severally, represent and warrant as of the date hereof, the Closing Date and each Borrowing Date.

7.1. Organization and Authority

Each Credit Party is a corporation duly organized, validly existing and in good standing under the laws of its state of formation. Each Credit Party (i) has all requisite corporate or entity power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated in the Loan Documents, (ii) is duly qualified to conduct business in every jurisdiction in which failure so to qualify would reasonably be likely to result in a Material Adverse Change, and (iii) has all requisite power and authority (A) to execute, deliver and perform the Loan Documents to which it is a party, (B) to borrow hereunder, (C) to consummate the transactions contemplated under the Loan Documents, and (D) to grant the Liens with regard to the Collateral pursuant to the Loan Documents to which it is a party.

7.2. Loan Documents

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party, and the consummation of the transactions contemplated thereby, (i) have been duly authorized by all requisite action of each such Person and have been duly executed and delivered by or on behalf of each such Person; (ii) do not violate any provisions of (A) applicable law, statute, rule, regulation, ordinance or tariff, (B) any order of any Governmental Authority binding on any such Person or any of their respective properties, or (C) the certificate of incorporation or bylaws (or any other equivalent governing agreement or document) of any such Person, or any agreement between any such Person and its respective stockholders, members, partners or equity owners or among any such stockholders, members, partners or equity owners; (iii) are not in conflict with, and do not result in a breach or default of or constitute an event of default, or an event, fact, condition or circumstance which, with notice or passage of time, or both, would constitute or result in a conflict, breach, default or event of default under, any indenture, agreement or other instrument to which any such Person is a party, or by which the properties or assets of such Person are bound; (iv) except as set forth therein, will not result in the creation or imposition of any Lien of any nature upon any of the properties or assets of any such Person, and (v) except as set forth on Schedule 7.2, do not require the consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person. When executed and delivered, each of the Loan Documents to which any Credit Party is a party will constitute the legal, valid and binding obligation of Credit Party, enforceable against such Credit Party in accordance with its terms.

7.3. Subsidiaries, Capitalization and Ownership Interests

Except as listed on Schedule 7.3, no Credit Party has any Subsidiaries. Schedule 7.3 states the authorized and issued capitalization of each Credit Party, the number and class of equity securities and/or ownership, voting or partnership interests issued and outstanding of each Credit Party and the record and beneficial owners thereof (including options, warrants and other rights to acquire any of the foregoing). The ownership or partnership interests of each Credit Party that is a limited partnership or a limited liability company are not certificated, the documents relating to such interests do not expressly state that the interests are governed by Article 8 of the Uniform Commercial Code, and the interests are not held in a securities account. Schedule 7.3 sets forth a complete and accurate list of the directors, members, managers and/or partners of each Credit Party. Except as listed on Schedule 7.3, no Credit Party owns an interest in, participates in or engages in any joint venture, partnership or similar arrangements with any Person.

7.4. Properties

Each Credit Party (i) is the sole owner and has good, valid and marketable title to, or a valid leasehold interest in, all of its properties and assets, including the Collateral, whether personal or real, subject to no transfer restrictions or Liens of any kind except for Permitted Liens, and (ii) is in compliance in all material respects with each lease to which it is a party or otherwise bound. Schedule 7.4A lists all real properties (and their locations) owned or leased by or to, and all other material assets or property that are leased or licensed by, any Credit Party and all warehouses, fulfillment houses or other locations at which any of any Credit Party's Inventory is located. Each Credit Party enjoys peaceful and undisturbed possession under all such leases and such leases are all the leases necessary for the operation of such properties and assets, are valid and subsisting and are in full force and effect. Schedule 7.4B lists all Deposit Accounts and investment accounts (and their locations) owned by any Credit Party, and all such Deposit Accounts and investment accounts are subject to no Liens of any kind except as expressly set forth on Schedule 7.4B, all of which Liens constitute Permitted Liens.

7.5. Other Agreements

No Credit Party is (i) a party to any judgment, order or decree or any agreement, document or instrument, or subject to any restriction, which would affect its ability to execute and deliver, or perform under, any Loan Document or to pay the Obligations, (ii) in default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any agreement, document or instrument to which it is a party or to which any of its properties or assets are subject, which default, if not remedied within any applicable grace or cure period would reasonably be likely to result in a Material Adverse Change, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute or result in a conflict, breach, default or event of default under, any of the foregoing which, if not remedied within any applicable grace or cure period would reasonably be likely to result in a Material Adverse Change; (iii) a party or subject to any agreement, document or instrument with respect to, or obligation to pay any, Management or Service Fee with respect to, the ownership, operation, leasing or performance of any of its business or any facility, nor is there any manager with respect to any such facility; or (iv) a party to any contract with any Affiliate other than as set forth on Schedule 7.5, except for employment agreements, option agreements, confidentiality agreements, non-solicitation/non-competition agreements and other compensation, severance or consulting arrangements with directors or officers in the ordinary course of business that are on terms at least as favorable to such Credit Party as would be the case in an arm's length transaction between unrelated parties of equal bargaining power and under which payments due from Credit Parties are not more than $500,000 per annum per arrangement.

7.6. Litigation

There is no action, suit, proceeding or investigation pending or, to the knowledge of any Credit Party, threatened against any Credit Party (i) that challenges the validity of any of the Loan Documents, or to enjoin the right of any Credit Party to enter into any Loan Document or to consummate the transactions contemplated thereby, (ii) that would reasonably be likely to be or have, either individually or in the aggregate, any Material Adverse Change, or (iii) that would reasonably be likely to result in any Change of Control. Except as set forth on Schedule 7.6, no Credit Party is a party or subject to any order, writ, injunction, judgment or decree of any Governmental Authority. Except as set forth on Schedule 7.6, there is no action, suit, proceeding or investigation initiated by any Credit Party currently pending.

7.7. Environmental Matters

Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change:

(a) Each Credit Party and its Subsidiaries: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws; (ii) hold all environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them; (iii) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their environmental Permits; and (iv) reasonably believe that: each of their environmental Permits will be timely renewed and complied with, without material expense; any additional environmental Permits that may be required of any of them will be timely obtained and complied with, without material expense; and compliance with any Environmental Law that is or is expected to become applicable to any of them will be timely attained and maintained, without material expense.

(b) To the knowledge of each Credit Party and its Subsidiaries, no Materials of Environmental Concern (i) are present at, on, under, in, or about any real property now owned, leased or operated by such Credit Party or any of its Subsidiaries, or (ii) were present at any formerly owned, leased or operated property during the period of such ownership, lease or operation by such Credit Party or its Subsidiaries or (iii) are present at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage, or disposal) which, in the case of any of clauses (i), (ii) or (iii), would reasonably be expected to (A) give rise to liability of such Credit Party or any of its Subsidiaries under any applicable Environmental Law or otherwise result in costs to such Credit Party or any of its Subsidiaries, (B) interfere with the continued operations of such Credit Party or any of its Subsidiaries, or (C) impair the fair saleable value of any real property owned or leased by such Credit Party or any of its Subsidiaries.

(c) There is no judicial, administrative, or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law to which any Credit Party or any of such Credit Party's Subsidiaries is, or to the knowledge of such Credit Party or any of its Subsidiaries will be, named as a party that is pending or, to the knowledge of such Credit Party or any of its Subsidiaries, threatened.

(d) No Credit Party, nor any of Credit Parties' Subsidiaries, has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, or with respect to any Materials of Environmental Concern.

(e) No Credit Party, nor any of Credit Parties' Subsidiaries, has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(f) No Credit Party, nor any of Credit Parties' Subsidiaries, has assumed or retained, by contract or operation of law, any liabilities of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Material of Environmental Concern.

7.8. Potential Tax Liability; Tax Returns; Governmental Reports

(a) Except as disclosed in Schedule 7.8, no Credit Party (i) has received any oral or written communication from any taxing authority with respect to any investigation or assessment relating to such Credit Party directly, or relating to any consolidated tax return which was filed on behalf of such Credit Party, (ii) is aware of any year which remains open pending tax examination or audit by any taxing authority, and (iii) is aware of any information that could give rise to any tax liability or assessment.

(b) Each Credit Party (i) has filed all federal, state, foreign (if applicable) and local tax returns and other reports which are required by law to be filed by such Credit Party, and (ii) has paid all taxes, assessments, fees and other governmental charges, including, without limitation, payroll and other employment related taxes, in each case that are due and payable, except only for items that such Credit Party is currently contesting in good faith with adequate reserves under GAAP, which contested items are described on Schedule 7.8.

7.9. Financial Statements and Reports

All financial statements and financial information relating to Credit Parties that have been or may hereafter be delivered to Lender by Credit Parties are accurate and complete (as of the date they were prepared) and all financial statements have been prepared in accordance with GAAP consistently applied with prior periods except for any normal quarter and year-end adjustments which may be applied in future periods and for any changes in accounting methodology that may have been applied since any prior period. Credit Parties have no material obligations or liabilities of any kind not disclosed in such financial information or statements, and since the date of the most recent financial statements submitted to Lender, there has not occurred any Material Adverse Change or Liability Event or, to Credit Parties' knowledge, any other event or condition that could reasonably be expected to have a Material Adverse Change or Liability Event.

7.10. Compliance with Law

(a) Each Credit Party has been and is currently in compliance, and is presently taking and will continue to take all actions necessary to assure that it shall, on or before each applicable compliance date and continuously thereafter, comply with HIPAA. Borrower has not received any notice from any Governmental Authority that such Governmental Authority has imposed or intends to impose any enforcement actions, fines or penalties for any failure or alleged failure to comply with HIPAA or its implementing regulations. Each Credit Party (i) is in compliance with all laws, statutes, rules, regulations, ordinances and tariffs of any Governmental Authority applicable to such Credit Party and such Credit Party's business, assets or operations, including, without limitation, ERISA and Healthcare Laws, and (ii) is not in violation of any order of any Governmental Authority or other board or tribunal, except where noncompliance or violation could not reasonably be expected to result in a Material Adverse Change. There is no event, fact, condition or circumstance which, with notice or passage of time, or both, would constitute or result in any noncompliance with, or any violation of, any of the foregoing, in each case except where noncompliance or violation could not reasonably be expected to result in a Material Adverse Change. No Credit Party has received any notice that such Credit Party is not in compliance in any respect with any of the requirements of any of the foregoing. No Credit Party has (a) engaged in any Prohibited Transactions as defined in Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, (b) failed to meet any applicable minimum funding requirements under Section 302 of ERISA in respect of its plans and no funding requirements have been postponed or delayed, (c) any knowledge of any event or occurrence which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Title IV of ERISA to terminate any of the employee benefit plans, (d) any fiduciary responsibility under ERISA for investments with respect to any plan existing for the benefit of Persons other than its employees or former employees, or (e) withdrawn, completely or partially, from any multi-employer pension plans so as to incur liability under the MultiEmployer Pension Plan Amendments of 1980. With respect to each Credit Party, there exists no event described in Section 4043 of ERISA, excluding Subsections 4043(b)(2) and 4043(b)(3) thereof, for which the required thirty (30) day notice period has not been waived. Each Credit Party has maintained in all material respects all records required to be maintained by the Joint Commission on Accreditation of Healthcare Organizations, the Food and Drug Administration, Drug Enforcement Agency and State Boards of Pharmacy and the federal and state Medicare and Medicaid programs as required by the Healthcare Laws and, to the best knowledge of each Credit Party, there are no presently existing circumstances which likely would result in material violations of the Healthcare Laws.

(b) No Credit Party (i) is a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violative of such Section 2, or (iii) is a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

(c) Each Credit Party is in compliance, in all material respects, with the Patriot Act.

7.11. Intellectual Property

Schedule 7.11 lists, as of the Closing Date, all (a) registered Intellectual Property (including applications for registration) owned by Borrower and (b) licenses of rights in Intellectual Property (other than non-customized mass market licenses of rights in Intellectual Property) pursuant to which Borrower licenses rights in Intellectual Property either from or to another Person, whether on an exclusive or non-exclusive basis.

7.12. Licenses and Permits; Labor

Each Credit Party is in compliance with and has all Permits and Intellectual Property necessary or required by applicable law or Governmental Authority for the operation of its businesses as currently conducted. All of the foregoing is in full force and effect and not in known conflict with the rights of others. No Credit Party is (i) in breach of or default under the provisions of any of the foregoing, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute or result in a conflict, breach, default or event of default under, any of the foregoing which, if not remedied within any applicable grace or cure period could reasonably be expected to result in a Material Adverse Change, (ii) a party to or subject to any agreement, instrument or restriction that is so unusual or burdensome that it might have a Material Adverse Change, and/or (iii) and has not been, involved in any labor dispute, strike, walkout or union organization which could reasonably be expected to result in a Material Adverse Change. Borrower has obtained, and currently has, all Permits necessary in the generation of each Account.

7.13. No Default

There does not exist any Default or Event of Default.

7.14. Disclosure

No Loan Document nor any other agreement, document, certificate, or statement furnished to Lender by or on behalf of any Credit Party in connection with the transactions contemplated by the Loan Documents, nor any representation or warranty made any by Credit Party in any Loan Document, contains any untrue statement of material fact or omits to state any fact necessary to make the statements therein not materially misleading as of the date such statements were delivered. There is no fact known to any Credit Party which has not been disclosed to Lender in writing which could reasonably be expected to result in a Material Adverse Change.

7.15. Existing Indebtedness; Investments, Guarantees and Certain Contracts

Except as contemplated by the Loan Documents or as otherwise set forth on Schedule 7.15A, no Credit Party (i) has any outstanding Indebtedness other than Permitted Indebtedness, (ii) is not subject or party to any mortgage, note, indenture, indemnity or guarantee of, with respect to or evidencing any Indebtedness of any other Person, or (iii) owns or holds any equity or long-term debt investments in, and has any outstanding advances to or any outstanding guarantees for the obligations of, or any outstanding borrowings from, any Person. Each Credit Party has performed all material obligations required to be performed by such Credit Party pursuant to or in connection with any items listed on Schedule 7.15A and there has occurred no breach, default or event of default under any document evidencing any such items or any fact, circumstance, condition or event which, with the giving of notice or passage of time or both, would constitute or result in a breach, default or event of default thereunder. Schedule 7.15B sets forth all Indebtedness with a maturity date during the Term, and identifies such maturity date. No Credit Party has any existing accrued and unpaid Indebtedness owing to any Governmental Authority or any other governmental payor.

7.16. Other Agreements

Except as set forth on Schedule 7.16, (i)there are no existing or proposed agreements, arrangements, understandings or transactions between any Credit Party and any of such Credit Party's officers, members, managers, directors, stockholders, partners, other interest holders, employees or Affiliates or any members of their respective immediate families, other than employment agreements, option agreements, confidentiality agreements, non-solicitation/non-competition agreements and other compensation, severance or consulting arrangements with directors or officers in the ordinary course of business that are on terms at least as favorable to such Credit Party as would be the case in an arm's length transaction between unrelated parties of equal bargaining power and under which payments due from Credit Parties are not more than $500,000 per annum per arrangement, (ii) none of the foregoing Persons are directly or indirectly, indebted to or have any direct or indirect ownership, partnership or voting interest in, to such Credit Party's knowledge, any Affiliate of such Credit Party or any Person that competes with such Credit Party (except that any such Persons may own stock in, but not exceeding two percent (2%) of the outstanding capital stock of, any publicly traded company that may compete with such Credit Party (iii) no director or officer of any Credit Party has received any compensation of any kind in consideration or otherwise of such Credit Party entering into this Agreement, and (iv) neither Lender nor any of its Affiliates has paid or offered to pay any compensation to any director or officer of any Credit Party in consideration of such Credit Party's entering into the Loan Documents.

7.17. Insurance

Credit Parties have in full force and effect such insurance policies as are customary in its industry and as may be required pursuant to Section 8.5 hereof. All such insurance policies are listed and described on Schedule 7.17.

7.18. Names; Location of Offices, Records and Collateral

During the preceding five years, Borrower has not conducted business under, filed any tax return under, or used any name (whether corporate, partnership or assumed) other than as shown on Schedule 7.18A. Borrower is the sole owner of all of its names listed on Schedule 7.18A, and any and all business done and invoices issued in such names are Borrower's sales, business and invoices. Each trade name of Borrower represents a division or trading style of Borrower. Borrower maintains its places of business and chief executive offices only at the locations set forth on Schedule 7.18B, and all Accounts of Borrower arise, originate and are located, and all of the Collateral and all books and records in connection therewith or in any way relating thereto or evidence the Collateral are located and shall be only, in and at such locations. All of the Collateral is located only in the continental United States. There are no facts, events or occurrences which in any way impair the validity or enforceability thereof or tend to reduce the amount payable thereunder from the face amount of the claim or invoice and statements delivered to Lender with respect thereto. To the best of Credit Parties' knowledge, (A) the Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise thereto was executed, (B) such Account Debtor is solvent, and, (C) subject to the final sentence of this Section 7.18, there are no proceedings or actions which are threatened or pending against any Account Debtor thereunder which might result in any Material Adverse Change in such Account Debtor's financial condition or the collectability thereof. Borrower has obtained and currently has all Permits necessary in the generation of each Account of Borrower and Borrower has disclosed to Lender on each Borrowing Certificate (a "**Denial Disclosure**") the amount of all Accounts of Borrower for which Medicare is the Account Debtor and for which payment has been denied and subsequently appealed pursuant to the procedure described in the definition of Eligible Accounts hereof, and Borrower is pursuing all available appeals in respect of such Accounts, provided, that, Borrower shall not be required to make a Denial Disclosure for up to $50,000 in the aggregate that remain uncorrected at any time for claims denied due to coding and clerical errors for the period covered by such Borrowing Certificate.

7.19. Lien Perfection and Priority

Upon the execution and delivery of this Agreement, and upon the proper filing of the necessary financing statements without any further action, Lender will have a good, valid and perfected first priority Lien and security interest in the Collateral, subject to no transfer or other restrictions or Liens of any kind in favor of any other Person except for Permitted Liens. No financing statement relating to any of the Collateral is on file in any public office except those (i) on behalf of Lender, and (ii) in connection with Permitted Liens.

7.20. Investment Company Act

No Credit Party is required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7.21. Regulations T, U and X

No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying any "margin stock" or "margin security" (within the meaning of Regulations T, U or X issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Loans will be used to purchase or carry any margin stock or margin security or to extend credit to others for the purpose of purchasing or carrying any margin stock or margin security.

7.22. Survival

Each Credit Party makes the representations and warranties contained herein with the knowledge and intention that Lender is relying and will rely thereon. All such representations and warranties will survive the execution and delivery of this Agreement and the making of the Advances under the Revolving Facility.

8. AFFIRMATIVE COVENANTS

Each Credit Party, jointly and severally, covenants and agrees that, until all of the Obligations have been fully performed and Paid in Full, and this Agreement has terminated:

8.1. Financial Statements, Borrowing Certificate, Financial Reports and Other Information

(a) Financial Reports. Credit Parties shall furnish to Lender (i) as soon as available and in any event when submitted to the Securities and Exchange Commission but no later than one hundred and five (105) calendar days after the end of each fiscal year of Credit Parties, audited annual consolidated and consolidating financial statements of Credit Parties, including the notes thereto, consisting of a consolidated and consolidating balance sheet at the end of such completed fiscal year and the related consolidated and consolidating statements of income, retained earnings, cash flows and owners' equity for such completed fiscal year, which financial statements shall be prepared by an independent certified public accounting firm satisfactory to Lender and accompanied by related management letters, if available; provided that no going concern opinion shall be issued in connection with such financial statements, (ii) as soon as available and in any event within thirty calendar days after the end of each calendar month (fifty calendar days after the end of any month which coincides with the end of a fiscal quarter and sixty days after the end of any month which coincides with the end of a fiscal year), unaudited financial statements of Credit Parties consisting of a balance sheet and statements of income and cash flows as of the end of the immediately preceding calendar month. Monthly financial statements provided to the Lender which have been internally prepared by Borrower for any month which corresponds with the end of a fiscal quarter or fiscal year will be subject to further adjustments by the Credit Parties' outside auditors before being finalized. All such financial statements shall be prepared in accordance with GAAP consistently applied with prior periods except for any normal quarter and year-end adjustments which may be applied in future periods and for any changes in accounting methodology that may have been applied since any prior period. With each such financial statement, Credit Parties shall also deliver a certificate of its chief financial officer or principal accounting officer in substantially the form of Exhibit B hereto (a "**Compliance Certificate**") stating that (A) such person has reviewed the relevant terms of the Loan Documents and the condition of Credit Parties, (B) no Default or Event of Default has occurred or is continuing, or, if any of the foregoing has occurred or is continuing, specifying the nature and status and period of existence thereof and the steps taken or proposed to be taken with respect thereto, and (C) Credit Parties are in compliance with all financial covenants attached as Annex I hereto. Such certificate shall be accompanied by the calculations necessary to show compliance with the financial covenants in a form satisfactory to Lender and (iii) simultaneously with the delivery of monthly financial statements for any given month, an accounts payable aging schedule showing a reconciliation to the amounts reported in the monthly financial statements.

