

Dear Investigator:

Attached, please find attached a copy of the Material Transfer Agreement (MTA) you requested.

Please complete all required information and be sure to:

- ✓ Have the principle investigator (PI) sign under the User information.
- ✓ Ensure that an institutional representative signs the MTA. The institutional representative must be someone who can legally represent your institution. This would commonly be someone in your technology transfer or licensing office.
- ✓ Send completed MTA to Taconic for countersignature by fax (518-697-3910) or as a pdf by email (order@taconic.com). **Please specify to whom and by what method the fully executed agreement should be returned. Please include all parties who should receive a copy of the agreement;** it is very time-consuming for Taconic to fill requests for copies after the initial execution.

Once Taconic has received the completed MTA, Taconic will review and countersign the agreement. Please make sure to have a valid mailing address and a valid phone number of a person we can contact with any questions.

If there is more than one PI that will be using these animals, Taconic requires a separate MTA for each PI. If the PI practices under multiple institutions please indicate all institutions on the form so our records are accurate and there is no confusion when processing your order. All orders must be placed under the name of the signatory PI. No orders will be accepted under names of PIs or other persons for whom we do not have an executed MTA.

If you have any questions, please feel free to contact Taconic Customer Service at 888-822-6642.

Thank you for your cooperation.

**NON-EXCLUSIVE LICENSE AGREEMENT
(For Profit Entity)**

This Non-Exclusive License Agreement (“Agreement”) is made as of _____, 20__ (the “Effective Date”) between Taconic Farms, Inc. having offices at One Hudson City Centre, Hudson, New York 12534, USA, together with its Affiliate TaconicArtemis GmbH (collectively “Taconic”), and _____, a corporation _____ having offices at _____, together with its Affiliates (collectively “Customer”). As used in this Agreement, Taconic and Customer is each a “Party” and collectively are the “Parties.”

BACKGROUND

WHEREAS TaconicArtemis GmbH (“TaconicArtemis”) located in Cologne, Germany and CXR Biosciences Limited (“CXR”) located in Dundee, Scotland jointly have exclusive rights to breed, use and distribute TransADMET Mouse Models (as defined below) under the Patent Rights (as defined below);

WHEREAS TaconicArtemis and CXR have appointed Taconic as their representative with the right to enter into this Agreement and to grant the rights granted herein on their behalf; and

WHEREAS Customer desires to contract for services using TransADMET Mouse Models and/or to purchase TransADMET Mouse Models for use in the Field of Commercial Use (defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the promises and the performance of the covenants herein contained, IT IS AGREED AS FOLLOWS:

1. Definitions. The following terms whether used in the singular or the plural shall have the meanings indicated below.

1.1. “TransADMET Mice” means any mouse carrying or containing a genetic modification from a TransADMET Mouse Model.

1.2. “TransADMET Mouse Models” means any of the genetically modified lines of mice listed in Exhibit 1.2 that will be available during the Term, including without limitation all progeny of the mice.

1.3. “Affiliate” means, with respect to a party, any company or other entity controlled by, controlling, or under common control with such Party where the term “controlled by” (with correlative meanings for the terms “controlling” and “under common control with”) means that the Party owns or controls, directly or indirectly, at least 50% of the voting power of the subject company or other entity which voting power in the case of a corporation is entitled to vote for the election of directors, or otherwise has the actual right and ability to control and direct the management and business affairs of the subject company or entity.

1.4. “Authorized Site” means the facilities of Customer located at the following address _____ and specifically excludes all other sites of Customer. Customer may add additional facilities of Customer as Authorized Sites by sending written notice of same to Taconic.

1.5. “Field of Commercial Use” means use of TransADMET Mouse Models by Customer for its internal research, discovery and development of chemical, biological and pharmaceutical products.

1.6. "Materials" means cells, tissues and other biological materials derived from a TransADMET Mouse Model or any genetic modification that is present in a TransADMET Mouse Model.

1.7. "Patent Rights" means the patents and patent applications listed in Exhibit 1.7 that are licensed to Taconic with the right to grant sublicenses.

2. Title, Non-Exclusive License and Limitations

2.1. Title. Title to the TransADMET Mouse Models, TransADMET Mice and Materials rests with and will remain with Taconic. Customer agrees that this Agreement creates a bailment by Customer with respect to any and all TransADMET Models, TransADMET Mice and Materials.

2.2. Non-Exclusive License to Use Mice. Subject to the terms and conditions of this Agreement, Taconic hereby grants to Customer a non-exclusive license under the Patent Rights to: (i) use TransADMET Mice in the Field of Commercial Use, (ii) have TransADMET Mice used by CXR in the Field of Commercial Use, and (iii) derive Materials as necessary to accomplish the foregoing. This non-exclusive license to Customer shall be limited to the Authorized Site.

