

STATEMENT OF TERMS AND CONDITIONS

1. **STANDARD OF PERFORMANCE.** Institute for In Vitro Sciences, Inc. ("IIVS") will perform all studies ("Study") using due care in accordance with (a) the study protocol ("Protocol"), and (b) generally prevailing industry standards. IIVS will make a good faith effort to start and complete all studies in a timely fashion and will notify Client if IIVS determines that there are likely to be substantial changes in the proposed start or completion dates of a Study.
2. **STUDY MATERIALS.** Client will provide IIVS with sufficient amounts of all compounds, materials, or other substances ("Test Article") with which to perform the Study, as well as such sufficient and comprehensive data as may be available to be provided to IIVS concerning the stability of the test materials, storage and safety requirements.
3. **CHANGES.** Client shall have the right to request reasonable changes in or modifications ("Changes") to the Protocol of a Study which IIVS has agreed to conduct and which has not been completed. All such Changes in a protocol shall be in writing and shall be signed by authorized representatives of IIVS and Client. If such Changes result in an increase in the cost of the Study, the fee shall be adjusted commensurate with such increase. If such Changes affect the projected completion date of the study, the completion and report due dates shall be adjusted commensurate with such affect.
4. **DATA.** Client shall be the exclusive owner of and shall have title to all documentation, records, raw data, specimens or other work product ("Data") generated during the performance of the Study. IIVS may use positive and negative control data for various quality control and developmental purposes. Unless otherwise agreed to, upon completion of the Study, IIVS shall store and maintain all Data. After two (2) years (or such shorter period as may be specified by Client), IIVS shall contact Client concerning the disposition of the Data. In the event Client wishes the Data to be retained by IIVS, IIVS will charge Client a standard annual storage fee for the retention of such Data.
5. **CONFIDENTIALITY.** During performance of the Studies and for ten (10) years thereafter, IIVS will treat all Data and all information regarding such Data as proprietary and confidential and will not knowingly disclose the same to any person other than Client or its designated representatives.

Notwithstanding any other provisions, IIVS shall have no liability or obligation to Client for nor be in any way restricted in, its disclosure of or use of any Data which:

- a) is already lawfully known to IIVS; or,
 - b) is or becomes publicly known by any means whatsoever, through no wrongful act of IIVS; or
 - c) is received from a third party without breach of this Agreement; or
 - d) is disclosed pursuant to an enforceable order of a court of competent jurisdiction; provided IIVS contacts Client
 - e) upon receiving the court order and the parties agree to collaborate in responding to the order while minimizing information disclosed; or
 - f) is independently developed by or for IIVS as demonstrated by tangible evidence.
6. **REPORTS.** IIVS shall deliver a report of findings for each Study performed. An estimated delivery date for the report shall be mutually agreed upon and specified in the Protocol. If Client requests a draft report, Client shall have thirty (30) days from receipt of the draft report to review the report and provide comments to IIVS. Within thirty (30) days of receipt of any Client comments, IIVS will provide Client with the final report. If no comments are received from Client within the thirty (30) days following delivery of the draft report, the draft report shall become the final report, a copy of which shall be delivered to Client.

7. **COMPENSATION.** Invoices will be submitted upon issuance of the draft report and due for payment in full within thirty (30) days. If no draft report is requested, then the invoice will be submitted upon issuance of the final report and due for payment in full within thirty (30) days.
8. **FACILITY VISITS.** IIVS will permit Client representatives to visit IIVS's facilities during normal working hours and with reasonable frequency, to observe Study progress, discuss the Study with appropriate officials of IIVS and inspect and copy records and data relevant to the Study. Facility visits shall also be permitted during the data retention period described above.
9. **USE OF NAMES.** Client shall not use IIVS's name or the names of IIVS's employees in any advertising or sales promotional material or in any publication without prior written consent of IIVS. IIVS will not use Client's name or the names of Client's employees in any advertising or sales promotional material or in any publication without prior written consent of Client.
10. **INVENTIONS AND PATENTS.** Client shall become the exclusive owner of and IIVS hereby assigns to Client all concepts, inventions, improvements, designs, programs, formulas, know-how, methods, processes and writings, **relating to the test materials** whether or not copyrightable or patentable (collectively, the "Inventions"), discovered exclusively as a result of performing Client's Study. If requested by Client, IIVS shall, at Client's expense, do all things necessary or convenient to obtain patents or copyrights on any Inventions discovered exclusively as a result of performing Client's Study to the extent the same may be patented or copyrighted.