(b) Other Materials. Credit Parties shall furnish to Lender as soon as available, and in any event within ten calendar days after the preparation or issuance thereof or at such other time as set forth below: (i) copies of such financial statements (other than those required to be delivered pursuant to Section 8.1(a)) prepared by, for or on behalf of Credit Parties and any other notes, reports and other materials related thereto, including, without limitation, any pro forma financial statements, (ii) any reports, returns, information, notices and other materials that any Credit Party shall send to its stockholders, members, partners or other equity owners at any time unless such materials are publicly available at www.sec.gov, (iii) all Medicare and Medicaid cost reports and other documents and materials filed by Borrower and any other reports, materials or other information regarding or otherwise relating to Medicaid or Medicare prepared by, for or on behalf of Borrower other than internal working analyses, (iv) simultaneously with the provision of any monthly financial statements provided pursuant to Section 8(a) above to the extent such information has not been already reflected in a Borrowing Certificate submitted to Lender: (A) a report of the status of all payments, denials and appeals of all Medicare and Medicaid Accounts (unless such denials were due to clerical errors in an amount which does not require a Denial Disclosure, and (B) a sales and collection report and accounts receivable aging schedule, including a report of sales, credits issued and collections received, all such reports showing a reconciliation to the amounts reported in the monthly financial statements, (v) promptly upon receipt thereof, copies of any reports submitted to a Borrower by its independent accountants in connection with any interim audit of the books of such Person or any of its Affiliates and copies of each management control letter provided by such independent accountants, (vi) within thirty (30) calendar days after the execution thereof, a copy of any contracts with the federal government or with a Governmental Authority in the State of New York, Vermont or Washington and (vii) such additional information, documents, statements, reports and other materials as Lender may reasonably request from a credit or security perspective or otherwise from time to time.

(c) Notices. Credit Parties shall promptly, and in any event within four calendar days after Borrower or any authorized officer of Borrower obtains knowledge thereof, notify Lender in writing of (i) any pending or threatened litigation, suit, investigation, arbitration, dispute resolution proceeding or administrative proceeding brought against or initiated by Borrower or otherwise affecting or involving or relating to Borrower or any of its property or assets to the extent (A) the amount in controversy exceeds $125,000.00, or (B) to the extent any of the foregoing seeks injunctive relief (except for actions in which Borrower is seeking injunctive relief against former employees of Borrower in order to enforce a confidentiality, non-solicitation, non-competition agreement or other similar agreement), (ii) any Default or Event of Default, which notice shall specify the nature and status thereof, the period of existence thereof and what action is proposed to be taken with respect thereto, (iii) any other development, event, fact, circumstance or condition that would reasonably be expected to result in a Material Adverse Change, in each case describing the nature and status thereof and the action proposed to be taken with respect thereto, (iv) any notice received by a Borrower from any payor of a claim, suit or other action such payor has, claims or has filed against such Borrower, (v) any matter(s) affecting the value, enforceability or collectability of any of the Collateral, including, without limitation, claims or disputes in the amount of $100,000.00 or more, singly or in the aggregate, in existence at any one time, (vi) any notice given by Borrower to any other lender of such Borrower and shall furnish to Lender a copy of such notice, (vii) receipt of any notice or request from any Governmental Authority or governmental payor regarding any liability or claim of liability in excess of $100,000.00 singly or in the aggregate, (viii) receipt of any notice by Borrower regarding termination of any manager of any facility owned, operated or leased by such Borrower, (ix) if any Account becomes evidenced or secured by an Instrument or Chattel Paper and (x) any pending, threatened or actual investigation or survey of Borrower, its directors, officers or managing employees by any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor programs, (xi) Borrower becoming a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (xii) Borrower becoming subject to reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (xiii) Borrower becoming the subject of any government payor program investigation conducted by any federal or state enforcement agency, (xiv) Borrower becoming a defendant in any qui tam/False Claims Act litigation, (xv) Borrower being served with or received any search warrant, subpoena, civil investigative demand or contact letter by or from any federal or state enforcement agency relating to an investigation or (xvi) Borrower becoming subject to any written complaint filed with or submitted to any Governmental Authority having jurisdiction over such Borrower or filed with or submitted to such Borrower pursuant to such Borrower's policies relating to the filing or submissions of such types of complaints, from employees, independent contractors, vendors, physicians, or any other person that would indicate that such Borrower has violated any law, regulation or law.

(d) Consents. Credit Parties shall use their best efforts to obtain and deliver from time to time all required consents, approvals and agreements from such third parties as Lender shall determine are necessary or desirable in its Permitted Discretion, each of which must be satisfactory to Lender in its Permitted Discretion and acceptable to such third party, with respect to (i) the Loan Documents and the transactions contemplated thereby, (ii) claims against a Borrower or the Collateral, and/or (iii) any agreements, consents, documents or instruments to which Borrower is a party or by which any properties or assets of Borrower or any of the Collateral is or are bound or subject, including, without limitation, Landlord Waivers and Consents with respect to leases.

(e) Operating Budget. Credit Parties shall furnish to Lender on or prior to the Closing Date and for each fiscal year of Credit Parties prior to the commencement of such fiscal year, a draft of consolidated and consolidating month by month projected operating budgets, annual projections, profit and loss statements, balance sheets and cash flow reports of and for Credit Parties for such upcoming fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), in each case prepared in accordance with GAAP consistently applied with prior periods, provided, that, (A) such Budget as submitted to the Board of Directors of Borrower for approval shall be provided to Lender by Borrower not less than sixty (60) days after commencement of such fiscal year and (B) a final version of the budget as approved by the Board of Directors of Borrower for each fiscal year shall be provided to Lender by Borrower not less than ten (10) calendar days after the approval of such budget or any revision thereof by the Board of Directors.

(f) Ancillary Materials to be Furnished Upon Request. Upon written request by Lender, Credit Parties shall use its best efforts to furnish to Lender within ten (10) calendar days after the request therefore the following kinds of information: (1) any other reports, materials or other information regarding or otherwise relating to Medicaid or Medicare prepared by, for, or on behalf of, Borrower or any of its Subsidiaries, including, without limitation, (A) copies of licenses and permits required by any applicable federal, state, foreign or local law, statute, ordinance or regulation or Governmental Authority for the operation of its business (B) Medicare and Medicaid provider numbers and agreements, (C) state surveys pertaining to any healthcare facility operated or owned or leased by Borrower or any of its Affiliates or Subsidiaries, (D) participating agreements relating to medical plans (ii) copies of material licenses and permits required by applicable federal, state, foreign or local law, statute, ordinance or regulation or Governmental Authority for the Operation of Borrower's business.

8.2. [Reserved]

8.3. Conduct of Business and Maintenance of Existence and Assets

Borrower shall (i) conduct its business in accordance with good business practices customary to the industry, (ii) engage principally in the same or similar lines of business substantially as heretofore conducted, (iii) collect its Accounts in the ordinary course of business, (iv) maintain all of its material properties, assets and equipment used or useful in its business in good repair, working order and condition (normal wear and tear excepted and except as may be disposed of in the ordinary course of business and in accordance with the terms of the Loan Documents and otherwise as determined by such Borrower using commercially reasonable business judgment), (v) from time to time to make all necessary or desirable repairs, renewals and replacements thereof, as determined by such Borrower using commercially reasonable business judgment, (vi) maintain and keep in full force and effect its existence and all material Permits and qualifications to do business and good standing in each jurisdiction in which the ownership or lease of property or the nature of its business makes such Permits or qualification necessary and in which failure to maintain such Permits or qualification could reasonably be expected to result in a Material Adverse Change; and (vii) remain in good standing and maintain operations in all jurisdictions in which currently located.

8.4. Compliance with Legal and Other Obligations

Each Credit Party shall (i) comply with all laws, statutes, rules, regulations, ordinances and tariffs of all Governmental Authorities applicable to it or its business, assets or operations, including applicable requirements which where promulgated pursuant to HIPAA (ii) pay all taxes, assessments, fees, governmental charges, claims for labor, supplies, rent and all other obligations or liabilities of any kind, except liabilities being contested in good faith and against which adequate reserves have been established, (iii) perform in accordance with its terms each contract, agreement or other arrangement to which it is a party or by which it or any of the Collateral is bound, except where the failure to comply, pay or perform could not reasonably be expected to result in a Material Adverse Change, (iv) maintain and comply with all Permits necessary to conduct its business and comply with any new or additional requirements that may be imposed on it or its business, and (v) properly file all Medicaid, Medicare and CHAMPUS/TRICARE cost reports. Without limiting the foregoing, Borrower is, and while this Agreement shall remain in effect shall remain, qualified for participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs; Borrower has, and while this Agreement shall remain in effect shall maintain, a current and valid provider contract with such programs; Borrower is, and while this Agreement shall remain in effect shall remain, in compliance with the conditions of participation in such programs; and Borrower has, and while this Agreement shall remain in effect shall maintain, all approvals or qualification necessary for capital reimbursement for any facility operated by Borrower. While this Agreement shall remain in effect, all billing practices of Borrower with respect to any facility operated by Borrower and all third party payors, including the Medicare, Medicaid and CHAMPUS/TRICARE programs and private insurance companies, shall remain in compliance with all applicable laws, regulations and policies of such third party payors and the Medicare, Medicaid and CHAMPUS/TRICARE programs.

8.5. Insurance

Borrower shall keep (i) all of its insurable properties and assets adequately insured in all material respects against losses, damages and hazards as are customarily insured against by businesses engaging in similar activities or owning similar assets or properties and at least the minimum amount required by applicable law, including, without limitation, medical malpractice and professional liability insurance, as applicable; (ii) maintain general public liability insurance at all times against liability on account of damage to persons and property having such limits, deductibles, exclusions and co-insurance and other provisions as are customary for a business engaged in activities similar to those of Credit Parties; and (iii) maintain insurance under all applicable workers' compensation laws; all of the foregoing insurance policies to (A) be satisfactory in form and substance to Lender, (B) expressly provide that they cannot be amended to reduce coverage or canceled without thirty (30) calendar days prior written notice to Lender and that they inure to the benefit of Lender notwithstanding any action or omission or negligence of or by such Credit Party or any insured thereunder. With respect to property insurance covering business interruption, accounts receivable and the books and records in connection therewith, Lender shall be named as loss payee and additional insured and with respect to general liability insurance Lender shall be named as additional insured.

8.6. Books and Records

Each Credit Party shall (i) keep complete and accurate books of record and account in accordance with commercially reasonable business practices in which true and correct entries are made of all of its and their dealings and transactions in all material respects; and (ii) set up and maintain on its books such reserves as may be required by GAAP with respect to doubtful accounts and all taxes, assessments, charges, levies and claims and with respect to its business, and include such reserves in its quarterly as well as year end financial statements.

8.7. Inspections; Periodic Audits and Reappraisals

Each Credit Party shall permit the representatives of Lender, at the expense of Credit Parties, from time to time during normal business hours, but no more frequently than three times per year so long as no Default or Event of Default occurs and is continuing upon reasonable notice, to (i) visit and inspect any of its offices or properties or any other place where Collateral is located to inspect the Collateral and/or to examine or audit all of its books of account, records, reports and other papers, (ii) make copies and extracts therefrom, and (iii) discuss its business, operations, prospects, properties, assets, liabilities, condition and/or Accounts with its officers and independent public accountants (and by this provision such officers and accountants are authorized to discuss the foregoing) upon seven (7) Business Days prior written notice; provided, however, that (A) Borrower shall not be obligated to reimburse Lender for more than three (3) visits, inspections, examinations and audits under the foregoing clause (i) conducted during any fiscal year while no Default or Event of Default exists at a cost of $850 per auditor per day plus all out-of-pocket expenses of Lender (it being agreed and understood that the Borrower shall be Obligated to reimburse Lender for all such visits, inspections, examinations and audits conducted while any Default or Event of Default exists); and (B) no notice shall be required to do any of the foregoing if any Event of Default has occurred and is continuing.

8.8. Further Assurances; Post-Closing

At Credit Parties' cost and expense, each Credit Party shall (i) within five Business Days after Lender's request, take such further actions, obtain such consents and approvals and duly execute and deliver such further agreements, assignments, instructions or documents as Lender may deem necessary in its Permitted Discretion with respect to furtherance of the purposes, terms and conditions of the Loan Documents and the consummation of the transactions contemplated thereby, whether before, at or after the performance or consummation of the transactions contemplated hereby or the occurrence of a Default or Event of Default, (ii) without limiting and notwithstanding any other provision of any Loan Document, execute and deliver, or cause to be executed and delivered, such agreements and documents, and take or cause to be taken such actions, and otherwise perform, observe and comply with such obligations, as are set forth on Schedule 8.8, and (iii) upon the exercise by Lender or any of its Affiliates of any power, right, privilege or remedy pursuant to any Loan Document or under applicable law or at equity which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments and other documents requested by Lender in its Permitted Discretion that may be so required for such consent, approval, registration, qualification or authorization. Without limiting the foregoing, upon the exercise by Lender or any of its Affiliates of any right or remedy under any Loan Document which requires any consent, approval or registration with, consent, qualification or authorization by, any Person, Credit Parties shall execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments and other documents that Lender or its Affiliate may be required to obtain for such consent, approval, registration, qualification or authorization.

8.9. Use of Proceeds

Borrower shall use the proceeds from the Revolving Facility only for the purposes set forth in the first "WHEREAS" clause of this Agreement.

8.10. [Reserved]

8.11. [Reserved]

8.12. Taxes and Other Charges

(a) All payments and reimbursements to Lender made under any Loan Document shall be free and clear of and without deduction for all taxes, levies, imposts, deductions, assessments, charges or withholdings, and all liabilities with respect thereto of any nature whatsoever, excluding taxes to the extent imposed on Lender's net income. If any Credit Party shall be required by law to deduct any such amounts from or in respect of any sum payable under any Loan Document to Lender, then the sum payable to Lender shall be increased as may be necessary so that, after making all required deductions, Lender receives an amount equal to the sum it would have received had no such deductions been made. Notwithstanding any other provision of any Loan Document, if at any time after the Closing (i) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (ii) any new law, regulation, treaty or directive enacted or any interpretation or application thereof, or (iii) compliance by Lender with any new request or new directive (whether or not having the force of law) from any Governmental Authority after the date of Closing: (A) subjects Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever directly arising from any Loan Document or from payments directly received by the Lender from any Credit Party pursuant to the Loan Documents (except for net income taxes, franchise taxes imposed in lieu of net income taxes, and any other taxes on the general affairs of the Lender which may be imposed generally by federal, state or local taxing authorities with respect to interest or commitment fees or other fees payable hereunder or changes in the rate of tax on the overall net income of Lender), or (B) imposes on Lender any other condition or increased cost directly in connection with the transactions contemplated thereby or participations therein (specifically excluding any general costs imposed on Lender by any government entity that are not directly related to the obligations hereunder); and the result of any of the foregoing is to directly increase the cost to Lender of making or continuing any Loan hereunder or to reduce any amount receivable hereunder, then, in any such case, Credit Parties shall promptly, and in any event within ten (10) Business days of Credit Party's receipt of notice from Lender, pay to Lender any additional amounts necessary to compensate Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Lender. If Lender becomes entitled to claim any additional amounts pursuant to this Section 8.12 it shall promptly notify Credit Parties of the event by reason of which Lender has become so entitled and contain a calculation of such additional amounts that are proposed to be due and payable and shall answer any questions and provide any explanation reasonably requested by Borrower in good faith to understand the nature and purported reason for such additional amounts.

(b) Credit Parties shall promptly, and in any event within five Business Days after any Credit Party or any authorized officer of any Credit Party obtains knowledge thereof, notify Lender in writing of any oral or written communication from any taxing authority or otherwise with respect to any (i) tax investigations, relating to such Credit Party directly, or relating to any consolidated tax return which was filed on behalf of such Credit Party, (ii) notices of tax assessment or possible tax assessment, (iii) years that are designated open pending tax examination or audit, and (iv) information that could give rise to any tax liability or assessment.

8.13. Payroll Taxes

Without limiting or being limited by any other provision of any Loan Document, each Credit Party at all times shall retain and use a Person acceptable to Lender to process, manage and pay its payroll taxes and shall cause to be delivered to Lender within ten calendar days after the end of each calendar month a report of its payroll taxes for the immediately preceding calendar month and evidence of payment thereof. Notwithstanding the foregoing, being copied on Borrower's payroll reports within the period specified in the preceding sentence shall satisfy this requirement; provided that such payroll report sets forth the status of payroll taxes.

8.14. New Subsidiaries

If at any time after the Closing Date Borrower shall form or acquire any new Subsidiary, Borrower shall promptly, and in any event not later than fifteen calendar days after the creation or acquisition of such Subsidiary or such longer period as Lender may determine in writing, execute, and cause such new Subsidiary to execute, and deliver to Lender such joinder agreements and amendments to this Agreement and the other Loan Documents, including executing and delivering allonges to any Notes to the extent issued hereunder in form and substance satisfactory to Lender and providing such other documentation as Lender may reasonably request, including, without limitation, UCC searches, as applicable, and filings, legal opinions and corporate authorization documentation, and to take such other actions in each case as Lender deems necessary or advisable to (a) join and make such new Subsidiary a co-Borrower hereunder and thereunder, subject to all the rights and benefits and obligations and burdens of a Borrower hereunder, (b) grant to Lender a perfected first priority security interest in the Collateral of such new Subsidiary subject to no Liens other than the Permitted Liens.

8.15. [Reserved]

9. NEGATIVE COVENANTS

Each Credit Party, jointly and severally, covenants and agrees that, until the indefeasible payment in full in cash, and the full performance of all, of the Obligations and termination of this Agreement:

9.1. Financial Covenants

Borrower shall not violate the financial covenants set forth on Annex I to this Agreement, which is incorporated herein and made a part hereof.

9.2. Permitted Indebtedness

Borrower shall not create, incur, assume or suffer to exist any Indebtedness, other than Permitted Indebtedness. Borrower shall not make prepayments on any existing or future Indebtedness to any Person other than to Lender or to the extent specifically permitted by this Agreement or any subsequent agreement between Borrower and Lender.

9.3. Permitted Liens

Borrower shall not create, incur, assume or suffer to exist any Lien upon, in or against, or pledge of, any of the Collateral or any of its other properties or assets of Borrower including but not limited to Deposit Accounts, cash or other money and Investment Property, whether now owned or hereafter acquired, except Permitted Liens.

9.4. Investments; New Facilities or Collateral; Subsidiaries

Except as set forth on Schedule 9.4, Borrower shall not, directly or indirectly, enter into any agreement to, (i) purchase, own, hold, invest in or otherwise acquire obligations or stock or securities of, or any other interest in, or all or substantially all of the assets of, any Person or any joint venture, or (ii) make or permit to exist any loans, advances or guarantees to or for the benefit of any Person or assume, guarantee, endorse, contingently agree to purchase or otherwise become liable for or upon or incur any obligation of any Person (other than those created by the Loan Documents and Permitted Indebtedness and other than (A) trade credit extended in the ordinary course of business, (B) advances for business travel and similar temporary advances made in the ordinary course of business to officers, directors and employees, (C) investments in Cash Equivalents and (D) the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business). Borrower shall not, directly or indirectly, purchase, own, operate, hold, invest in or otherwise acquire any facility, property or assets or any Collateral that is not located at the locations set forth on Schedule 7.18B unless Borrower shall provide to Lender at least ten (10) Business Days prior written notice. Borrower shall not have any Subsidiaries other than those Subsidiaries, if any, existing at Closing and set forth on Schedule 7.3., unless Borrower and new Subsidiary fully complies with Section 8.14 hereof.

Notwithstanding the foregoing, Borrower shall be permitted to make Permitted Acquisitions with Lender's prior written consent; provided, however, that the consent of Lender shall not be required if the cash consideration paid in respect of the Permitted Acquisition does not exceed $1,000,000 per acquisition or $2,000,000 in the aggregate during the Term and Borrower fully complies with Section 8.14 hereof.

9.5. Dividends; Redemptions

Borrower shall not (i) declare, pay or make any Distribution, (ii) apply any of its funds, property or assets to the acquisition, redemption or other retirement of any Capital Stock, (iii) otherwise make any payments or Distributions to any stockholder, member, partner or other equity owner in such Person's capacity as such, or (iv) make any payment of any Management or Service Fee; provided however, that absent the occurrence and continuation of a Default or Event of Default, and if a Default or Event of Default would not arise therefrom, Borrower may: (x) make Permitted Distributions, (y) declare, pay or make Distributions payable in its stock, or split-ups or reclassifications of its stock; and (z) redeem its capital stock from terminated employees pursuant to, but only to the extent required under, the terms of the related employment agreements.

9.6. Transactions with Affiliates

Except as set forth on Schedule 9.6, Borrower shall not enter into or consummate any transaction of any kind with any of its Affiliates or Guarantor or any of their respective Affiliates other than: (i) salary, bonus, severance, employee stock option and other compensation, consulting and employment arrangements with directors or officers in the ordinary course of business, provided, that, no payment of any cash bonus or severance shall be permitted if a Default or Event of Default has occurred and remains in effect or would be caused by or result from such payment, and no payment of any severance shall be made, individually or in the aggregate, in excess of $500,000 in any twelve (12) month period, (ii) Distributions permitted pursuant to Section 9.5, and (iii) the making of payments permitted under and pursuant to a written agreement entered into by and between Borrower and one or more of its Affiliates that reflects and constitutes a transaction on overall terms at least as favorable to Borrower as would be the case in an arm's-length transaction between unrelated parties of equal bargaining power; provided, that, notwithstanding the foregoing Borrower shall not (Y) enter into or consummate any transaction or agreement pursuant to which it becomes a party to any mortgage, note, indenture or guarantee evidencing any Indebtedness of any of its Affiliates or otherwise to become responsible or liable, as a guarantor, surety or otherwise, pursuant to agreement for any Indebtedness of any such Affiliate, or (Z) make any payments to any of its Affiliates in excess of $100,000 in the aggregate during any consecutive twelve calendar month period without the prior written consent of Lender (other than payments permitted pursuant to clause (i) or (ii) above).

9.7. Charter Documents; Fiscal Year; Dissolution; Use of Proceeds

No Credit Party shall (i) amend, modify, restate or change its certificate of incorporation or formation or bylaws or similar charter documents without the prior written consent of the Lender, which consent shall not be unreasonably withheld, (ii) change its fiscal year unless such Credit Party demonstrates to Lender's satisfaction compliance with the covenants contained herein for both the fiscal year in effect prior to any change and the new fiscal year period by delivery to Lender of appropriate interim and annual pro forma, historical and current compliance certificates for such periods and such other information as Lender may reasonably request, (iii) amend, alter or suspend or terminate or make provisional in any material way, any material Permit without the prior written consent of Lender, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Lender acknowledges that the following will not be deemed to be a violation of this covenant: (A) any suspension of any license or Permit in any state caused by the departure of any scientific or medical personnel, and (B) any amendment of a license or permit in the ordinary course of business to enable Borrower to pursue additional opportunities; provided that neither (A) nor (B) shall result in the impairment of Borrower's ability to collect any Account or account receivable, (iv) wind up, liquidate or dissolve (voluntarily or involuntarily) or commence or suffer any proceedings seeking or that would result in any of the foregoing, (v) use any proceeds of any Advance for "purchasing" or "carrying" "margin stock" as defined in Regulations U, T or X of the Board of Governors of the Federal Reserve System, or (vi) without providing at least thirty calendar days prior written notice to Lender, change its name or organizational identification number, if it has one.

9.8. Truth of Statements

No Credit Party shall (a) furnish to Lender any certificate or other document created or produced by Borrower that contains any untrue statement of a material fact or that omits to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished as of the date it was provided to Lender; and (b) furnish any document created or produced by a third party that Borrower knows (A) contains any untrue statement of a material fact or (B) omits to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished.

9.9. IRS Form 8821

No Credit Party shall alter, amend, restate, or otherwise modify, or withdraw, terminate or re-file the IRS Form 8821 required to be delivered pursuant to the Conditions Precedent in Section 6.1 hereof.

9.10. Transfer of Assets

Notwithstanding any other provision of this Agreement or any other Loan Document, Borrower shall not, nor shall it permit any of its Subsidiaries to, sell, lease, transfer, assign or otherwise dispose of any interest in any properties or assets (other than obsolete fixed assets or excess fixed assets no longer needed in the conduct of the business in the ordinary course of business and sales of Inventory in the ordinary course of business), or agree to do any of the foregoing at any future time, except that:

(a) Borrower may lease or sublease (as lessor or sub-lessor) real or personal property pursuant to a true lease not constituting Indebtedness and not entered into as part of a sale and leaseback transaction, in each case in the ordinary course of business and which could not reasonably be expected to result in a Material Adverse Effect.

(b) Borrower may arrange for warehousing, fulfillment or storage of Inventory at locations not owned or leased by Borrower, in each case in the ordinary course of business;

(c) Borrower may license or sublicense Intellectual Property to third parties in the ordinary course of business; provided, that, such licenses or sublicenses shall not interfere with the business or other operations of Borrower; and

(d) Borrower may consummate such other sales or dispositions of property or assets in excess of $50,000 (including any sale or transfer or disposition of all or any part of its assets and thereupon and within one year thereafter rent or lease the assets so sold or transferred) only to the extent prior written notice has been given to Lender and to the extent Lender has given its prior written consent thereto, subject in each case to such conditions as may be set forth in such consent.

9.11. OFAC

(a) No Credit Party nor any Subsidiary of any Credit Party (i) will be or become a Person whose Property or interests in Property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079(2001), (ii) will engage in any dealings or transactions prohibited by Section 2 of such executive order, or otherwise be associated with any such Person in any manner violative of Section 2 of such executive order, or (iii) otherwise will become a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

9.12. Payroll Accounts

Borrower shall not maintain a greater balance in any payroll account than is necessary to support Borrower's current payroll and payroll for one additional payroll cycle (bi-monthly or weekly as applicable).

10. EVENTS OF DEFAULT

The occurrence of any one or more of the following shall constitute an "**Event of Default**:"

(a) any Credit Party shall fail to pay any amount on the Obligations when due (whether on any payment date, at maturity, by reason of acceleration, by notice of intention to prepay, by required prepayment or otherwise);

(b) any representation, statement or warranty made or deemed made by any Credit Party in any Loan Document or in any other certificate, document or report delivered in conjunction with any Loan Document, shall not be true and correct in all material respects or shall have been false or misleading in any material respect on the date when made or deemed to have been made;

(c) any Credit Party or other party thereto other than Lender shall be in violation, breach or default of, or shall fail to perform, observe or comply with any covenant, obligation or agreement set forth in, any Loan Document and such violation, breach, default or failure shall not be cured within the applicable period set forth in the applicable Loan Document; provided that, with respect to the affirmative covenants set forth in Article VIII (other than Sections 8.1(c), 8.3, 8.8, 8.9**,** for which there shall be no cure period and Section 8.5 for which there shall be a five (5) Business Day cure period), there shall be a thirty calendar day cure period commencing from the earlier of (i) Receipt by such Person of written notice of such breach, default, violation or failure, and (ii) the time at which such Person or any authorized officer thereof knew or became aware, or should have known or been aware, of such failure, violation, breach or default, but no Advances will be made during the cure period;

(d) (i) any of the Loan Documents ceases to be in full force and effect, or (ii) any Lien created thereunder ceases to constitute a valid perfected first priority Lien on the Collateral in accordance with the terms thereof, or Lender ceases to have a valid perfected first priority security interest in any of the Collateral pledged to Lender pursuant to the Loan Documents; provided, that, with respect to non-material breaches or violations that constitute Events of Default under clause (ii) of this Section 10(d), there shall be a five (5) Business Day cure period commencing from the earlier of (A) Receipt by the applicable Person of written notice of such breach or violation or of any event, fact or circumstance constituting or resulting in any of the foregoing, and (B) the time at which such Person or any authorized officer thereof knew or became aware, or should have known or been aware, of such breach or violation and resulting Event of Default or of any event, fact or circumstance constituting or resulting in any of the foregoing;

(e) one or more tax judgments, decrees, arbitrations or other binding award is rendered against any Credit Party in an amount in excess of $25,000 individually or $75,000 in the aggregate in any consecutive 12-month period, which is/are not satisfied, stayed, vacated or discharged of record within thirty calendar days of being rendered but no Advances will be made before the judgment is stayed, vacated or discharged unless otherwise agreed to in writing by Lender except for the US Labs Award;

(f) (i) any default occurs, which is not cured or waived, (x) in the payment when due of any amount with respect to any Indebtedness (other than the Obligations) of any Credit Party having an aggregate principal balance of at least $100,000, (y) in the performance, observance or fulfillment of any provision contained in any agreement, contract, document or instrument to which any Credit Party is a party or to which any of their properties or assets are subject or bound under or pursuant to which any Indebtedness having an aggregate principal balance of at least $100,000 was issued, created, assumed, guaranteed or secured and such default continues for more than any applicable grace period or permits the holder of any Indebtedness to accelerate the maturity thereof, or (ii) any Indebtedness of any Credit Party is declared to be due and payable or is required to be prepaid (other than by a regularly scheduled payment) prior to the stated maturity thereof, or any obligation of such Person for the payment of Indebtedness (other than the Obligations) is not paid when due or within any applicable grace period, or any such obligation becomes or is declared to be due and payable before the expressed maturity thereof, or there occurs an event which, with the giving of notice or lapse of time, or both, would cause any such obligation to become, or allow any such obligation to be declared to be, due and payable;

(g) any Credit Party shall (i) be unable to pay its debts generally as they become due, (ii) make a general assignment for the benefit of its creditors, (iii) commence, or consent to, a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property, or (iv) file a petition seeking reorganization or liquidation or similar relief under any Debtor Relief Law;

(h) a court of competent jurisdiction shall (A) enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of any Credit Party or the whole or any substantial part of any such Person's properties, which shall continue unstayed and in effect for a period of sixty calendar days, (B) shall approve a petition filed against any Credit Party seeking reorganization, liquidation or similar relief under the any Debtor Relief Law, which is not dismissed within sixty calendar days or, (C) under the provisions of any Debtor Relief Law, assume custody or control of any Credit Party or of the whole or any substantial part of any such Person's properties, which is not irrevocably relinquished within sixty calendar days, or (ii) there is commenced against any Credit Party any proceeding or petition seeking reorganization, liquidation or similar relief under any Debtor Relief Law and either (A) any such proceeding or petition is not unconditionally dismissed within sixty calendar days after the date of commencement, or (B) any Credit Party takes any action to indicate its approval of or consent to any such proceeding or petition, but no Advances will be made before any such order, judgment or decree described above is stayed, vacated or discharged, any such petition described above is dismissed, or any such custody or control described above is relinquished;

(i) (i) any Change of Control occurs or any binding agreement (that does not require Lender's consent as a condition to closing) to cause or that may result in any such Change of Control is entered into, (ii) any Material Adverse Change occurs or is reasonably expected to occur, (iii) any Liability Event occurs or is reasonably expected to occur, or (iv) any Credit Party ceases any material portion of its business operations as currently conducted;

(j) Lender receives any indication or evidence that (i) any Credit Party may have directly or indirectly been engaged in any type of activity, which, in Lender's Permitted Discretion, might result in forfeiture of any property with a value in excess of $50,000 to any Governmental Authority which shall have continued unremedied for a period of ten calendar days after written notice from Lender (but no Advances will be made before any such activity ceases) or (ii) any Credit Party or any of their respective directors or senior officers is criminally indicted or convicted under any law that could lead to a forfeiture of any Collateral;

(k) uninsured damage to, or loss, theft or destruction of, any portion of the Collateral occurs that exceeds $50,000 in the aggregate;

(l) the issuance of any process for levy, attachment or garnishment or execution upon or prior to any judgment against any Credit Party or any of their property or assets in excess of $100,000.

Upon the occurrence of an Event of Default, notwithstanding any other provision of any Loan Document, Lender may, without notice or demand, do any of the following: (i) terminate its obligations to make Advances hereunder and (ii) all or any of the Loans and/or Notes, all interest thereon and all other Obligations shall automatically, without any further action by Lender, be due and payable immediately (except in the case of an Event of Default under Section 10(d), (g), or (h), in which event all of the foregoing shall automatically and without further act by Lender be due and payable), and (ii) prohibit any action permitted to be taken under Article IX hereof, in each case without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Credit Parties.

11. RIGHTS AND REMEDIES AFTER DEFAULT

11.1. Rights and Remedies

(a) In addition to the acceleration provisions set forth in Article X above, upon the occurrence and continuation of an Event of Default, Lender shall have the right to exercise any and all rights, options and remedies provided for in any Loan Document, under the UCC or at law or in equity, including, without limitation, the right to (i) at Credit Parties' expense, require that all or any part of the Collateral be assembled and made available to Lender at any place designated by Lender, (ii) reduce or otherwise change the Facility Cap, and/or (iii) relinquish or abandon any Collateral or any Lien thereon. Notwithstanding any provision of any Loan Document, Lender, in its sole discretion, shall have the right, at any time that Credit Parties fail to do so, and from time to time, without prior notice, to: (i) obtain insurance covering any of the Collateral to the extent required hereunder; (ii) pay for the performance of any of Obligations; (iii) discharge taxes or Liens on any of the Collateral that are in violation of any Loan document unless Credit Parties are in good faith with due diligence by appropriate proceedings contesting those items; and (iv) pay for the maintenance and preservation of the Collateral. Such expenses and advances shall be added to the Obligations until reimbursed to Lender and shall be secured by the Collateral, and such payments by Lender shall not be construed as a waiver by Lender of any Event of Default or any other rights or remedies of Lender. Credit Parties hereby waive any and all rights that they may have to a judicial hearing in advance of the enforcement of any of Lender's rights and remedies hereunder, including, without limitation, its right following the occurrence of an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

(b) Credit Parties agrees that notice received by it at least fifteen calendar days before the time of any intended public sale, or the time after which any private sale or other disposition of Collateral is to be made, shall be deemed to be reasonable notice of such sale or other disposition. If permitted by applicable law, any perishable Collateral which threatens to speedily decline in value or which is sold on a recognized market may be sold immediately by Lender without prior notice to Credit Parties. At any sale or disposition of Collateral, Lender may (to the extent permitted by applicable law) purchase all or any part thereof free from any right of redemption by any Credit Party which right is hereby waived and released. Credit Parties covenant and agree not to, and not to permit or cause any of their Subsidiaries to, interfere with or impose any obstacle to Lender's exercise of its rights and remedies with respect to the Collateral. Lender, in dealing with or disposing of the Collateral or any part thereof, shall not be required to give priority or preference to any item of Collateral or otherwise to marshal assets or to take possession or sell any Collateral with judicial process.

11.2. Application of Proceeds

In addition to any other rights, options and remedies Lender has under the Loan Documents, the UCC, at law or in equity, all dividends, interest, rents, issues, profits, fees, revenues, income and other proceeds collected or received from collecting, holding, managing, renting, selling, or otherwise disposing of all or any part of the Collateral or any proceeds thereof upon exercise of its remedies hereunder shall be applied in the following order of priority: (i) first, to the payment of all costs and expenses of such collection, storage, lease, holding, operation, management, sale, disposition or delivery and of conducting Credit Parties' business and of maintenance, repairs, replacements, alterations, additions and improvements of or to the Collateral, and to the payment of all sums which Lender may be required or may elect to pay, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments that Lender may be required or authorized to make under any provision of this Agreement (including, without limitation, in each such case, in-house documentation and diligence fees and legal expenses, search, audit, recording, professional and filing fees and expenses and reasonable attorneys' fees and all expenses, liabilities and advances made or incurred in connection therewith); (ii) second, to the payment of all other Obligations in such order or preference as Lender may determine; and (iii) third, to the payment of any surplus then remaining to Credit Parties, unless otherwise provided by law or directed by a court of competent jurisdiction; provided, that, Credit Parties shall be liable for any deficiency if such proceeds are insufficient to satisfy the Obligations or any of the other items referred to in this section.

11.3. Rights of Lender to Appoint Receiver

Without limiting and in addition to any other rights, options and remedies Lender has under the Loan Documents, the UCC, at law or in equity, upon the occurrence and continuation of an Event of Default, Lender shall have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by Lender to enforce its rights and remedies in order to manage, protect, preserve, sell or dispose the Collateral and continue the operation of the business of Credit Parties and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership including the compensation of the receiver and to the payments as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated. To the extent not prohibited by applicable law, each Credit Party hereby irrevocably consents to and waives any right to object to or otherwise contest the appointment of a receiver as provided above. Each Credit Party (i) grants such waiver and consent knowingly after having discussed the implications thereof with counsel, (ii) acknowledges that (A) the uncontested right to have a receiver appointed for the foregoing purposes is considered essential by Lender in connection with the enforcement of its rights and remedies hereunder and under the other Loan Documents and (B) the availability of such appointment as a remedy under the foregoing circumstances was a material factor in inducing Lender to make the Loans to such Credit Party and (iii) to the extent not prohibited by applicable law, agrees to enter into any and all stipulations in any legal actions, or agreements or other instruments required or reasonably appropriate in connection with the foregoing, and to cooperate fully with Lender in connection with the assumption and exercise of control by any receiver over all or any portion of the Collateral.

11.4. Rights and Remedies not Exclusive

Lender shall have the right in its sole discretion to determine which rights, Liens and remedies Lender may at any time pursue, relinquish, subordinate or modify, and such determination will not in any way modify or affect any of Lender's rights, Liens or remedies under any Loan Document, applicable law or equity. The enumeration of any rights and remedies in any Loan Document is not intended to be exhaustive, and all rights and remedies of Lender described in any Loan Document are cumulative and are not alternative to or exclusive of any other rights or remedies which Lender otherwise may have. The partial or complete exercise of any right or remedy shall not preclude any other further exercise of such or any other right or remedy.

11.5. Standards for Exercising Remedies

To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonably manner, Credit Parties hereby acknowledge and agree that it is not commercially unreasonable for Lender (a) to fail to incur expenses reasonably deemed significant by Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third-party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove Liens against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Credit Parties, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Lender against risks of loss, collection or disposition of Collateral or to provide to Lender a guaranteed return from the collection or disposition of Collateral or (l) to the extent deemed appropriate by Lender, to obtain the services of brokers, investment bankers, consultants or other professionals to assist Lender in the collection or disposition of any of the Collateral. Credit Parties further acknowledge that the purpose of this Section 11.5 is to provide non-exhaustive indications of what acts or omissions by Lender would not be commercially unreasonable in Lender's exercise of remedies against the Collateral and that other acts or omissions by Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.5. Without limitation upon the foregoing, nothing contained in this Section 11.5 shall be construed to grant any rights to Credit Parties or to impose any duties upon Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 11.5.

12. WAIVERS AND JUDICIAL PROCEEDINGS

12.1. Waivers

Except as expressly provided for herein, Credit Parties hereby waive setoff, counterclaim, demand, presentment, protest, all defenses with respect to any and all instruments and all notices and demands of any description, and the pleading of any statute of limitations as a defense to any demand under any Loan Document. Credit Parties hereby waive any and all defenses and counterclaims they may have or could interpose in any action or procedure brought by Lender to obtain an order of court recognizing the assignment of, or Lien of Lender in and to, any Collateral, whether or not payable by a Medicaid/Medicare Account Debtor. With respect to any action hereunder, Lender conclusively may rely upon, and shall incur no liability to Credit Parties in acting upon, any request or other communication that Lender reasonably believes to have been given or made by a person authorized on Credit Parties' behalf, whether or not such person is listed on the incumbency certificate delivered pursuant to Section 6.1 hereof. In each such case, Credit Parties hereby waive the right to dispute Lender's action based upon such request or other communication, absent manifest error. Without limiting the generality of the foregoing, Borrower expressly waives all rights, benefits and defenses, if any, applicable or available to Borrower under either California Code of Civil Procedure Sections 580a or 726, which provide, among other things, that the amount of any deficiency judgment which may be recovered following either a judicial or nonjudicial foreclosure sale is limited to the difference between the amount of any indebtedness owed and the greater of the fair value of the security or the amount for which the security was actually sold. Without limiting the generality of the foregoing, Borrower further expressly waives all rights, benefits and defenses, if any, applicable or available to Borrower under either California Code of Civil Procedure Sections 580b, providing, generally, that no deficiency may be recovered on a real property purchase money obligation, or 580d, providing, generally, that no deficiency may be recovered on a note secured by a deed of trust on real property if the real property is sold under a power of sale contained in the deed of trust.

12.2. Delay; No Waiver of Defaults

No course of action or dealing, renewal, release or extension of any provision of any Loan Document, or single or partial exercise of any such provision, or delay, failure or omission on Lender's part in enforcing any such provision shall affect the liability of any Credit Party or operate as a waiver of such provision or affect the liability of any Credit Party or preclude any other or further exercise of such provision. No waiver by any party to any Loan Document of any one or more defaults by any other party in the performance of any of the provisions of any Loan Document shall operate or be construed as a waiver of any future default, whether of a like or different nature, and each such waiver shall be limited solely to the express terms and provisions of such waiver. Notwithstanding any other provision of any Loan Document, by completing the Closing under this Agreement and/or by making Advances, Lender does not waive any breach of any representation or warranty under any Loan Document, and all of Lender's claims and rights resulting from any such breach or misrepresentation are specifically reserved.