Except as provided above, IIVS is and shall continue to be the sole owner of all concepts, inventions, improvements, designs, programs, formulas, know-how, methods, processes, and writings utilized in conducting the Study.

11. **LIMITED WARRANTY.** The undertaking of IIVS to perform the Study is a contract for services only. The sole warranty with respect to its services is that it will perform the Study with due care in accordance with the Protocol and generally prevailing industry standards. Any claim by Client for a breach of such warranty shall be made in writing to IIVS on or before the first anniversary of the date that the final report is delivered to Client. The sole remedy of Client for breach of such warranty shall be to require IIVS to re-perform the Study (or such portions thereof as may reasonably be required to be re-performed), and, in such event IIVS shall diligently pursue the re-performance of the Study or portions thereof until completion. **UNDER NO CIRCUMSTANCES SHALL IIVS BE LIABLE TO CLIENT OR ANY THIRD PARTY CLAIMING BY OR THROUGH CLIENT AS A RESULT OF IIVS'S FAILURE TO SO PERFORM THE STUDY, FOR ANY CONSEQUENTIAL, SPECIAL, OR OTHER DAMAGES, AND THE WARRANTY SET FORTH IN THIS PARAGRAPH IS IN LIEU OF ANY AND ALL OTHER WARRANTIES RELATING TO THE SERVICES TO BE PERFORMED, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IIVS'S LIABILITY TO CLIENT FOR THE BREACH OF ANY TERMS AND CONDITIONS OF THE PROTOCOL OR THESE TERMS AND CONDITIONS (OTHER THAN ANY BREACH OF THE WARRANTY CONTAINED IN THIS PARAGRAPH) SHALL BE LIMITED TO DAMAGES (OTHER THAN SPECIAL, CONSEQUENTIAL, EXEMPLARY OR OTHER DAMAGES) IN AN AMOUNT NOT TO EXCEED THE FEE PAID OR TO BE PAID BY CLIENT TO IIVS IN CONNECTION WITH THE STUDY.**
12. **INDEMNIFICATION.** Except where proximately caused by the reckless or willful misconduct of IIVS, Client shall indemnify and hold harmless IIVS, its parents, subsidiaries, and affiliates and their respective officers, directors, employees, and agents from and against any and all expenses (including, but not limited to, reasonable attorney's fees), damages, judgments, and losses incurred or suffered by any such indemnified party as a result of or in connection with any claim, demand, or cause of action asserted or brought by a third party (including, but not limited to, officers, employees, and agents of Client) for physical injury to or death of persons or physical damage to property arising out of or based upon Client's manufacture, sale, or use of any quantity of the Test Article, or any derivative thereof, whether such manufacture, sale, or use took place prior to conclusion of the Study or thereafter and whether or not such manufacture, sale, or use took place in reliance, in whole or in part, on the Study or any portion thereof.

13. **EXCUSED PERFORMANCE.** It is mutually understood and agreed that neither party hereto shall be responsible for failure or delay in performance of its obligations under or in connection with this Agreement due to causes beyond its reasonable control, including but not limited to, acts of God, governmental actions, fire, labor difficulty, shortages, civil disturbances, transportation problems, interruptions of power or of communications, failure of suppliers or subcontractors, or natural disasters.
14. **ASSIGNMENT.** IIVS will not assign its rights or delegate its responsibilities hereunder without the prior written consent of Client.
15. **INDEPENDENT PARTIES.** Nothing in this Agreement shall be construed as to create any relationship between IIVS and Client other than that of independent contracting parties. Neither party shall have any right, power or authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the other.
16. **ARBITRATION.** Any claim or controversy relating to or rising out of the Agreement shall be resolved exclusively by arbitration, in accordance with the rules then obtaining of the American Arbitration Association.
17. **WAIVER.** No waiver by either party of any breach of any provision hereof shall constitute a waiver of any other breach of that or any other provision hereof.
18. **SEVERABILITY.** If any part, term or provision of the Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected, and the Agreement shall otherwise remain in full force and effect.
19. **TERM.** The Term of this Agreement will be for three (3) years from the date of the last signature by the parties.
20. **PROVISIONS.** The provisions of this Agreement will be governed by the laws of the State of Maryland without regard to any conflicts of laws principles.

ACCEPTED AND AGREED TO:

_____ (Company Name)	Institute for In Vitro Sciences, Inc. _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____