12.3. Jury Waiver

EACH PARTY TO THIS AGREEMENT HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER THE LOAN DOCUMENTS OR IN ANY WAY CONNECTED WITH OR INCIDENTAL TO THE DEALINGS OF THE PARTIES WITH RESPECT TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

12.4. Cooperation in Discovery and Litigation

In any litigation, arbitration or other dispute resolution proceeding relating to any Loan Document, Borrower waives any and all defenses, objections and counterclaims it may have or could interpose with respect to (i) any of its directors, officers, employees or agents being deemed to be employees or managing agents of Borrower for purposes of all applicable law or court rules regarding the production of witnesses by notice for testimony (whether in a deposition, at trial or otherwise), (ii) Lender's counsel examining any such individuals as if under cross-examination and using any discovery deposition of any of them as if it were an evidence deposition, and (iii) using commercially reasonable efforts to produce in any such dispute resolution proceeding, all Persons, documents (whether in tangible, electronic or other form) and other things under its control that properly relate to any matters in dispute. Notwithstanding the foregoing, Credit Parties (A) do not waive any rights of any directors, officers, employees or agents that such Persons may have individually, (B) do not agree that any alternative dispute resolution procedures other than a court trial will be automatically applicable to the situation at hand in the event of a dispute and will only agree to such alternative dispute resolution procedures at such time after the facts and circumstances are known, and (C) with respect to item (iii) do not agree to engage in any electronic discovery procedures unless agreed to at such time in the future and at the expense of someone other than the Borrower.

13. EFFECTIVE DATE AND TERMINATION

13.1. Termination and Effective Date Thereof

(a) Subject to Lender's right to cease making Advances pursuant to Section 2.1 or upon or after any Event of Default, this Agreement shall continue in full force and effect until the Obligations are Paid in Full, unless terminated sooner as provided in this Section 13.1(a). Borrower may terminate this Agreement at any time upon not less than thirty calendar days' prior written notice to Lender and upon full performance and indefeasible Payment in Full of all Obligations after Receipt by Lender of such written notice. All of the Obligations shall be immediately due and payable upon any termination by Borrower pursuant to this Section 13.1(a) on the Termination Date which shall be the first Business Day after the thirty (30) day notice period has elapsed, on which the Obligations have fully performed and indefeasibly Paid in Full. Upon such full performance and Payment in full of the Obligations Lender shall not unreasonably delay the filing of a release of its liens. Notwithstanding any other provision of any Loan Document, no termination of this Agreement shall affect Lender's rights or any of the Obligations existing as of the effective date of such termination, and the provisions of the Loan Documents shall continue to be fully operative until the Obligations have been fully performed and Paid in Full. The Liens granted to Lender under the Loan Documents and the financing statements filed pursuant thereto and the rights and powers of Lender shall continue in full force and effect notwithstanding the fact that Borrower's borrowings hereunder may from time to time be in a zero or credit position until all of the Obligations have been fully performed and indefeasibly Paid in Full.

(b) Upon the occurrence of a Revolver Termination, Credit Parties shall immediately pay Lender (in addition to the then outstanding principal, accrued interest and other Obligations relating to the Revolving Facility pursuant to the terms of this Agreement and any other Loan Document), as yield maintenance for the loss of bargain and not as a penalty, an amount equal to the applicable Minimum Termination Fee.

13.2. Survival

All obligations, covenants, agreements, representations, warranties, waivers and indemnities made by Credit Parties in any Loan Document shall survive the execution and delivery of the Loan Documents, the Closing, the making of the Advances and any termination of this Agreement until all Obligations are fully performed and indefeasibly paid in full in cash. The obligations and provisions of Sections 3.6, 12.1, 12.3, 12.4, 13.1, 13.2, 15.4, 15.7 and 15.10 shall survive termination of the Loan Documents and any payment, in full or in part, of the Obligations.

14. GUARANTY

14.1. Guaranty

Guarantor hereby unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of each Credit Party, including, without limitation, Credit Parties, now or hereafter existing under any Loan Document, whether for principal, interest (including, without limitation, all interest that accrues after the commencement of any proceeding of Borrower or any other Credit Party under any Debtor Relief Laws), fees, commissions, expense reimbursements, indemnifications or otherwise (such obligations, to the extent not paid by Borrower, the **"Guaranteed Obligations"**), and agrees to pay any and all costs, fees and expenses (including reasonable counsel fees and expenses) incurred by Lender in enforcing any rights under the guaranty set forth in this Article XIV. Without limiting the generality of the foregoing, Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by Borrower or any other Credit Party to Lender under any Loan Document, but for the fact that they are unenforceable or not allowable due to the existence of any proceeding under any Debtor Relief Laws involving Borrower or any other Credit Party.

14.2. Guaranty Absolute

Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law regulation or order now or hereafter in effect in any jurisdiction affecting any such terms or the rights of Lender with respect thereto. The obligations of Guarantor under this Article XIV are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against any other guarantor to enforce such obligations, irrespective of whether any action is brought against any Credit Party or whether any Credit Party is joined in any such action or actions. The liability of Guarantor under this Article XIV shall be irrevocable, absolute and unconditional irrespective of, and, in consideration of the direct and indirect benefits from the financing arrangements contemplated herein enjoyed by such Guarantor. Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following: (a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto; (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Credit Party or otherwise; (c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations; (d) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of any Credit Party; (e) promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Article XIV and any requirement that Lender exhaust any right or take any action against any other Credit Party or any other Person or any Collateral; or (f) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by Lender that might otherwise constitute a defense available to, or a discharge of, any Credit Party or any other guarantor or surety, other than the defense of payment.

This Article XIV is a continuing guaranty and shall (a) remain in full force and effect until the indefeasible cash payment in full of the Guaranteed Obligations and all other amounts payable under this Article XIV and irrevocable termination of the Loan Agreement in accordance with its terms, (b) be binding upon Guarantor, its successors and assigns and (c) inure to the benefit of, and be enforceable by, Lender and its successors, assigns, pledgees, transferees. This Article XIV shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned to Lender or any other Person upon the insolvency, bankruptcy or reorganization of Borrower or any other Credit Party or otherwise, all as though such payment had not been made. Guarantor hereby waives any right to revoke this Article XIV, and acknowledges that this Article XIV is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

14.3. Subrogation

Guarantor will not exercise any rights that it may now or hereafter acquire against any other Credit Party or any other guarantor or that arise from the existence, payment, performance or enforcement of its respective obligations under this Article XIV, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against any other Credit Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law including, without limitation, the right to take or receive from any other Credit Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Article XIV shall have been indefeasibly paid in full in cash and all commitments to lend hereunder shall have terminated. Guarantor agrees that any payment of any Indebtedness of Borrower now or hereafter held by such Guarantor is hereby subordinated in right of payment to the irrevocable and indefeasible payment in full in cash of the Guaranteed Obligations unless otherwise agreed to in writing by Lender or provided for in this agreement. If any amount shall be paid to a Guarantor in violation of the immediately preceding sentences, such amount shall be held in trust for the benefit of Lender and shall forthwith be paid to Lender to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Article XIV, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Article XIV thereafter arising. If (i) a Guarantor shall make payment to Lender of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Article XIV shall be indefeasibly paid in full in cash and (iii) Lender's commitment to lend hereunder shall have been terminated, Lender will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment by such Guarantor

15. MISCELLANEOUS

15.1. Governing Law; Jurisdiction; Service of Process; Venue

The Loan Documents shall be governed by and construed in accordance with the internal laws of the State of Maryland without giving effect to its choice of law provisions. Any judicial proceeding against Credit Parties with respect to the Obligations, any Loan Document or any related agreement may be brought in any federal or state court of competent jurisdiction located in the State of Maryland. By execution and delivery of each Loan Document to which it is a party, each Credit Party (i) accepts the non-exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any judgment rendered thereby, (ii) waives personal service of process, (iii) agrees that service of process upon it may be made by certified or registered mail, return receipt requested, pursuant to Section 15.5 hereof, (iv) waives any objection to personal jurisdiction and venue of any action instituted hereunder and agrees not to assert any defense based on lack of jurisdiction, venue or convenience, and (v) agrees that this loan was made in Maryland, that Lender has accepted in Maryland Loan Documents executed by such Credit Party and has disbursed Advances under the Loan Documents in Maryland. Nothing shall affect the right of Lender to serve process in any manner permitted by law or shall limit the right of Lender to bring proceedings against such Credit Party in the courts of any other jurisdiction having jurisdiction, including any jurisdiction in which Collateral is located for purposes of exercising rights and remedies with respect to such Collateral. Any judicial proceedings against Lender involving, directly or indirectly, the Obligations, any Loan Document or any related agreement shall be brought only in a federal or state court located in the State of Maryland. All parties acknowledge that they participated in the negotiation and drafting of this Agreement, that the parties were represented by counsel of their choice in connection with the negotiation and drafting of this Agreement, that the parties to this Agreement are sophisticated parties entering into a commercial transaction, and that, accordingly, no party shall move or petition a court construing this Agreement to construe it more stringently against one party than against any other.

15.2. Successors and Assigns; Participations; New Lenders

The Loan Documents shall inure to the benefit of Lender, Transferees and all future holders of the Loan, any Note, the Obligations and/or any of the Collateral, and each of their respective successors and assigns. Each Loan Document shall be binding upon the Persons' other than Lender that are parties thereto and their respective successors and assigns, and no such Person may assign, delegate or transfer any Loan Document or any of its rights or obligations thereunder without the prior written consent of Lender. No rights are intended to be created under any Loan Document for the benefit of any third party donee, creditor or incidental beneficiary of any Credit Party. Nothing contained in any Loan Document shall be construed as a delegation to Lender of any other Person's duty of performance. CREDIT PARTIES ACKNOWLEDGE AND AGREE THAT LENDER AT ANY TIME AND FROM TIME TO TIME MAY (I) DIVIDE AND RESTATE ANY NOTE, AND/OR (II) SELL, ASSIGN OR GRANT PARTICIPATING INTERESTS IN OR TRANSFER ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER ANY LOAN DOCUMENT, LOANS, ANY NOTE, THE OBLIGATIONS AND/OR THE COLLATERAL TO OTHER PERSONS (EACH SUCH TRANSFEREE, ASSIGNEE OR PURCHASER, A **"TRANSFEREE"**). Each Transferee shall have all of the rights and benefits with respect to the Loans, Obligations, any Notes, Collateral and/or Loan Documents held by it as fully as if the original holder thereof, and either Lender or any Transferee may be designated as the sole agent to manage the transactions and obligations contemplated therein. Notwithstanding any other provision of any Loan Document, Lender may disclose to any Transferee all information, reports, financial statements, certificates and documents obtained under any provision of any Loan Document. In the event of any transfer of any portion of Lender's right and interest in the Obligations of this Agreement, Lender agrees to so notify the Borrower of such transfer and include such transferee's name and contact information, except if such transfer is to an Affiliate of Lender or any of Lender's financing sources.

15.3. Application of Payments

To the extent that any payment made or received with respect to the Obligations is subsequently invalidated, determined to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other Person under any Debtor Relief Law, common law or equitable cause or any other law, then the Obligations intended to be satisfied by such payment shall be revived and shall continue as if such payment had not been received by Lender. Any payments with respect to the Obligations received shall be credited and applied in such manner and order as Lender shall decide in its sole discretion.

15.4. Indemnity

Each Credit Party jointly and severally shall indemnify Lender, its Affiliates and its and their respective managers, members, officers, employees, Affiliates, agents, representatives, successors, assigns, accountants and attorneys (collectively, the "**Indemnified Persons**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel, allocable costs of in-house counsel, and in-house diligence fees and expenses, subject to the provisions governing payment of in-house counsel and outside counsel fees set forth in Section 15.7(b)) which may be imposed on, incurred by or asserted against any Indemnified Person with respect to or arising out of, or in any litigation, proceeding or investigation instituted or conducted by any Person with respect to any aspect of, or any transaction contemplated by or referred to in, or any matter related to, any Loan Document or any agreement, document or transaction contemplated thereby, whether or not such Indemnified Person is a party thereto, except to the extent that any of the foregoing results directly from the gross negligence or willful misconduct of such Indemnified Person as determined by a final non-appealable judgment entered by a court of competent jurisdiction, in which case, any previously made reimbursements made pursuant to this indemnification clause for claims which were due to such gross negligence or willful misconduct shall be immediately recoverable from such Indemnified Person. If any Indemnified Person uses in-house counsel for any purpose for which any Credit Party is responsible to pay or indemnify, each Credit Party expressly agrees that its indemnification obligations include reasonable charges for the costs allocable for such work of such in-house counsel, subject to the provisions governing payment of in-house counsel and outside counsel fees set forth in Section 15.7(b). Lender agrees to give Credit Parties reasonable notice of any event of which Lender becomes aware for which indemnification may be required under this Section 15.4, and Lender may elect (but is not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to Credit Parties' consent, which consent shall not be unreasonably withheld or delayed. Any Indemnified Person may, in its reasonable discretion, take such actions as it deems necessary and appropriate to investigate or defend any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of such Indemnified Person or the Collateral. Notwithstanding the foregoing, if any insurer agrees to undertake the defense of an event (an "**Insured Event**"), Lender agrees not to exercise its right to select counsel to defend the event if that would cause any Credit Party's insurer to deny coverage; provided, however, that Lender reserves the right to retain counsel to represent any Indemnified Person with respect to an Insured Event at its sole cost and expense. To the extent that Lender obtains recovery from a third party other than an Indemnified Person of any of the amounts that any Credit Party has paid to Lender pursuant to the indemnity set forth in this Section 15.4, then Lender shall promptly pay to such Credit Party the amount of such recovery.

15.5. Notice

Any notice or request under any Loan Document shall be given to any party to this Agreement at such party's address set forth beneath its signature on the signature page to this Agreement, or at such other address as such party may hereafter specify in a notice given in the manner required under this Section 15.5. Any notice or request hereunder shall be given only by, and shall be deemed to have been received upon (each, a **"Receipt"**): (i) registered or certified mail, return receipt requested, on the date on which 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 sender's receipt of confirmation of proper transmission, as applicable.

15.6. Severability; Captions; Counterparts; Facsimile Signatures

If any provision of any Loan Document is adjudicated to be invalid under applicable laws or regulations, such provision shall be inapplicable to the extent of such invalidity without affecting the validity or enforceability of the remainder of the Loan Documents which shall be given effect so far as possible. The captions in the Loan Documents are intended for convenience and reference only and shall not affect the meaning or interpretation of the Loan Documents. The Loan Documents may be executed in one or more counterparts (which taken together, as applicable, shall constitute one and the same instrument) and by facsimile transmission, which facsimile signatures shall be considered original executed counterparts. Each party to this Agreement agrees that it will be bound by its own facsimile signature and that it accepts the facsimile signature of each other party.

15.7. Expenses

(a) Credit Parties shall pay, whether or not the Closing occurs, all costs and expenses incurred by Lender and/or its Affiliates, including, without limitation, documentation and diligence fees and expenses, all search, audit, appraisal, recording, professional and filing fees and expenses and all other out-of-pocket charges and expenses (including, without limitation, UCC and judgment and tax lien searches and UCC filings and fees for post-Closing UCC and judgment and tax lien searches and wire transfer fees and audit expenses), and reasonable attorneys' fees and expenses, (i) in any effort to enforce, protect or collect payment of any Obligation or to enforce any Loan Document or any related agreement, document or instrument, (ii) in connection with entering into, negotiating, preparing, reviewing and executing the Loan Documents and/or any related agreements, documents or instruments, (iii) arising in any way out of administration of the Obligations, (iv) in connection with instituting, maintaining, preserving, enforcing and/or foreclosing on Lender's Liens in any of the Collateral or securities pledged under the Loan Documents, whether through judicial proceedings or otherwise, (v) in defending or prosecuting any actions, claims or proceedings arising out of or relating to Lender's transactions with Credit Parties, (vi) in seeking, obtaining or receiving any advice with respect to its rights and obligations under any Loan Document and any related agreement, document or instrument, and/or (vii) in connection with any modification, restatement, supplement, amendment, waiver or extension of any Loan Document and/or any related agreement, document or instrument. All of the foregoing shall be charged to Credit Parties' account and shall be part of the Obligations, and each such amount so charged shall be deemed an Advance under the Revolving Facility and added to the Obligations, regardless of whether a Revolver Termination has occurred. Lender agrees that, upon written request of Borrower, it will provide a summary description of any legal matters which were charged to the account of the Borrower.

(b) If Lender or any of its Affiliates uses in-house counsel for any purpose under any Loan Document for which Credit Parties are responsible to pay or indemnify, Credit Parties expressly agree that their Obligations include reasonable charges for such work commensurate with the allocable costs of such in-house counsel. Notwithstanding anything to the contrary contained in this Agreement, so long as no Default or Event of Default has occurred and is continuing, Borrower shall not be required to pay or indemnify Lender for the allocable cost of the work of staff counsel if Lender has engaged outside counsel for the same work.

15.8. Entire Agreement

This Agreement and the other Loan Documents to which Credit Parties are a party constitute the entire agreement between Credit Parties and Lender with respect to the subject matter hereof and thereof, and supersede all prior agreements and understandings, if any, relating to the subject matter hereof or thereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing signed by Credit Parties and Lender. No provision of this Agreement may be changed, modified, amended, restated, waived, supplemented, discharged, canceled or terminated orally or by any course of dealing or in any other manner other than by an agreement in writing signed by Lender and Credit Parties. Each party hereto acknowledges that it has been advised by counsel in connection with the negotiation and execution of this Agreement and is not relying upon oral representations or statements inconsistent with the terms and provisions hereof.

15.9. Lender Approvals

Unless expressly provided herein to the contrary, any approval, consent, waiver or satisfaction of Lender with respect to any matter that is subject of any Loan Document may be granted or withheld by Lender in its sole and absolute discretion.

15.10. Confidentiality and Publicity

(a) Lender understands and acknowledges that this Agreement is a material obligation of the Credit Parties, and as such, must be filed with the Securities and Exchange Commission ("**SEC**") and through such action will become publicly available. Credit Parties agree to submit to Lender and Lender reserves the right to review and approve all materials that Credit Parties or any of their Affiliates prepares that contain Lender's name or describe or refer to any Loan Document, any of the terms thereof or any of the transactions contemplated thereby. Notwithstanding the foregoing, Lender acknowledges and agrees that that a description of the principle terms of this Agreement will be required to be stated in the Guarantor's quarterly and annual reports filed with the SEC, and Guarantor and its counsel shall have the final authority in any wording so disclosed; provided, however, that Guarantor will attempt to clear such language with the Lender prior to any filing. Lender further acknowledges and agrees that once such language in any SEC filings has been finalized, it can continue to appear in subsequent SEC filings without any further review by Lender. Credit Parties shall not, and shall not permit any of their Affiliates to, use Lender's name (or the name of any of Lender's Affiliates) in connection with any of its business operations, including without limitation, advertising, marketing or press releases or such other similar purposes, without Lender's prior written consent. Lender similarly agrees that it shall not, and shall not permit any of its Affiliates to, use Credit Parties names or logos (or the names of any Credit Parties' Affiliates) in any advertising, marketing or press releases or such similar purposes, without Credit Parties prior written consent. Nothing contained in any Loan Document is intended to permit or authorize Credit Parties or any of their Affiliates to contract on behalf of Lender.

(b) Credit Parties hereby agree that Lender or any Affiliate of Lender may disclose any and all information concerning the Loan Documents, as well as any information regarding Credit Party and its operations, received by Lender in connection with the Loan Documents to its lenders or funding or financing sources.

15.11. Release of Lender

Notwithstanding any other provision of any Loan Document, each Credit Party voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself, its managers, members, directors, officers, employees, stockholders, Affiliates, agents, representatives, accountants, attorneys, successors and assigns and their respective Affiliates (collectively, the **"Releasing Parties"**), hereby fully and completely releases and forever discharges the Indemnified Parties and any other Person or Insurer which may be responsible or liable for the acts or omissions of any of the Indemnified Parties, or who may be liable for the injury or damage resulting therefrom (collectively, with the Indemnified Parties, the **"Released Parties"**), of and from any and all actions, causes of action, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, matured or unmatured, vested or contingent, that any of the Releasing Parties has against any of the Released Parties as of the date of the Closing. Each Credit Party acknowledges that the foregoing release is a material inducement to Lender's decision to extend to such Credit Party the financial accommodations hereunder and has been relied upon by Lender in agreeing to make the Loans.

15.12. Agent

Lender and its successors and assigns hereby (i) designate and appoint CapitalSource Finance LLC, a Delaware limited liability company, and its successors and assigns ("**CapitalSource**"), to act as agent for Lender and its successors and assigns under this Agreement and all other Loan Documents, (ii) irrevocably authorize CapitalSource to take all actions on its behalf under the provision of this Loan Agreement and all other Loan Documents, and (iii) to exercise all such powers and rights, and to perform all such duties and obligations hereunder and thereunder. CapitalSource, on behalf of Lender, shall hold all Collateral, payments of principal and interest, fees, charges and collections received pursuant to this Agreement and all other Loan Documents. Each Credit Party acknowledges that Lender and its successors and assigns transfer and assign to CapitalSource the right to act as Lender's agent to enforce all rights and perform all obligations of Lender contained herein and in all of the other Loan Documents. Credit Parties shall within ten Business Days after Lender's reasonable request, take such further actions, obtain such consents and approvals and duly execute and deliver such further agreements, amendments, assignments, instructions or documents as Lender may request to evidence the appointment and designation of CapitalSource as agent for Lender and other financial institutions from time to time party hereto and to the other Loan Documents.

15.13. [Reserved]

15.14. Amendment and Restatement

This Agreement amends and restates in its entirety the Original Credit Agreement. This Agreement and the other Loan Documents govern the present relationship between the Credit Parties and the Lender. With respect to matters relating to the period prior to the Closing Date, all of the provisions of the Original Credit Agreement and the security agreements, pledge agreements, guarantees, and other documents, instruments and agreements executed in connection therewith, are each ratified and confirmed and shall remain in full force and effect. This Agreement, however, is in no way intended, nor shall it be construed, to affect, replace, impair or extinguish the creation, attachment, perfection or priority of the security interests in, and other Liens on, the Collateral, which security interests and other Liens each of the Credit Parties, by this Agreement, acknowledges, reaffirms and confirms to the Lender. In addition, except as otherwise provided herein, all obligations and liabilities and indebtedness created or existing under, pursuant to, or as a result of, the Original Credit Agreement shall continue in existence within the definition of "Obligations" under this Agreement, which obligations, liabilities and indebtedness the Credit Parties, by this Agreement, acknowledge, reaffirm and confirm. Credit Parties agree that any outstanding commitment or other obligation to make advances or otherwise extend credit or credit support to any Credit Party pursuant to the Original Credit Agreement is superseded by, and renewed and consolidated under, this Agreement. Credit Parties represent and warrant that none of them have assigned or otherwise transferred any rights arising under the Original Credit Agreement. In order to induce the Lender to enter into this Agreement on the Closing Date, each Credit Party hereby represents, warrants and covenants to Lenders that it has determined that each Credit Party will benefit specifically and materially from the amendment and restatement of the Original Credit Agreement pursuant to this Agreement on the Closing Date.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the parties has duly executed this Amended and Restated Revolving Credit and Security Agreement as of the date first written above.

BORROWER:

NEOGENOMICS LABORATORIES, INC.,
a Florida corporation

By: /s/ George Cardoza
Name: George Cardoza
Its: CFO

GUARANTOR:

NEOGENOMICS, INC.,
a Nevada corporation

By: /s/ George Cardoza
Name: George Cardoza
Its: CFO

Attention:
Telephone:
Facsimile:
E-Mail:

LENDER:

CAPITALSOURCE FINANCE LLC

By: /s/ Arturo Velez
Name: Arturo Velez
Its: Authorized signatory

4445 Willard Avenue, 12th Floor
Chevy Chase, MD 20815
Attention: Healthcare Finance Group, Portfolio Manager
Telephone: (301) 841-2700
Facsimile: (301) 841-2340
E-Mail:

SCHEDULES

Schedule 2.3	Borrower's Accounts
Schedule 5.3A	Proceedings or Investigations
Schedule 5.3B	Third-Party Contracts
Schedule 7.11	Intellectual Property
Schedule 7.15A	Existing Indebtedness, Investments, Guarantees and Certain Contracts
Schedule 7.15B	Indebtedness with a Maturity Date During the Term
Schedule 7.16	Other Agreements
Schedule 7.17	Insurance
Schedule 7.18A	Borrower's Names
Schedule 7.18B	Places of Business and Chief Executive Offices
Schedule 7.18B	Borrower's Locations
Schedule 7.2	Consents, Approvals or Authorizations
Schedule 7.3	Capitalization; List of Subsidiaries
Schedule 7.4A	Leases
Schedule 7.4B	Deposit Accounts and Investment Accounts
Schedule 7.5	Affiliate Contracts/Agreements
Schedule 7.6	Litigation
Schedule 7.8	Tax Matters
Schedule 8.8	Post-Closing Matters
Schedule 9.2	Indebtedness
Schedule 9.3	Liens

ANNEX I

FINANCIAL COVENANTS

1. Minimum Fixed Charge Coverage Ratio (Adjusted EBITDA/Fixed Charges)

For the Test Period ending on the last day of each calendar month the Fixed Charge Coverage Ratio shall not be less than 1.25 to 1.0.

2. Minimum Cash Velocity

For each Test Period, measured as of the last day of each calendar month ending after March 31, 2010, Collections of Accounts of Borrowers collectively shall not be less than 87.5% of Borrowers' net revenue for the Revenue Period less the bad debt expense recognized on the income statement for such Revenue Period.

For purposes of the covenants set forth in this Annex I, the terms listed below shall have the following meanings:

"Adjusted EBITDA" shall mean, for any period, the sum, without duplication, of the following for Borrower collectively on a consolidated basis: Net Income, plus, (a) Interest Expense, (b) taxes on income, whether paid, payable or accrued, (c) depreciation expense, (d) amortization expense, (e) all other non-cash, recurring charges and expenses, excluding accruals for cash expenses made in the ordinary course of business, (f) loss from any sale of assets, other than sales in the ordinary course of business, (g) non-cash stock option and warrant based compensation expense and (h) other extraordinary or non-recurring charges that would not have otherwise been incurred in ordinary course of business as determined in accordance to GAAP, including but not limited to, severance payments up to the amounts permitted in Section 9.6, minus (a) gains from any sale of assets, other than sales in the ordinary course of business and (b) other extraordinary or non-recurring gains, in each case determined in accordance with GAAP.

"Cash Equivalents" shall mean, as of any date of determination, (a) securities issued, or directly 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 six months from the date of acquisition, (b) U.S. dollar denominated time deposits, certificates of deposit and bankers' acceptances of (i) any domestic commercial bank of recognized standing having capital and surplus in excess of $500,000,000, or (ii) any bank (or the parent company of such bank) whose short-term commercial paper rating from Standard & Poor's Ratings Services (**"S&P"**) is at least A-2 or the equivalent thereof or from Moody's Investors Service, Inc. (**"Moody's"**) is at least P-2 or the equivalent thereof in each case with maturities of not more than six months from the date of acquisition (any bank meeting the qualifications specified in clauses (b)(i) or (ii), an **"Approved Bank"**), (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a), above, entered into with any Approved Bank, (d) commercial paper issued by any Approved Bank or by the parent company of any Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within six months after the date of acquisition and (e) investments in money market funds substantially all of whose assets are comprised of securities of the type described in clauses (a) through (d) above.

"Fixed Charge Coverage Ratio" shall mean, as of any date of determination, for Borrower collectively on a consolidated basis, the ratio of (a) the sum of Adjusted EBITDA for the Test Period ended as of such date plus an amount equal to the sum of unrestricted cash on hand, unrestricted Cash Equivalents and unused Availability as of the last day of the Test Period ended as of such date, to (b) Fixed Charges for the Test Period ended as of such date.

"Fixed Charges" shall mean, for any period, the sum of the following for Borrower collectively on a consolidated basis for such period: (a) Total Debt Service, (b) un-financed Capital Expenditures paid in cash, (c) income taxes paid in cash or accrued, and (d) dividends and Distributions paid or accrued or declared (except for Accumulated Distributions from previous Accumulated Distribution Fiscal Quarters); reduced by the amount of any equity contributions received by the Borrower in cash during such period; provided that the amount of such reduction shall not exceed the amount of unfinanced Capital Expenditures paid for by Borrower in cash during such period.

"Interest Expense" shall mean, for any period, for Borrower collectively on a consolidated basis for such period: (a) total interest expense (including without limitation attributable to Capital Leases in accordance with GAAP), (b) financing fees with respect to all outstanding Indebtedness excluding amortization of capitalized financing fees associated with the initial closing of this Agreement to interest expense in accordance with GAAP, and commissions, discounts and other fees owed with respect to letters of credit and bankers' acceptance financing and net costs under Interest Rate Agreements. Notwithstanding the foregoing Interest Expense shall not include any amortization of non-cash warrant compensation that may be a result of warrants attached to any debt instrument.

"Interest Rate Agreement" shall mean any interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to hedge the position with respect to interest rates.

"Net Income" shall mean, for any period, the net income (or loss) of Borrower collectively on a consolidated basis determined in accordance with GAAP; provided, however, that there shall be excluded (i) the income (or loss) of any Person in which any other Person (other than Borrower) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to a Borrower by such Person, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Borrower or is merged into or consolidated with a Borrower or that Person's assets are acquired by a Borrower, (iii) the income of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions of that income by that Subsidiary is not at the time permitted by operation of the terms of the charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iv) compensation expense resulting from the issuance of capital stock, warrants, stock options or stock appreciation rights issued to former or current employees or consultants, including officers, of a Borrower, or the exercise of such options or rights, in each case to the extent the obligation (if any) associated therewith is not expected to be settled by the payment of cash by a Borrower or any affiliate thereof, and (v) compensation expense resulting from the repurchase of capital stock, options and rights described in clause (iv) of this definition of Net Income.

"Revenue Period" shall mean, for any Test Period, the three calendar month period (taken as one accounting period) commencing the first day of the calendar month of the second month immediately preceding the first month of the Test Period. By way of example, the Revenue Period for the Test Period ending June 30, 2010 shall consist of the three calendar months ending February 28, 2010, March 31, 2010 and April 30, 2010.

"Test Period" shall mean the three most recent calendar months then ended (taken as one accounting period), or such other period as specified in the Agreement or any Annex thereto.

"Total Debt Service" shall mean, for any period, the sum of the following for Borrower collectively on a consolidated basis: (i) payments of principal on Indebtedness for such period, plus (ii) Interest Expense for such period.

AMENDED AND RESTATED SCHEDULES

Schedule 1.2 **Accounts Payable Over 120 Days That Are Permitted Indebtedness:**

Aspen Capital Advisors not to exceed $65,000
K&L Gates, LLP not to exceed $500,000
HCSS, LLC dba Bridge Labs not to exceed $40,000

Schedule 2.3 **Borrower's Operating Account for Disbursements**

[***]

Schedule 5.3B **Third-Party Contracts With Payor's Representing at Least 5% of Cash Receipts**

Medicare
United Healthcare
Blue Cross/Blue Shield of Florida 7/1/2009

Schedule 7.3 **Subsidiaries of NeoGenomics, Inc., a Nevada Corporation (Holding Company)**

NeoGenomics Laboratories, Inc., a Florida Corporation
NeoGenomics California Laboratories, LLC, a California limited liability company (currently inactive)

Subsidiaries of NeoGenomics Laboratories, Inc., a Florida Corporation (Operating Company)

None

Capitalization of NeoGenomics, Inc, a Nevada Corporation

Common Shares Authorized:	100,000,000
Common Stock Outstanding (as of 4/14/10):	37,278,668
Preferred Stock Authorized:	10,000,000
Preferred Stock Outstanding (as of 4/14/10):	None
Warrants Outstanding (as of 4/14/10):	5,876,750
Options Outstanding (as of 4/14/10):	5,019,002

This Schedule 7.3 dealing with the Capitalization of the Guarantor shall be deemed to be automatically updated by any disclosures which appear in the Guarantor's public filings with the Securities and Exchange Commission.

Capitalization of NeoGenomics Laboratories, Inc, a Florida Corporation

Common Shares Authorized:	100
Common Sock Outstanding:	100

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Board of Directors of NeoGenomics, Inc, a Nevada Corporation

Michael T. Dent, M.D.	George G. O'Leary
Robert P. Gasparini	Peter M. Peterson
Marvin E. Jaffe, M.D.	William J. Robison
Steven C. Jones	Douglas M. VanOort

Board of Directors of NeoGenomics Laboratories, Inc, a Florida Corporation

Douglas M. VanOort
Michael T. Dent, M.D.
Robert P. Gasparini

Schedule 7.4A **Locations of Leased Properties**

12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite's 116,130 and 150
Irvine, CA 92618

9548 Topanga Canyon Blvd.
Chatsworth, CA 91311

Schedule 7.4B

[***]

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

Schedule 7.5 **Affiliate Contracts**

HCSS, LLC and PathCenter Inc.

On March 11, 2005, we entered into an agreement with HCSS, LLC and eTelenext, Inc. to enable NeoGenomics to use eTelenext, Inc's Accessioning Application, AP Anywhere Application and CMQ Application. HCSS, LLC is a holding company created to build a small laboratory network for the 50 small commercial genetics laboratories in the United States. HCSS, LLC is owned 66.7% by Dr. Michael T. Dent, a member of our Board of Directors. George O'Leary, a member of our board of directors is Chief Financial Officer of HCSS, LLC.

On June 18, 2009, we entered into a Software Development, License and Support Agreement with HCSS, LLC and eTelenext, Inc. to upgrade the Company's laboratory information system to APvX. . The estimated costs for the development and migration phase are anticipated to be approximately $75,000 and are expected to be completed in April 2010. This agreement has an initial term of 5 years from the date of acceptance and calls for monthly fees of $8,000-$12,000 during the term. During the years ended December 31, 2009 and 2008, HCSS earned approximately $87,675 and approximately $99,900, respectively, for transaction fees related to completed tests.

During 2009 eTelenext and HCSS were merged to form PathCenter, Inc. Dr. Michael T. Dent and Mr. George O'Leary have beneficial ownership of 12.2% and 4.6%, respectively of PathCenter, Inc.

Certain Consulting Agreements with Board Members

The Company has consulting arrangements with two members of its Board of Directors, Mr. Steven Jones and Mr. George O'Leary, to provide various consulting services. Although there are no written agreements, per se, each of these arrangements has been approved by the Company's Board of Directors. Mr. Jones receives approximately $150/hour and is paid through Aspen Capital Advisors. Mr. O'leary receives approximately $1,000/day and is paid through SKS Consulting. The maximum amounts payable by the Company under the consulting agreements referenced in this paragraph will not exceed $500,000 per fiscal year.

Certain Leasing Arrangements with Gulf Pointe Capital, LLC

On September 30, 2008, the Borrower entered into a Master Lease Agreement (the "Master Lease") with Gulfpointe Capital, LLC which allows the Borrower to obtain operating lease capital from time to time. Three members of the Guarantor's Board of Directors Steven Jones, Peter Petersen and Marvin Jaffe, are affiliated with Gulfpointe Capital, LLC. On September 30, 2008, the Borrower also entered into the first lease schedule under the Master Lease Agreement which provided for a sale leaseback on approximately $130,000 of used laboratory equipment ("Lease Schedule #1"). This sale/leaseback transaction was entered into after it was determined that Leasing Technologies International Inc., the Borrower's primary source of operating lease funds, was unable to consummate this transaction under their lease line with the Borrower. Messrs Jones, Peterson and Jaffe recused themselves from all aspects of both sides of this transaction. The lease has a 30 month term and a lease rate factor of 0.039683/month, which equates to monthly payments of $5,154.88 during the term. Gulfpointe Capital LLC ("Gulfpointe") also received warrants to purchase 32,475 shares of the Guarantor's common stock with an exercise price of $1.08/share and a five year term. At the end of the term, the Borrower's options are as follows:

a.) Purchase not less than all of the equipment for its then fair market value not to exceed 15% of the original equipment cost.

b.) Extend the lease term for a minimum of six months.

c.) Return not less than all the equipment at the conclusion of the lease term.

On February 9, 2009, the Borrower entered into a second schedule under the Master Lease for the sale leaseback and purchase of approximately $118,000 of used laboratory equipment ("Lease Schedule #2"). This sale/leaseback transaction was entered into after it was determined that Leasing Technologies International Inc., the Borrower's primary source of operating lease funds, was unable to consummate this transaction under their lease line with the Borrower. Messrs. Jones, Peterson and Jaffe recused themselves from all aspects of both sides of this transaction. The lease has a 30 month term at the same lease rate factor per month as Lease Schedule #1, which equates to monthly payments of $4,690.41 during the term. As part of Lease Schedule #2, on February 9, 2009, the Guarantor and Gulfpointe terminated their original warrant agreement, dated September 30, 2008, and replaced it with a new warrant to purchase 83,333 shares of the Guarantor's common stock. Such new warrant has a five year term and an exercise price of $0.75/share. The Borrower's options at the end of the term of Lease Schedule #2 are the same as for Lease Schedule #1.

Certain Stock and Warrant Agreements with Douglas M. VanOort

On March 16, 2009, the Guarantor entered into a subscription agreement with the Douglas M. VanOort Living Trust for the purchase of 625,000 shares of common stock at a purchase price of $0.80/share, which resulted in gross proceeds to the Guarantor of $500,000. Also on March 16, 2009, the Guarantor entered into a warrant agreement with Douglas M. VanOort granting him the rights to purchase 625,000 shares of common stock at a purchase price of $1.05/share. Such warrant has a five year term and is subject to certain vesting requirements specified in the warrant.

Strategic Supply Agreement

On July 24, 2009, NeoGenomics Laboratories, Inc. and Abbott Molecular Inc., a Delaware corporation (" Abbott Molecular"), entered into a Strategic Supply Agreement (the " Supply Agreement "). The Supply Agreement, among other things, provides for Abbott Molecular to supply materials with which NeoGenomics Laboratories intends to develop its own FISH (fluorescence *in situ* hybridization)-based test for the diagnosis of malignant melanoma in skin biopsy specimens (excluding subtyping) (the "Melanoma LDT").

Common Stock Purchase Agreement and Registration Rights Agreement

On July 24, 2009, NeoGenomics, Inc. entered into a Common Stock Purchase Agreement (the "Common Stock Purchase Agreement") with Abbott Laboratories, an Illinois corporation ("Abbott"), and consummated the issuance and sale to Abbott, for an aggregate purchase price of $4,767,000, of 3,500,000 shares of common stock, $0.001 par value per share (the "Shares"). Pursuant to the terms of the Common Stock Purchase Agreement, Abbott is prohibited from selling or otherwise transferring the Shares until January 20, 2010.

On July 24, 2009, NeoGenomics, Inc. and Abbott also entered into a Registration Rights Agreement that, among other things, grants certain demand and piggyback registration rights to Abbott with respect to the Shares.

Research DX, LLC

During 2009 we began to use Research DX, LLC. to perform clinical trial management services and Cytogenetics testing for us on an overflow basis. The expense for these services is between $15,000 and $25,000 on a monthly basis. We also receive clinical trial testing work from this entity which could be as much as $600,000 in revenue to NeoGenomics Laboratories, Inc. during FY 2010. Our Vice President of Research Mat Moore has a 50 % ownership in Research DX which was formed in November 2008.

Schedule 7.6 Litigation

PENDING AND THREATENED LITIGATION:

Katherine Elias

On April 8, 2010, the Company was served with a complaint by Ms. Katherine Elias, a former sales representative of the Company who was employed from October 2007 – February 2009. The suit, which was filed in the Circuit Court for the Twentieth Judicial District in and for Lee County Florida (the "Court"), seeks, among other items, an accounting of all commissions which may be due and owing to Ms. Elias and alleges that NeoGenomics owes Ms. Elias approximately $96,000 in unpaid commissions. The Company believes that this is a frivolous lawsuit by a disgruntled former employee and intends to vigorously pursue its defense of this matter. A motion to dismiss this case is in the process of being prepared and no hearings have been scheduled as of yet.

Potential Qui Tam Complaint

On November 9th, 2009, the Company was notified by the Civil Division of the U.S. Department of Justice ("DOJ") that a "Qui Tam" Complaint ("Complaint") had been filed under seal by a private individual against a number of health care companies, including the Company. The Complaint is an action to recover damages and civil penalties arising from alleged false or fraudulent claims and statements submitted or caused to be submitted by the defendants to Medicare. The DOJ has not made any decision whether to join the action. The Company believes the allegations in the Complaint are without merit and intends to vigorously defend itself if required to do so.

Thomas Schofield

On January 16, 2009, the Borrower initiated litigation against Thomas Schofield, who had served as the Borrower's Director of Operations from June 2005 until his resignation in late December 2008. The suit, which was filed in the Circuit Court for the Twentieth Judicial District in and for Lee County Florida (the "Court"), sought the enforcement of Mr. Schofield's Confidentiality, Non-Solicitation and Non-Competition Agreement. An emergency trial was held on January 28, 2009 in Fort Myers, FL. At such trial the judge affirmed in part and denied in part the Borrower's request for a preliminary injunction against Mr. Schofield and his new employer, Laboratory Corporation of America (Lab Corp.). On April 2, 2009, the Court issued a written ruling with the specific injunction. The injunction enjoins Mr. Schofield from working in any management capacity other than as Director of Logistics for Lab Corp within 1,000 miles of the Borrower's main headquarter facility in Fort Myers. The order also enjoins Mr. Schofield from soliciting any of the Borrowers customers either individually or in concert with Lab Corp.

Dr. Peter Kohn

In October 2004, Dr. Peter Kohn resigned as Lab Director of NeoGenomics. His employment contract with the Company ended September 30, 2004 and was not renewed. There was communication between Mr. Thomas White, former CEO and Dr. Kohn in October regarding health coverage and unused vacation time stemming from his first contract with the Company that expired in September 2003 and was superseded with a second contract. On January 12, 2005, the Company received a complaint filed in the Circuit Court for Seminole County, Florida by its former Laboratory Director, Dr. Peter Kohn, which was then amended three times. The complaint alleged that the Company owed Dr. Kohn approximately $22,000 in back vacation pay and other unspecified damages. The Company believes that it owed Dr. Kohn no more than approximately $12,352 in unused vacation time, which it paid to Dr. Kohn.

In March 2007, the Company filed a motion to dismiss most of the third amended complaint, except for the count dealing with the unused vacation pay from the second contract, which the Company has acknowledged that it owed to Dr. Kohn. On May 1, 2007, the judged dismissed two of the four counts that the Company had requested be dismissed. There was no meaningful activity on this case from the summer of 2007 until October 2009. In October 2009, as the deadline drew near for proceeding with the case or having the court abandon it for lack of prosecution, Dr. Koh's attorney filed a motion to strike certain affirmative defenses which motion had been filed back in 2007, and a hearing was held on November 24, 2009. At this hearing, the Court granted in part and denied in part the motion to strike certain affirmative defenses and allowed Neogenomics to serve amended affirmative defenses, which it did on January 6, 2010. There has been no litigation activity since that time.

The Company continues to believe that Dr. Kohn's claims are baseless and that Dr. Kohn's lawyer is keeping the case alive only in the hopes of settling the case for accrued but unpaid legal fees (unpaid by Dr. Kohn). Should Dr. Kohn continue to pursue this action, the Company intends to vigorously pursue its defense of this matter. If the Company were found liable for Dr. Kohn's claims, the Company does not believe the amounts in question would be material to the ongoing operations of the Company.

Other Litigation in the Normal Course of Business

From time to time the Credit Parties are also subject to legal proceedings, claims and litigation arising in the ordinary course of business where (a) the amount in controversy does not exceed $125,000 and (b) no injuctive relief is being sought by the parties. We do not expect the ultimate costs to resolve these matters to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

CLOSED, SETTLED OR ABANDONED LITIGATION:

US Labs

On October 26, 2006, US Labs filed a complaint in the Superior Court of the State of California for the County of Los Angeles (entitled Accupath Diagnostics Laboratories, Inc. v. NeoGenomics, Inc., et al., Case No. BC 360985) (the "Lawsuit") against the Company and Robert Gasparini, as an individual, and certain other employees and non-employees of NeoGenomics (the "Defendants") with respect to claims arising from discussions with current and former employees of US Labs. On March 18, 2008, we reached a preliminary agreement to settle US Labs' claims, and in accordance with SFAS No. 5, *Accounting For Contingencies,* as of December 31, 2007 we accrued a $375,000 loss contingency, which consisted of $250,000 to provide for the Company's expected share of this settlement, and $125,000 to provide for the Company's share of the estimated legal fees.

On April 23, 2008, the Company and US Labs entered into the Settlement Agreement; whereby, both parties agreed to settle and resolve all claims asserted in and arising out of the aforementioned lawsuit. Pursuant to the Settlement Agreement, the Defendants are required to pay $500,000 to US Labs, of which $250,000 was paid on May 1, 2008 with funds from the Company's insurance carrier. The remaining $250,000 was paid by the Company on the last day of each month in equal installments of $31,250 commencing on May 31, 2008. All payments had been made to US Labs under the Settlement Agreement and the case is closed.

FCCI Commercial Insurance Company

A civil lawsuit was pending between the Company and its liability insurer, FCCI Commercial Insurance Company ("FCCI") in the 20th Judicial Circuit Court in and for Lee County, Florida (Case No. 07-CA-017150). FCCI filed the suit on December 12, 2007 in response to the Company's demands for insurance benefits with respect to an underlying action involving US Labs (a settlement agreement has since been reached in the underlying action, and thus that case has now concluded). Specifically, the Company maintains that the underlying plaintiff's allegations triggered the subject insurance policy's personal and advertising injury coverage. In the lawsuit, FCCI sought a court judgment that it owes no obligation to the Company regarding the underlying action (FCCI does not seek monetary damages). A hearing was held on November 9, 2009 and the Court issued a ruling in favor of FCCI on January 25, 2010. No monetary damages were sought or awarded and the case is now closed.

Schedule 7.11 **Intellectual Property**

The Company has received a registered trademark for the name “NeoGenomics” for use in the business in which it currently operates and related businesses. The Company has also trademarked the brand names “MelanoSITE” and “DermFISH”.

Schedule 7.15A **Existing Indebtedness, Investments, Guarantees and Certain Contracts**

Existing Indebtedness of Guarantor

Existing Indebtedness and Contracts for Indebtedness by Borrower

#	Lender	Asset Description	Amount of lease	Start date	Term	Term Date	Payment	Balance 3/31/10
1	US Express Lease	Computer Equipment	$ 11,204	Mar-07	36	Mar-10	413.29	-
2	Balboa Capital	Furniture & fixtures	$ 19,820	Apr-07	60	Mar-12	440.82	9,238.79
3	VAR 222707 - PC Connections	Computer Equipment	$ 6,245	Feb-07	36	Jan-10	372.41	-
4	VAR res 13107 - PC Connections	Computer Equipment	$ 3,554	Feb-07	36	Jan-10	299.32	-
5	California Beckman	Cytomics PC 500	$ 136,118	Mar-07	60	Feb-12	2,791.77	68,131.53
6	Baytree	BMC Software/customer svc	$ 15,783	Mar-07	36	Mar-10	551.70	-
7	Royal bank of america	Abbott molecular Thermobrite	$ 80,936	Feb-07	48	Jan-11	2,289.39	19,281.66
8	Beckman Coulter Lease	Flow Cytometer	$ 125,064	Apr-06	60	Mar-11	2,691.14	29,177.96
9	Marlin Lease	Ikonisys comupter support equip	$ 48,230	Sep-06	60	Aug-11	1,201.35	16,867.66
10	B of A Lease	Computer hardware & servers	$ 98,405	Sep-06	60	Aug-11	2,366.25	34,334.35
11	AEL Lease	IkoniScope	$ 100,170	Sep-06	60	Aug-11	2,315.93	35,565.48
12	GE Capital Corp	IkoniScope	$ 100,170	Sep-06	60	Aug-11	2,105.47	31,750.71
13	Beckman Coulter	Coulter Hematology Analyzer	$ 18,375	Nov-06	60	Oct-11	760.79	7,046.20
14	Bank of America	Computer hardware & servers	$ 8,954	Nov-06	60	Oct-11	228.23	3,605.69
15	Royal Bank (BMT) 24K Lease	Computer hardware & servers	$ 23,494	Dec-06	48	Nov-10	718.38	5,092.11
16	Royal Bank (BMT) 18K Lease	Computer hardware & servers	$ 17,661	Dec-06	48	Nov-10	549.26	3,879.92
17	Toshiba Lease	Phone system	$ 42,784	Jan-07	60	Dec-11	997.75	18,295.89
18	Key Equipment	Genetic imaging system	$ 124,820	Aug-07	60	Jul-12	3,089.94	72,523.17
19	Great America	Genetic imaging system	$ 55,920	Aug-07	60	Jul-12	1,391.68	31,979.91
20	Bank of America	Seacoast billing software	$ 74,788	Sep-07	36	Aug-10	3,124.95	14,316.53
21	DDI Leasing	Iloniscope, great plains etc	$ 13,671	Feb-08	35	Dec-10	474.35	4,040.35
22	Var Resources	Computer HW	$ 27,712	Dec-07	35	Oct-10	972.87	6,496.03
23	Beckman Coulter Capital	Lab Equipment	$ 128,819	Dec-07	60	Nov-12	2,642.07	75,424.88
24	GE Capital	Lab Equipment	$ 66,978	Feb-08	35	Dec-10	2,479.34	20,969.78
25	DeLange Landen	Lab Equipment	$ 76,502	May-08	58	Feb-13	1,937.86	53,059.83
26	DDI Leasing	Lab Furntiure	$ 70,524	Apr-08	35	Feb-11	2,266.00	23,477.13
27	DDI Leasing	Furniture & fixtures	$ 10,726	May-08	35	Mar-11	376.71	4,153.61
28	Direct Capital Lease	Computer HW and Software	$ 62,250	Jul-08	36	Jun-11	2,504.04	30,368.91
29	Baytree Leasing Company, LLC	Lab Equipment	$ 82,537	Oct-08	58	Jul-13	2,128.50	63,942.41
30	Butler Capital	Lab Equipment	$ 114,427	Oct-08	34	Jul-11	4,098.13	59,485.84
31	Butler Capital	Lab Equipment	$ 13,851	Oct-08	34	Jul-11	524.36	7,400.44
32	Gulf Pointe Capital, LLC	Lab Equipment, computer hW	$ 124,747	Oct-08	29	Feb-11	5,154.88	52,671.27
33	Royal Bank	Lab Equipment	$ 60,744	Jan-09	36	Dec-11	2,357.43	40,376.53
34	Court Square (First Credit Corp)	Lab Equipment	$ 35,675	Jan-09	58	Oct-13	1,022.32	29,807.57
35	LTI	Lab Equipment	$ 421,851	Feb-09	34	Nov-11	15,282.00	269,218.16
36	Becman Coulter	Flow Cytometer	$ 125,362	Jan-09	60	Dec-13	2,552.37	98,634.76
37	Credential Leasing	Computer Hardware	$ 63,849	Feb-09	46	Nov-12	2,099.86	51,027.76
38	Gulf Pointe Capital, LLC	Lab Equipment	$ 118,192	Apr-09	30	Sep-11	4,864.45	76,801.25
39	Var Resources	Computer Hardware	$ 60,481	Jun-09	34	Mar-12	2,340.06	46,854.67
40	LTI	Lab Equipment	$ 424,116	Jun-09	35	Apr-12	15,357.57	333,652.97
41	LTI	Lab Equipment	$ 38,614	Jul-09	35	May-12	1,424.63	31,464.78
42	Butler Capital	Furniture & fixtures	$ 95,002	Sep-09	35	Jul-12	3,305.62	81,266.65
43	Becman Coulter	Flow Cytometer	$ 125,581	Sep-09	60	Aug-14	2,710.24	115,808.30
44	Royal Bank	Computer Hardware APVX	$ 84,347	Sep-09	36	Aug-12	3,082.36	73,349.51
45	LTI	Furniture & fixtures	$ 28,177	Sep-09	35	Jul-12	1,013.36	24,227.83
46	Wells Fargo	Lab Equipment	$ 282,897	Oct-09	60	Sep-14	5,794.67	259,649.25
47	Suntrust	Lab Equipment, Computer HW and furniture	$ 422,905	Nov-09	59	Sep-14	8,433.67	398,415.42
48	Wells Fargo	Lab Equipment	$ 421,516	Jan-10	60	Dec-14	8,627.66	410,121.89
49	Suntrust	Lab Equipment and small amount furniture	$ 287,992	Jan-10	59	Nov-14	5,703.88	279,639.68
50	DeLange Landen	Copiers	$ 30,139	Apr-10	34	Jan-13	1,080.30	30,138.78
51	Suntrust	Lab Equipment, Computer HW	$ 248,898	Apr-10	60	Mar-15	4,901.52	248,898.00
			$ 5,281,577				146,212.90	3,701,931.80

Investments Held by Guarantor

$200,000 Convertible Note Receivable from Power3 Medical Products, Inc.

Investments Held by Subsidiary

None

Schedule 7.15B **Indebtedness with a Maturity Date During the Term –** See Schedule 7.15A

Schedule 7.16 **Other Agreements -** See Schedule 7.5

Schedule 7.17 Insurance

NeoGenomics Laboratories, Inc.
Commercial Insurance Schedule

	Broker / Agent	Carrier (Ins. Co)	Policy Number	Policy Premium	Effective Date	Expiration Date	Limit
1	Russell Bond & Co.	Homeland Ins. Co of NY. Prof. Liability	MFL-0146-09	$ 71,994	10/9/2009	10/9/2010	1M/3M
2	Russell Bond & Co.	Homeland	MFX-0051-09	$ 35,734	10/9/2009	10/9/2010	10M Excess of all Underlying
3	Gulfshore Insurance	Automobile Amerisure Commercial. General Liability Umbrella Liability	CA2053213 CA2053214 GL2053215 CU2053216	$ 72,088	5/4/2009	5/4/2010	See Policy See Policy GL 1M UL 4M
4	Gulfshore Insurance	Amerisure-Worker's Comp	WC253879	$ 70,346	5/4/2009	5/4/2010	
5	Gulfshore Insurance	Ins. Co. of the West CA DIC - EQ	XCH - 5002667	$ 24,600	11/6/2009	11/6/2010	3,145,906
6	Russell Bond & Co.	Great American Ins. Co.	NSP2380654	$ 19,884	6/15/2009	6/15/2010	2M + Excess
6A	Russell Bond & Co.	Great American Ins. Co.	NSP2380654	$ 12,260	8/24/2009	6/15/2010	3M
7	Russell Bond & Co.	Great American Ins. Co. Employers Liabili ty	EPL2824392	$ 7,511	6/15/2009	6/15/2010	1M
8	Russell Bond & Co.	Great American Ins. Co. Fiduciary Liability	FDP6660848	$ 820	7/14/2009	7/14/2010	1M
9	Baca rella Ins. (Jim Michaelis)	Old Republic Surety Co. Medicaid Provider Surety bond $50,000		$ 1,010	2/25/2010	2/25/2011	
10	Baca rella Ins. (Ji m Mi chael i s)	Old Republic Surety Co. Injunction bond $25,000		$ 505	4/15/2010	4/15/2011	
			Total Policy Premium	**$ 316,752**			

Schedule 7.18A Borrower's Names

NeoGenomics Laboratories, Inc.
NeoGenomics Laboratories

Schedule 7.18B Chief Executive Offices and Other Places of Business

Chief Executive Offices
12701 Commonwealth Drive, Suites 1-9
Fort Myers, FL 33913

Other Places of Business
618 Grassmere Park Drive, Suite 20
Nashville, TN 37211

6 Morgan Street, Suite's 116, 130 and 150

Irvine, CA 92618

9548 Topanga Canyon Blvd.
Chatsworth, CA 91311

Schedule 8.8 **Post-Closing Matters**

Schedule 9.2 **Permitted Indebtedness**

All Capital Leases listed in Schedule 7.15A

Schedule 9.3 **Permitted Liens**

Purchase Money on all Equipment financed through the Capital Leases listed on Schedule 7.15A

Schedule 9.4 **New Facilities**

[***]

Schedule 9.5 **Related Party Contracts**

All Related Party agreements listed in Schedule 7.5

[***] Information redacted pursuant to a confidential treatment request. An unredacted version of this Agreement has been filed separately with the Securities and Exchange Commission.

EXHIBIT A
TO
REVOLVING CREDIT AND SECURITY AGREEMENT

BORROWING CERTIFICATE
dated as of _____, _____

NEOGENOMICS, INC., a Florida corporation, (the "**Borrower**"), by the undersigned duly authorized officer, hereby certifies to Lender in accordance with the Amended and Restated Revolving Credit and Security Agreement dated as of April 26, 2010, between Borrower, NeoGenomics, Inc., a Nevada corporation, and CapitalSource Finance LLC ("**Lender**") (as amended, supplemented or modified from time to time, the **"Loan Agreement;"** all capitalized terms not defined herein have the meanings given them in the Loan Agreement) and other Loan Documents that:

A. Borrowing Base and Compliance

Pursuant to the Loan Documents, Lender has been granted a lien on all Accounts of Borrower. The amounts, calculations and representations set forth below and on Schedule 1 are true and correct in all respects and were determined in accordance with the Loan Agreement and GAAP. All of the Accounts referred to (other than those entered as ineligible on Schedule 1) are Eligible Accounts. Attached are reports with detailed aging and categorizing of Borrower's accounts receivable and payables and supporting documentation with respect to the amounts, calculation and representations set forth on Schedule 1, all as reasonably requested by Lender pursuant to the Loan Agreement.

B. Borrowing Notice ***(to be completed and effective only if Borrower is requesting an Advance)***

(1) In accordance with Sections 2.3 and 6.2(a) of the Loan Agreement, Borrower hereby irrevocably requests from Lender an Advance under the Revolving Facility pursuant to the Loan Agreement in the aggregate principal amount of $_____ (**"Requested Advance"**) to be made on _____, _____ (the **"Borrowing Date"**), which day is a Business Day.

(2) Immediately after giving effect to the Requested Advance, the aggregate outstanding principal amount of Advances will not exceed the lesser of (i) the Availability and (ii) the Facility Cap.

(3) Borrower certifies to Lender as of the applicable Borrowing Date (I) to the solvency of Borrower after giving effect to the Requested Advance and the transactions contemplated by the Loan Agreement and the other Loan Documents, and (II) as to Borrower's financial resources and ability to meet its respective obligations and liabilities as they become due, to the effect that as of the applicable Borrowing Date and after giving effect to the Requested Advance and the transactions contemplated by the Loan Agreement and the other Loan Documents:

(a) the assets of Borrower, at a fair valuation, exceed the total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person; and

(b) no unreasonably small capital base with which to engage in its anticipated business exists with respect to Borrower.

(4) Attached hereto are all consents, approvals and agreements from third parties necessary or desirable with respect to the requested Advance.

C. General Certifications

Borrower further certifies to Lender that: (a) the certifications, representations, calculations and statements herein will be true and correct as of the date hereof and on the Borrowing Date (if applicable); (b) all conditions and provisions of Section 6.2 and, if applicable, Section 6.1 of the Loan Agreement are as of the date hereof, and will be as of the Borrowing Date (if applicable), fully satisfied, including, without limitation, receipt by Lender of all fees, charges and expenses payable to Lender on or prior to such Borrowing Date pursuant to the Loan Documents; **[(c) Borrower has paid all payroll taxes through the payroll period ended _____; (d) Borrower is in substantial compliance with all material regulatory provisions; (e) no Medicare or Medicaid recoupments and/or recoupments of any third-party payor in excess of the limits specified in the Loan Agreement are being sought, requested or claimed, or, to Borrower's knowledge, threatened against Borrower or Borrower's affiliates except the following amounts: Medicare _____; Medicaid _____; Third-Party Payor _____.**

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed as of the day first written above.

NEOGENOMICS, INC.

Prepared by:	Approved by:
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT B
TO
REVOLVING CREDIT AND SECURITY AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

Date: [_____]

This certificate (the "**Compliance Certificate**") is given by **NEOGENOMICS, INC.,** a Florida corporation (the "**Borrower**") pursuant to Section 8.1(a) of that certain Revolving Credit, Term Loan and Security Agreement, dated as of _____ ___, 2008 (the "**Loan Agreement**") by and among Borrower, NeoGenomics, Inc., a Nevada corporation, and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company ("**Lender**"). Capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement.

The officer executing this Compliance Certificate is the chief financial officer of Borrower and as such is duly authorized to execute and deliver this Compliance Certificate on behalf of Borrower. By so executing this Compliance Certificate, Borrower hereby certifies to the Lender that:

(a) the financial statements delivered with this Compliance Certificate in accordance with Section 8.1(a) of the Loan Agreement fairly present the consolidated results of operations and financial condition of the Borrower and its respective subsidiaries on a consolidated basis for the period(s) ending on and as of the dates of such financial statements;

(b) the Borrower has reviewed the relevant terms of the Loan Documents and the condition of the Borrower;

(c) no Default or Event of Default has occurred or is continuing, except as set forth in Schedule 2 hereto, which includes a description of the nature, status and period of existence of such Default or Event of Default, if any, and what action the Borrower has taken, is undertaking and proposes to take with respect thereto; and

(d) the Borrower is in compliance with all financial covenants set forth in the Loan Agreement and then applicable, as demonstrated, with respect to Annex I of the Loan Agreement by the calculations of such covenants in Schedule 1 hereto, except as set forth in Schedule 2.

[Signature page follows.]

IN WITNESS WHEREOF, the Borrower has caused this Compliance Certificate to be executed by its duly authorized officer on behalf of the Borrower this ____ day of _____ 200__.

NEOGENOMICS, INC.

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO COMPLIANCE CERTIFICATE
Date: _____ __, 20__

For calendar month and Test Period ended _____

I. MINIMUM FIXED CHARGE COVERAGE

ADJUSTED EBITDA

A. Net Income

1.	Net income (or loss)	$_____
2.	Income (or loss) of any Person in which any other Person (other than any Borrower) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to a Borrower by such Person	$_____
3.	Income (or loss) of any Person accrued prior to the date it becomes a Borrower or is merged into or consolidated with a Borrower or that Person's assets are acquired by any Borrower	$_____
4.	Income of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions of that income by that Subsidiary is not at the time permitted by operation of the terms of the charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary	$_____
5.	Compensation expense resulting from the issuance of capital stock, warrant, stock options or stock appreciation rights issued to former or current employees, including officers, consultants and Board Members of a Borrower, or the exercise of such options or rights, in each case to the extent the obligation (if any) associated therewith is not expected to be settled by the payment of cash by a Borrower or any affiliate thereof	$_____
6.	Compensation expense resulting from the repurchase of capital stock, options and rights described in clause (iv) of the definition of Net Income	$_____
7.	**Net Income**: (A.1) <u>minus</u> (A.2 through A.6)	$_____

B. Interest Expense

1.	Total interest expense (including attributable to Capital Leases in accordance with GAAP) and fees with respect to all outstanding Indebtedness	$_____
2.	Commissions, discounts and other fees owed with respect to letters of credit and bankers' acceptance financing and net costs under Interest Rate Agreements	$_____
3.	Non-cash amortization of warrant expense (that has been categorized as interest expense) that may arise as a result of warrants being attached to outstanding Indebtedness	
4.	<u>Non-cash</u> amortization of capitalized financing fees arising out of the initial closing of the Agreement which have been previously paid and have been categorized as interest expense in accordance to GAAP.	

5. **Interest Expense**: (B.1) minus (B.2 through B.4) $_____

C. Taxes on income, whether paid, payable or accrued $_____

D. Depreciation expense $_____

E. Amortization expense $_____

F. All other non-cash, recurring charges and expenses, excluding accruals for cash expenses made in the ordinary course of business $_____

G. Loss from any sale of assets, other than sales in the ordinary course of business $_____

H. Non-cash stock option and warrant-based compensation expense $_____

I. Other extraordinary or non-recurring charges that would not have otherwise been incurred in the ordinary course of business as determined in accordance with GAAP, including, but not limited to, severance payments up to the amounts permitted in Section 9.6 of the Loan Agreement

J. Gains from any sale of assets, other than sales in the ordinary course of business

K. Other extraordinary or non-recurring gains $_____

L. **ADJUSTED EBITDA:** (A.7) plus ((B.5) and (C through I)) minus (J and K) $_____

II. FIXED CHARGE COVERAGE RATIO

A. **ADJUSTED EBITDA** *(See ADJUSTED EBITDA calculation, (I.K)* $_____

B. **Fixed Charges**

1. **Total Debt Service**

a. Payments of principal on Indebtedness $_____

b. Interest Expense (I.B.3) $_____

c. **Total Debt Service**: (B.1.a) plus (B.1.b) $_____

2. Unfinanced Capital Expenditures paid in cash $_____

3. Income taxes paid in cash or accrued $_____

4. Dividends and distributions paid or accrued or declared (except for Accumulated Distributions) $_____

5. **Fixed Charges**: Sum of (B.1.c) through (B.4) **$**_____

C. **FIXED CHARGE COVERAGE RATIO:** (A) divided by (B.5) _____

D.	**MINIMUM RATIO REQUIRED:**	_____
E.	**COMPLIANCE:**	__Yes/__No

III. CASH VELOCITY

A.	Net revenue for the three calendar month period commencing the first day of the calendar month of the second month immediately preceding the first month of the current Test Period less the bad debt expense recognized on the income statement for such three calendar month period	$_____
B.	Collections of the Borrower's Accounts for the test period	$ _____
C.	**III(B) DIVIDED BY III(A)**	$ _____
D.	**MINIMUM REQUIRED (80% OF III.B.):**	87.5%
D.	**COMPLIANCE:**	__Yes/__No

SCHEDULE 2 TO COMPLIANCE CERTIFICATE

Date: _____ __, 20__

CONDITIONS OR EVENTS WHICH CONSTITUTE
A DEFAULT OR AN EVENT OF DEFAULT

If any condition or event exists that constitutes a Default or an Event of Default, specify nature and period of existence and what action the Borrower has taken, is taking or proposes to take with respect thereto; if no such condition or event exists, state "None."

EXHIBIT C
TO
AMENDED AND RESTATED REVOLVING CREDIT SECURITY AGREEMENT

OFFICER'S CERTIFICATE

The undersigned, Douglas M. VanOort, certifies that he is the CEO of **NEOGENOMICS, LABORATORIES, INC., a Florida Corporation,** ("**Borrower**"), makes this certificate in connection with and pursuant to Section 6.1 of the Loan Agreement dated as of the date hereof (the "**Loan Agreement**") between Borrower, NeoGenomics, Inc., a Nevada corporation, and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company ("**Lender**"), and certifies to Lender as follows:

All conditions and provisions of Article VI of the Loan Agreement are fully satisfied, including receipt by Lender of all fees, charges and expenses payable to Lender on or prior to the date hereof pursuant to the Loan Documents. In furtherance of and without limiting the foregoing, as of the date hereof, (A) the Loan Documents, other documents required pursuant thereto and security interests and Liens created thereby are in full force and effect, (B) each representation and warranty of the Borrower in the Loan Documents is true and correct in all material respects as if made on and as of the date hereof (except where such representation or warranty is otherwise expressly made as of a particular date, in which case it is, was or will be true and correct on and as of such other date), before and after giving effect to the making of the Initial Advance and/or the consummation of the transactions to be consummated on the date hereof, (C) the Borrower is in compliance with all, and not in violation, breach or default of any, covenants, agreements and/or other provisions of any of the Loan Documents, (D) no Default or Event of Default under any Loan Document has occurred and is continuing or exists on the date hereof or would exist after giving effect to the Initial Advance and/or the consummation of the transactions to be consummated on the date hereof, (E) the Borrower is in compliance with the provisions of Annex I of the Loan Agreement, (F) no Material Adverse Change or Material Adverse Effect has occurred and there are no liabilities or obligations with respect to the Borrower of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, individually or in the aggregate, could constitute a Material Adverse Effect, (G) no material adverse deviation from the financial projections of the Borrower previously furnished to Lender has occurred, and (H) no event(s), fact(s), condition(s) or circumstance(s) has occurred which, individually or in the aggregate, make it improbable that the Borrower will be able to observe or perform in all material respects any of the Obligations under the Loan Documents.

Capitalized terms used, but not defined herein, shall have the meanings given such terms in the Loan Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Officer's Certificate to be executed as of April 26, 2010.

NEOGENOMICS, INC.

By: /s/ Douglas VanOort
Douglas VanOort
Chief Executive Officer

EXHIBIT D
TO
REVOLVING CREDIT AND SECURITY AGREEMENT
SOLVENCY CERTIFICATE

NEOGENOMICS, INC.

The undersigned, George A. Cardoza, hereby certifies that he is the Chief Financial Officer of **NEOGENOMICS LABORATORIES, INC.**, a Florida corporation (the "Borrower"), and that he makes this certificate on behalf of the Borrower pursuant to Section 6.1 of that certain Amended and Restated Revolving Credit and Security Agreement dated as of April 26, 2010 (the "Agreement"), by and between the Borrower, NeoGenomics, Inc., a Nevada corporation (together with its subsidiaries, the "Company"), and CapitalSource Finance LLC, a Delaware limited liability company, and further certifies to the solvency of the Borrower after giving effect to the transactions and the Indebtedness (as defined in the Agreement) contemplated by the Agreement and the other Loan Documents (as defined in the Agreement) and as to the Borrower's financial resources and ability to meet its obligations and liabilities as they become due, to the effect that as of the Closing Date (as defined in the Agreement) and the Borrowing Date for the Initial Advance and after giving effect to the transactions and the Indebtedness contemplated by the Agreement and the other Loan Documents:

(1) the assets of the Borrower, at a fair valuation, exceed the total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of the Borrower; and

(2) no unreasonably small capital base with which to engage in the Borrower's anticipated business exists with respect to the Borrower.

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate as of April 26, 2010.

NEOGENOMICS, INC.

/S/ George A. Cardoza
Name: George A. Cardoza
Title: Chief Financial Officer

I, Jerome Dvonch, as Secretary of the Company, do hereby certify that George A. Cardoza is the duly elected, qualified and acting Chief Financial Officer of the Borrower, and that the signature of George A. Cardoza set forth above is his true and correct signature.

IN WITNESS WHEREOF, the undersigned has caused this Incumbency Certificate to be duly executed this 26th day of April , 2010.

/s/ Jerome Dvonch
Name: Jerome Dvonch
Title: Secretary

Exhibit 10.47

June 16, 2010

Ms. Marydawn Miller
3316 Paseo Halcon
Irvine, CA 92672

Dear Marydawn,

On behalf of NeoGenomics Laboratories ("NeoGenomics" or the "Company"), it is my pleasure to extend this offer of employment for the Vice President of Information Technology position to you. If the following terms are satisfactory, please countersign this letter (the "Agreement") and return a copy to me at your earliest convenience.

Position: Vice President (VP) of Information Technology

Duties: As VP of Information Technology, you will report to the CFO or such other person as may be appointed by the CEO and you will have overall responsibility for the Company's entire information technology (IT) platform and related services and all personnel in the IT Department. This will include the management of the IT infrastructure at all of the Company's facilities and all related software running on such infrastructure. In addition you may be assigned other duties by the CFO or CEO.

Start Date: July 16, 2010

Base Salary: $140,000/year, payable bi-weekly. The parties agree that this salary is for a full-time position. Increases in base salary may occur annually at the discretion of the President of the Company with the approval of the CEO and the Compensation Committee of the Board of Directors.

Relocation: You understand that this position is located in Fort Myers, FL, and you agree to relocate your primary residence to the greater Fort Myers, FL area not later than June 30, 2011. The Company agrees to provide financial assistance for your relocation up to an aggregate cap of $20,000 in accordance with the terms of the Relocation Agreement attached hereto as Exhibit 1.

Bonus: Beginning with the fiscal year ending December 31, 2010, you will be eligible to receive an incentive bonus payment which will be targeted at 20% of your Base Salary based on 100% achievement of the goals set forth for you by the President or CEO of the Company and approved by the Board of Directors for such fiscal year. Such goals will have overall company performance targets and individual performance targets.

Benefits: You will be entitled to participate in all medical and other benefits that the Company has established for its employees in accordance with the Company's policy for such benefits at any given time. Other benefits may include but not be limited to: short term and long term disability, dental, a 401K plan, a section 125 plan and an employee stock purchase plan.

Paid Time Off: You will be eligible for 4 weeks of paid time off (PTO)/year (160 hours), which will accrue on a pro-rata basis beginning from your hire date and be may carried over from year to year. It is company policy that when your accrued PTO balance reaches 160 hours, you will cease accruing PTO until your accrued PTO balance is 120 hours or less – at which point you will again accrue PTO until you reach 160 hours. You are eligible to use PTO after completing 3 months of employment. In addition to paid time off, there are also 6 paid national holidays and 1 "floater" day available to you.

Stock Options: You will be granted stock options to purchase up to 40,000 shares of the common stock of the Company's publicly-traded holding company, NeoGenomics, Inc., a Nevada corporation, at an exercise price equivalent to the closing price per share at which such stock was quoted on the NASDAQ Bulletin Board on the day prior to your Start Date. The grant of such options will be made pursuant to the Company's stock option plan then in effect and will be evidenced by a separate Option Agreement, which the Company will execute with you within 60 days of receiving a copy of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement which has been executed by you. So long as you remained employed by the Company, such options will have a five-year term from the grant date and will vest according to the following schedule:

Time-Based Vesting

10,000 options will vest on the anniversary of your Start Date for each of the next four years.

The Company also agrees that you will be eligible for additional stock option grants at any time based on performance.

If for any reason you resign prior to the time which is 12 months from your Start Date, you will forgo all such options. Furthermore, you understand that the Company's stock option plan requires that any employee who leaves the employment of the Company will have no more than three (3) months from their termination date to exercise any vested options.

The Company agrees that it will grant to you the maximum number of Incentive Stock Options ("ISO's") available under current IRS guidelines and that the remainder, if any, will be in the form of non-qualified stock options.

Confidentiality, Non-Compete, & Work +Products: You agree that prior to your Start Date, you will execute the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement attached to this letter as Exhibit 2. You understand that if you should fail to execute such Confidentiality, Non-Competition and Non-Solicitation Agreement in the agreed-upon form, it will be grounds for revoking this offer and not hiring you. You understand and acknowledge that this Agreement shall be read *in pari materia* with the Confidentiality, Non-Competition and Non-Solicitation Agreement and is part of this Agreement.

Executive's Representations: You understand and acknowledge that this position is an officer level position within NeoGenomics. You represent and warrant, to the best of your knowledge, that nothing in your past legal and/or work experiences, which if became broadly known in the marketplace, would impair your ability to serve as an officer of a public company or materially damage your credibility with public shareholders. You further represent and warrant, to the best of your knowledge, that, prior to accepting this offer of employment, you have disclosed all material information about your past legal and work experiences that would be required to be disclosed on a Directors' and Officers' questionnaire for the purpose of determining what disclosures, if any, will need to be made with the SEC. Prior to the Company's next public filing, you also agree to fill out a Director's and Officer's questionnaire in form and substance satisfactory to the Company's counsel. You further represent and warrant, to the best of your knowledge, that you are currently not obligated under any form of non-competition or non-solicitation agreement which would preclude you from serving in the position indicated above for NeoGenomics or soliciting business relationships for any laboratory services from any potential customers in the United States.

Miscellaneous:

(i) This Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification or attempted waiver will be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(ii) The provisions of this Agreement are separate and severable, and if any of them is declared invalid and/or unenforceable by a court of competent jurisdiction or an arbitrator, the remaining provisions shall not be affected.

(iii) This Agreement is the joint product of the Company and you and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Company and you and shall not be construed for or against either party hereto.

(iv) This Agreement will be governed by, and construed in accordance with the provisions of the law of the State of Florida, without reference to provisions that refer a matter to the law of any other jurisdiction. Each party hereto hereby irrevocably submits itself to the exclusive personal jurisdiction of the federal and state courts sitting in Florida; accordingly, any matters involving the Company and the Executive with respect to this Agreement may be adjudicated only in a federal or state court sitting in Lee County, Florida.

(v) This Agreement may be signed in counterparts, and by fax or by PDF, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument

(vi) Within three days of your start date, you will need to provide documentation verifying your legal right to work in the United States. Please understand that this offer of employment is contingent upon your ability to comply with the employment verification requirements under federal laws and that we cannot begin payroll until this requirement has been meet.

(vii) Employment with NeoGenomics is an "at-will" relationship and not guaranteed for any term. You or the Company may terminate employment at anytime for any reason.

Marydawn, I know that with your help we can build a world-class laboratory with a national footprint and a team focused on the highest quality standards. I am looking forward to working with you as we drive NeoGenomics to new heights. Welcome aboard!

Sincerely,

/s/ George Cardoza

George Cardoza
Chief Financial Officer

Agreed and Accepted:

/s/ Marydawn Miller	7/12/10
Marydawn Miller	Date

Exhibit 1

RELOCATION AGREEMENT

Marydawn Miller
Vice President of Information Technology

NeoGenomics Laboratories (the "Company") acknowledges that you will incur certain relocation expenses as a result of accepting employment with us. We consider the reimbursement of these expenses to be related to the employer-employee relationship that we are attempting to establish and that these are items that we *share* as the relationship is established.

NeoGenomics agrees to reimburse you for up to $20,000 in the aggregate (the "Relocation Cap") for commuting, temporary housing and permanent relocation expenses. This assistance will be comprised of two parts: (i) reimbursement for commuting, temporary housing and other related transition expenses (the "Temporary Commuting Allowance"), and (ii) reimbursement for permanent relocation expenses that are identified by the Internal Revenue Service ("IRS") as "deductible moving expenses" (the "Permanent Relocation Assistance").

You may use up to $15,000 of the Relocation Cap for the Temporary Commuting Allowance. Expenses reimbursable under the Temporary Commuting Allowance include pre-move travel, related lodging and meal expenses, and other related transition expenses, incurred in accordance with the Company's applicable policies in effect from time to time.

All such payments made by the Company as part of your Temporary Commuting Allowance shall be subject to withholding for federal, state or local taxes as the Company reasonably may determine. However, you should consult with your own tax advisor to determine what payments (or reimbursements), if any, may be tax deductible to you.

The dollar amount of Permanent Relocation Assistance available to you is the difference between the Relocation Cap and any payments made to you (or on your behalf) under the Temporary Commuting Allowance. The Permanent Relocation Assistance is available to you for your permanent move to Fort Myers, Florida, which will need to occur on or prior to June 30, 2011. Any relocation expenses incurred by you (or on your behalf) occurring after July 1, 2011 will not be reimbursable by the Company unless otherwise mutually agreed upon in writing by you and the CFO of the Company. The Company will require two (2) quotes from vendors prior to payment for moving expenses.

The Permanent Relocation Assistance payments will not be taxable to you to the extent the expenses are identified by the IRS as "deductible moving expenses," and, accordingly, reimbursable expenses shall be limited to: (i) moving your household goods and personal effects, and (ii) travel (including lodging, but not meals) to your new home.

All claims for reimbursable expenses, together with proper receipts and supporting documentation, must be submitted to the Company within 45 days following the date(s) the expenses are incurred. Thereafter, reimbursement by the Company will be made in accordance with the Company's normal payroll practices no later than 45 days following the timely submission of applicable claims.

I, Marydawn Miller, agree to provide proper receipts and documentation in a form acceptable to the Company in order to receive reimbursement from the Company, and I understand that failure to do so in accordance with the requirements set forth herein (including, but not limited to, timely submission) will jeopardize my rights to any reimbursements under this Agreement.

I further agree that:

(a) I will reimburse NeoGenomics all Permanent Relocation Assistance and Temporary Commuting Allowance payments paid on my behalf directly to vendors or to me by NeoGenomics should I resign my employment for any reason with NeoGenomics Laboratories according to the below listed schedule. Reimbursement will not be required should NeoGenomics initiate the separation of employment.

Reimbursement will be based on the following schedule:

1) 100 % reimbursement if resignation occurs within a 12 month time period from the start of employment or within six months after my permanent relocation to Fort Myers, Fl.
2) 50% reimbursement if resignation occurs within 6 months to 12 months after my permanent relocation to Fort Myers, FL.

(b) Any reimbursements paid to me in error will be returned to the Company within 60 days of (i) the date the expense was incurred, or (ii) becoming aware of the existence of an erroneous reimbursement.

(c) My final paycheck for any wages and/or accrued paid time-off will be reduced, to the extent allowable by law, in the amount of any monies I owe to the Company pursuant to the terms of this Agreement. If the amount of my final paycheck is insufficient to cover all the monies I owe to the Company hereunder, the Company may pursue any and all remedies available under the law.

This agreement will be governed by the laws of the State of Florida.

Agreed and Accepted:

By: /s/ Marydawn Miller Date 7/12/10

Marydawn Miller

NEOGENOMICS LABORATORIES

By: /s/ George Cardoza

Name: George Cardoza

Title: CFO

Exhibit 2

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETE AGREEMENT

This Confidentiality, Non-Solicitation and Non-Compete Agreement (the "**Agreement**") dated this 12th day of July, 2010 is entered into by and between Marydawn Miller ("**Employee**") and NeoGenomics, Laboratories Inc., a Florida corporation ("**Employer**" and collectively with NeoGenomics, Inc., a Nevada corporation (the "**Parent Company**") and any entity that is wholly or partially owned by the Employer or the Parent Company or otherwise affiliated with the Parent Company, the "**Company**"). Hereinafter, each of the Employee or the Company maybe referred to as a "**Party**" and together be referred to as the "**Parties**".

RECITALS:

WHEREAS, the Parties have entered into that certain letter agreement, dated July 12, 2010, that creates an employment relationship between the Employer and Employee (the "**Employment Agreement**"); and

WHEREAS, pursuant to the Employment Agreement, the Employee agreed to enter into the Company's Confidentiality, Non-Solicitation and Non-Compete Agreement; and

WHEREAS, the Company desires to protect and preserve its Confidential Information and its legitimate business interests by having the Employee enter into this Agreement as part of the Employment Agreement; and

WHEREAS, the Employee desires to establish and maintain an employment relationship with the Company and as part of such employment relationship desires to enter into this Agreement with the Company; and

WHEREAS, the Employee acknowledges that the terms of the Employment Agreement including, but not limited to the Company's commitments to the Employee with respect to base salary, fringe benefits and stock options are sufficient consideration to the Employee for the entry into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** Employee agree(s) that the term of this agreement is effective upon the Employee's first day of employment with the Company and shall survive and continue to be in force and effect for two years following the termination of any employment relationship between the Parties ("**Term**"), whether termination is by the Company with or without cause, wrongful discharge, or for any other reason whatsoever, or by the Employee unless an exception is specifically provided in certain situations in any such Restrictive Covenants.

2. Definitions.

a. The term "**Confidential Information**" as used herein shall include all business practices, methods, techniques, or processes that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information also includes, but is not limited to, files, letters, memoranda, reports, records, computer disks or other computer storage medium, data, models or any photographic or other tangible materials containing such information, Customer lists and names and other information, Customer contracts, other corporate contracts, computer programs, proprietary technical information and or strategies, sales, promotional or marketing plans or strategies, programs, techniques, practices, any expansion plans (including existing and entry into new geographic and/or product markets), pricing information, product or service offering specifications or plans thereof, business plans, financial information and other financial plans, data pertaining to the Company's operating performance, employee lists, salary information, training manuals, and other materials and business information of a similar nature, including information about the Company itself or any affiliated entity, which Employee acknowledges and agrees has been compiled by the Company's expenditure of a great amount of time, money and effort, and that contains detailed information that could not be created independently from public sources. Further, all data, spreadsheets, reports, records, know-how, verbal communication, proprietary and technical information and/or other confidential materials of similar kind transmitted by the Company to Employee or developed by the Employee on behalf of the Company as Work Product (as defined in Paragraph 7) are expressly included within the definition of "Confidential Information." The Parties further agree that the fact the Company may be seeking to complete a business transaction is "Confidential Information" within the meaning of this Agreement, as well as all notes, analysis, work product or other material derived from Confidential Information. Nevertheless, Confidential Information shall not include any information of any kind which (1) is in the possession of the Employee prior to the date of this Agreement, as shown by the Employee's files and records, or (2) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any violation of this Agreement or inaction or action of the receiving party, or (3) is rightfully received from a third party without any obligation of confidentiality; or (4) independently developed after termination without reference to the Confidential Information or materials based thereon; or (5) is disclosed pursuant to the order or requirement of a court, administrative agency, or other government body; or (6) is approved for release by the non-disclosing party.

b. The term "**Customer**" shall mean any person or entity which has purchased or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year immediately preceding the termination of the Employee's employment with the Company.

c. The term "**Prospective Customer**" shall mean any person or entity which has evidenced an intention to order products or services with the Company within one year immediately preceding the termination of the Employee's employment with the Company.

d. The term "**Restricted Area**" shall include any geographical location anywhere in the United States. If the Restricted Area specified in this Agreement should be judged unreasonable in any proceeding, then the period of Restricted Area shall be reduced so that the restrictions may be enforced as is judged to be reasonable.

e. The phrase "**directly or indirectly**" shall include the Employee either on his/her own account, or as a partner, owner, promoter, joint venturer, employee, agent, consultant, advisor, manager, executive, independent contractor, officer, director, or a stockholder of 5% or more of the voting shares of an entity in the Business of Company.

f. The term "**Business**" shall mean the business of providing non-academic, for-profit cancer genetic and molecular laboratory testing services, including, but not limited to, cytogenetics, flow cytometry, fluorescence in-situ hybridization ("FISH"), morphological studies, and molecular testing, to hematologists, oncologists, urologists, pathologists, hospitals and other medical reference laboratories.

3. Duty of Confidentiality.

a. All Confidential Information is considered highly sensitive and strictly confidential. The Employee agrees that at all times during the term of this Agreement and after the termination of employment with the Company for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all Confidential Information, whether written or oral, tangible or intangible, concerning the Company and its business and operations unless such disclosure is accompanied by a non-disclosure agreement executed by the Company with the party to whom such Confidential Information is provided, (ii) use the Confidential Information solely in connection with his or her employment with the Company and for no other purpose, (iii) take all reasonable precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company, (iv) observe all security policies implemented by the Company from time to time with respect to the Confidential Information, and (v) not use or disclose, directly or indirectly, as an individual or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity, any Confidential Information, unless expressly permitted by this Agreement. Employee agrees that protection of the Company's Confidential Information constitutes a legitimate business interest justifying the restrictive covenants contained herein. Employee further agrees that the restrictive covenants contained herein are reasonably necessary to protect the Company's legitimate business interest in preserving its Confidential Information.

b. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company with prompt notice of such request or order so that the Company may seek to prevent disclosure.

c. Employee acknowledge(s) that this "Confidential Information" is of value to the Company by providing it with a competitive advantage over their competitors, is not generally known to competitors of the Company, and is not intended by the Company for general dissemination. Employee acknowledges that this "Confidential Information" derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of reasonable efforts to maintain its secrecy. Therefore, the Parties agree that all "Confidential Information" under this Agreement constitutes "**Trade Secrets**" under Section 688.002 and Chapter 812 of the Florida Statutes.

4. Limited Right of Disclosure. Except as otherwise permitted by this Agreement, Employee shall limit disclosure of pertinent Confidential Information to Employee's attorney, if any ("**Representative(s)**"), for the sole purpose of evaluating Employee's relationship with the Company. Paragraph 3 of this Agreement shall bind all such Representative(s).

5. Return of Company Property and Confidential Materials. All tangible property, including cell phones, laptop computers and other Company purchased property, as well as all Confidential Information provided to Employee is the exclusive property of the Company and must be returned to the Company in accordance with the instructions of the Company either upon termination of the Employee's employment or at such other time as is reasonably requested by the Company. Employee agree(s) that upon termination of employment for any reason whatsoever Employee shall return all copies, in whatever form, including hard copies and computer disks, of Confidential Information to the Company, and Employee shall delete any copy of the Confidential Information on any computer file or database maintained by Employee and shall certify in writing that he/she has done so. In addition to returning all Confidential Information to the Company as described above, Employee will destroy any analysis, notes, work product or other materials relating to or derived from the Confidential Information. Any retention of Confidential Information may constitute "civil theft" as such term is defined in Chapter 772 of the Florida Statutes.

6. Agreement Not To Circumvent. Employee agrees not to pursue any transaction or business relationship that is directly competitive to the Business of the Company that makes use of any Confidential Information during the Term of this Agreement, other than through the Company or on behalf of the Company. It is further understood and agreed that, after the Employee's employment with the Company has been terminated, the Employee will direct all communications and requests from any third parties regarding Confidential Information or Business opportunities which use Confidential Information through the Company's then chief executive officer or president. Employee acknowledges that any violation of this covenant may subject Employee to the remedies identified in Paragraph 9 in addition to any other available remedies.

7. Title to Work Product. Employee agrees that all work products (including strategies and testing methodologies for competing in the genetics testing industry, technical materials and diagrams, computer programs, financial plans and other written materials, websites, presentation materials, course materials, advertising campaigns, slogans, videos, pictures and other materials) created or developed by the Employee for the Company during the term of the Employee's employment with the Company or any successor to the Company until the date of termination of the Employee (collectively, the "**Work Product**"), shall be considered a work made for hire and that the Company shall be the sole owner of all rights, including copyright, in and to the Work Product.

If the Work Product, or any part thereof, does not qualify as a work made for hire, the Employee agrees to assign, and hereby assigns, to the Company for the full term of the copyright and all extensions thereof all of its right, title and interest in and to the Work Product. All discoveries, inventions, innovations, works of authorship, computer programs, improvements and ideas, whether or not patentable or copyrightable or otherwise protectable, conceived, completed, reduced to practice or otherwise produced by the Employee in the course of his or her services to the Company in connection with or in any way relating to the Business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company unless assigned by the Company to another entity.

Employee hereby assigns to the Company all right, title and interest in all of the discoveries, inventions, innovations, works of authorship, computer programs, improvements, ideas and other work product; all copyrights, trade secrets, and trademarks in the same; and all patent applications filed and patents granted worldwide on any of the same for any work previously completed on behalf of the Company or work performed under the terms of this Agreement or the Employment Agreement. Employee, if and whenever required to do so (whether during or after the termination of his or her employment), shall at the expense of the Company apply or join in applying for copyrights, patents or trademarks or other equivalent protection in the United States or in other parts of the world for any such discovery, invention, innovation, work of authorship, computer program, improvement, and idea as aforesaid and execute, deliver and perform all instruments and things necessary for vesting such patents, trademarks, copyrights or equivalent protections when obtained and all right, title and interest to and in the same in the Company absolutely and as sole beneficial owner, unless assigned by the Company to another entity. Notwithstanding the foregoing, work product conceived by the Employee, which is not related to the Business of the Company, will remain the property of the Employee.

8. **Restrictive Covenant.** The Company and its affiliated entities are engaged in the Business of providing genetic and molecular testing services. The covenants contained in this Paragraph 8 (the "**Restrictive Covenants**") are given and made by Employee to induce the Company to employ Employee under the terms of the Employment Agreement, and Employee acknowledges sufficiency of consideration for these Restrictive Covenants. Employee expressly covenants and agrees that, during his or her employment and for a period of two (2) years following termination of such employment (such period of time is hereinafter referred to as the "**Restrictive Period**"), he/she will abide by the following restrictive covenants unless an exception is specifically provided in certain situations in such Restrictive Covenants.

a. **Non-Solicitation**. Employee agrees and acknowledges that, during the Restrictive Period, he/she will not, directly or indirectly, in one or a series of transactions, as an individual or as a partner, joint venturer, employee, agent, salesperson, contractor, officer, director or otherwise, for the benefit of himself or herself or any other person, partnership, firm, corporation, association or other legal entity:

(i) solicit or induce any Customer or Prospective Customer of the Company to patronize or do business with any other company (or business) that is in the Business conducted by the Company in any market in which the Company does Business; or

(ii) request or advise any Customer or vendor, or any Prospective Customer or prospective vendor, of the Company, who was a Customer, Prospective Customer, vendor or prospective vendor within one year immediately preceding the termination of the Employee's employment with the Company, to withdraw, curtail, cancel or refrain from doing Business with the Company in any capacity; or

(iii) recruit, solicit or otherwise induce any proprietor, partner, stockholder, lender, director, officer, employee, sales agent, joint venturer, investor, lessor, supplier, Customer, agent, representative or any other person which has a business relationship with the Company or any Affiliated Entity to discontinue, reduce or detrimentally modify such employment, agency or business relationship with the Company; or

iv) employ or solicit for employment any person or agent who is then (or was at any time within twelve (12) months prior to the date Employee or such entity seeks to employ such person) employed or retained by the Company. Notwithstanding the foregoing, to the extent the Employee works for a larger firm or corporation after his termination from the Company and he does not have any personal knowledge and/or control over the solicitation of or the employment of a Company employee or agent, then this provision shall not be enforceable.

b. **Non-Competition**. Employee agrees and acknowledges that, during the Restrictive Period, he will not, directly or indirectly, for himself , or on behalf of others, as an individual on Employee's own account, or as a partner, joint venturer, employee, agent, salesman, contractor, officer, director or otherwise, for himself or any other person, partnership, firm, corporation, association or other legal entity enter into, engage in or accept employment from any business that is in the Business of the Company in the Restricted Area during his last twelve months of employment. The parties agree that this non-competition provision is intended to cover situations where a future business opportunity in which the Employee is engaged or a future employer of the Employee is selling the same or similar products and services in the Business which may compete with the Company's products and services to Customers and Prospective Customers of the Company in the Restricted Area. This provision shall not cover future business opportunities or employers of the Employee that sell different types of products or services in the Restricted Area so long as such future business opportunities or employers are not in the Business of the Company.

Notwithstanding the foregoing, however, it is understood and agreed by the Company and the Employee that in the event of a termination of the Employee by the Company without "Cause" (as such term in defined in the Employment Agreement), the provisions of the Non-Competition covenant outlined in the preceding paragraph 8(b) shall not be deemed valid or enforceable hereunder. The Employee specifically acknowledges that any termination by the Company for "Cause" or any termination by resignation of the Employee shall result in the Non-competition covenant described in paragraph 8(b) remaining valid and enforceable hereunder.

Notwithstanding the preceding paragraphs, the spirit and intent of this non-competition clause is not to deny the Employee the ability to support his or her family, but rather to prevent the Employee from using the knowledge and experiences obtained from the Company in a similar competitive environment. Along those lines, should the Employee leave the employment of the Employer for any reason, he or she would be prohibited from joining a for-profit cancer testing genetics laboratory and/or competing against the Company in the same market place. The Parties agree that the phrase "in any business that is in competition with the business of the Company" in the preceding paragraph 8(b) specifically excludes all non-profit medical testing laboratories, hospitals and academic institutions as well as for-profit prenatal and pediatric/constitutional genetic testing laboratories. In other words, the Employee would be allowed under this non-compete clause to work in a private, for-profit prenatal laboratory or pediatric/constitutional genetics testing laboratory as well as any non-profit cancer genetics testing laboratory. Thus, the spirit and intent of this non-competition clause is intended to prevent the Employee from acting in any of the capacities outlined in this paragraph for any "for-profit" cancer genetics testing laboratory only that do the type of any one or more of the types of testing defined in the definition of Business.

c. Acknowledgements of Employee.

(i) The Employee understands and acknowledges that any violation of the Restrictive Covenants shall constitute a material breach of this Agreement and the Employment Agreement, and it may cause irreparable harm and loss to the Company for which monetary damages will be an insufficient remedy. Therefore, the Parties agree that in addition to any other remedy available, the Company will be entitled to the relief identified in Paragraph No. 9 below.

(ii) The Restrictive Covenants shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Employee against the Company shall not constitute a defense to the enforcement of these Restrictive Covenants.

(iii) Employee agrees that the Restrictive Covenants are reasonably necessary to protect the legitimate business interests of the Company.

(iv) Employee agrees that the Restrictive Covenants may be enforced by the Company's successor in interest by way of merger, business combination or consolidation where a majority of the surviving entity is not owned by Company's shareholders who owned a majority of the Company's voting shares prior to such transaction and Employee acknowledges and agrees that successors are intended beneficiaries of this Agreement.

(v) Employee agrees that if any portion of the Restrictive Covenants is held by a court of competent jurisdiction to be unreasonable, arbitrary or against public policy for any reason, such shall be divisible as to time, geographic area and line of business and shall be enforceable as to a reasonable time, area and line of business.

(vi) Employee acknowledges that any violations of the Restrictive Covenants, in any capacity identified herein, may be a material breach of this Agreement and may subject the Employee, and/or any individual(s), partnership, corporation, joint venture or other type of business with whom the Employee is then affiliated or employed, to monetary and other damages.

(vii) Employee agrees that any failure of the Company to enforce the Restrictive Covenants against any other employee, for any reason, shall not constitute a defense to enforcement of the Restrictive Covenants against the Employee.

9. Specific Performance; Injunction. The Parties agree and acknowledge that the restrictions contained in Paragraphs 1-8 are reasonable in scope and duration and are necessary to protect the Company. If any provision of Paragraphs 1-8 as applied to any party or to any circumstance is judged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

Any unauthorized use or disclosure of Confidential Information in violation of Paragraphs 2-7 above or violation of the Restrictive Covenant in Paragraph 8 shall constitute a material breach of this Agreement and will cause irreparable harm and loss to the Company for which monetary damages may be an insufficient remedy. Therefore, in addition to any other remedy available, the Company will be entitled to all of the civil remedies provided by Florida Statutes, including:

a. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining Employee or Representatives and any other person, partnership, firm, corporation, association or other legal entity acting in concert with Employee from any actual or threatened unauthorized disclosure or use of Confidential Information, in whole or in part, or from rendering any service to any other person, partnership, firm, corporation, association or other legal entity to whom such Confidential Information in whole or in part, has been disclosed or used or is threatened to be disclosed or used; and

b. Temporary and permanent injunctive relief, without the necessity of posting a bond, restraining the Employee from violating, directly or indirectly, the restrictions of the Restrictive Covenant in any capacity identified in Paragraph 8, supra, and restricting third parties from aiding and abetting any violations of the Restrictive Covenant; and

c. Compensatory damages, including actual loss from misappropriation and unjust enrichment.

Notwithstanding the foregoing, the Company acknowledges and agrees that the Employee will not be liable for the payment of any damages or fees owed to the Company through the operation of Paragraphs 9c above, unless and until a court of competent jurisdiction has determined conclusively that the Company or any successor is entitled to such recovery.

Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies available to it for actual or threatened breach of the provisions of Paragraphs 1 – 8 of this Agreement, and the existence of any claim or cause of action by Employee against the Company shall not constitute a defense to the enforcement by the Company of any of the provisions of this Agreement. The Company and its Affiliated Entities have fully performed all obligations entitling it to the covenants of Paragraphs 1 – 8 of this Agreement and therefore such prohibitions are not executory or otherwise subject to rejection under the bankruptcy code.

10. **Governing Law, Venue and Personal Jurisdiction.** This Agreement shall be governed by, construed and enforced in accordance with the laws of state of Florida without regard to any statutory or common-law provision pertaining to conflicts of laws. The parties agree that courts of competent jurisdiction in Lee County, Florida and the United States District Court for the Southern District of Florida shall have concurrent jurisdiction for purposes of entering temporary, preliminary and permanent injunctive relief and with regard to any action arising out of any breach or alleged breach of this Agreement. Employee waives personal service of any and all process upon Employee and consents that all such service of process may be made by certified or registered mail directed to Employee at the address stated in the signature section of this Agreement, with service so made deemed to be completed upon actual receipt thereof. Employee waives any objection to jurisdiction and venue of any action instituted against Employee as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and may not be assigned by Employee. This Agreement shall inure to the benefit of Company's s successors.

12. **Entire Agreement.** This Agreement is the entire agreement of the Parties with regard to the matters addressed herein, and supersedes all prior negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the signatories in connection with the subject matter of this Agreement, except however, that this Agreement shall be read *in pari materia* with the Employment Agreement executed by Employee. This Agreement may be modified only by written instrument signed by the Company and Employee.

13. **Severability.** In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal were unenforceable provision had not been contained herein.

14. **Waiver.** The waiver by the Company of a breach or threatened breach of this Agreement by Employee cannot be construed as a waiver of any subsequent breach by Employee unless such waiver so provides by its terms. The refusal or failure of the Company to enforce any specific restrictive covenant in this Agreement against Employee, or any other person for any reason, shall not constitute a defense to the enforcement by the Company of any other restrictive covenant provision set forth in this Agreement.

15. **Consideration.** Employee expressly acknowledges and agrees that the execution by the Company of the Employment Agreement with the Employee constitutes full, adequate and sufficient consideration to Employee for the covenants of Employee under this Agreement.

16. **Notices**. All notices required by this Agreement shall be in writing, shall be personally delivered or sent by U.S. Registered or Certified Mail, return receipt requested, and shall be addressed to the signatories at the addresses shown on the signature page of this Agreement.

17. **Acknowledgements.** Employee acknowledge(s) that he has reviewed this Agreement prior to signing it, that he knows and understands the contents, purposes and effect of this Agreement, and that he has been given a signed copy of this Agreement for his records. Employee further acknowledges and agrees that he has entered into this Agreement freely, without any duress or coercion.

18. **Counterparts.** This Agreement may be executed in counterparts, by facsimile or pdf each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, THE UNDERSIGNED STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND KNOW AND UNDERSTAND THE CONTENTS THEREOF AND THAT THEY AGREE TO BE BOUND AND ABIDE BY THE REPRESENTATIONS, COVENANTS, PROMISES AND WARRANTIES CONTAINED HEREIN.

By: Marydawn Miller Smith 7/12/2010
Employee Signature Date

Employee Name: Marydawn Miller Smith

Employee Address: c/o NeoGenomics Laboratories, Inc.
12701 Commonwealth Drive Suite 9
Fort Myers, FL 33913

NeoGenomics, Inc.
12701 Commonwealth Drive, Suite #9
Fort Myers, FL 33913

By: /s/ George Cardoza 7/30/2011
Date

Name: George Cardoza
Title: CFO

EXHIBIT 31.1

CERTIFICATIONS

I, Douglas M. VanOort, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2010 of NeoGenomics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 16, 2010

/s/ Douglas M. VanOort
Douglas M. VanOort
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, George Cardoza, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2010 of NeoGenomics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 16, 2010

/s/ George Cardoza
George Cardoza
Chief Financial Officer

EXHIBIT 31.3

CERTIFICATIONS

I, Jerome J. Dvonch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2010 of NeoGenomics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 16, 2010

/s/ Jerome J. Dvonch
Jerome J. Dvonch
Director of Finance and Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NeoGenomics, Inc. (the "Company") on Form 10-Q for the three months ended June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2010

/s/ *Douglas M. VanOort*
Douglas M. VanOort
Chairman and Chief Executive Officer

Date: August 16, 2010

/s/ *George Cardoza*
George Cardoza
Chief Financial Officer

Date: August 16, 2010

/s/ *Jerome J. Dvonch*
Jerome J. Dvonch
Director of Finance and Principal Accounting Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.