2.3. Prohibition on Other Uses, Breeding and Transfer to Third Parties. Customer shall not use TransADMET Mice or Materials for any purpose other than the limited non-exclusive license granted in Section 2.2 above. Further to the foregoing, Customer shall not: (i) breed or cross-breed the TransADMET Mice, (ii) genetically alter TransADMET Mice or Materials, and (iii) establish or maintain a culture of any Material, (iv) use the TransADMET Mice or Materials to perform fee-for-service contract research. In addition, Customer shall not transfer the TransADMET Mice or Materials to any location other than an Authorized Site or to any person who is not under the immediate and direct employment of Customer.

2.4. Material Breach. Customer acknowledges that failure to adhere to any of the requirements of this Article 2 shall constitute a material breach of this Agreement.

3. Publications.

3.1. Publication. Customer may publish all results of use of TransADMET Models and Materials in the Field of Commercial Use. Customer shall name TaconicArtemis and CXR as the generators of the TransADMET Mouse Models and name Taconic as the provider of the TransADMET Mouse Models in any publication of results related to TransADMET Mouse Models or Materials. Promptly following any publication with respect to TransADMET Mouse Models, Customer shall provide to Taconic a copy of such publication.

4. Payments

4.1. Payment for TransADMET Mice. Customer shall pay a per unit fee for each TransADMET Mouse transferred to Customer or used by CXR on behalf of Customer. Orders for TransADMET Mice shall be placed through Taconic Customer Service (888-822-6642 in North America or +45 70 23 04 05 in Europe) and Taconic shall issue an invoice for each order that is placed. Any purchase order submitted by Customer shall be governed by the terms set forth in this Agreement. A purchase order shall not alter or amend the terms of this Agreement and any term of a purchase order which is an alteration or amendment of this Agreement shall have no force or effect

5. Term and Termination

5.1. Term. This Agreement shall be effective as of the Effective Date and shall terminate on the third anniversary of the Effective Date. Notwithstanding the foregoing, upon termination of this Agreement in accordance with this Section 5.1, the provisions of Article 2 shall survive for such period of time as Customer continues use of the TransADMET Mice that were purchased by Customer prior to the date of termination effective provided that Customer complies with all terms and conditions of this Agreement. Upon the cessation of use of the TransADMET Mice purchased under this Agreement or upon any breach of the terms and conditions of this Agreement: (i) the license granted under Section 2.2 shall immediately terminate, (ii) Customer shall destroy any remaining TransADMET Mice and Materials and (iii) Customer shall provide prompt written notice to Taconic of same.

5.2. Termination. Customer may terminate this Agreement effective immediately at any time by notifying Taconic in writing of its intent to terminate, and providing a certification that all TransADMET Mice and Materials have been destroyed. This Agreement may be terminated by Taconic upon written notice by reason of a material breach by Customer that Customer fails to remedy within thirty (30) days after receipt of such written notice. Should Customer fail to remedy a breach for which it has received written notice and to provide written certification of such remedy to Taconic during said 30 day time period, then this Agreement shall automatically terminate on the thirty-first day following such notice, and Customer shall destroy the TransADMET Mice and Materials and provide written certification of same to Taconic within five business days following the date of termination.

5.3. Effect of Termination. Termination of this Agreement shall not relieve the Parties of any obligation that accrued prior to termination. The provisions of Articles 1, 3, 6 and 8 and Sections 2.1, 2.3, 5.2 and 7.3 shall expressly survive termination of this Agreement.

6. Indemnification

6.1. Customer agrees to indemnify, defend and hold Taconic, its directors, officers, employees and agents (the "Indemnitees") harmless from and against any and all liabilities, claims, demands, expenses (including, without limitation, attorneys and professional fees and other costs of litigation), losses or causes of action (each a "Claim") that may be brought against an Indemnitee by reason of, arising out of, or relating to the storage, handling, or use of TransADMET Mice and Materials by Customer except to the extent, in each case, that such Claim has been caused by the negligence or willful misconduct of Taconic.

7. Representations and Disclaimer of Warranty

7.1. Representations of Taconic. Taconic represents to Customer that, as of the Effective Date: (i) it has the authority and power to enter into this Agreement and (ii) it has the right to grant to Customer a non-exclusive license under the Patent Rights.

7.2. Representations of Customer. Customer represents to Taconic that: (i) Customer has the authority and power to enter into this Agreement; (ii) upon execution of this Agreement, this Agreement shall constitute a valid and binding obligation of Customer enforceable in accordance with its terms.

7.3. No Warranty. TACONIC MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSADMET MICE OR ANY MATERIAL. TACONIC EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

8. Miscellaneous

8.1. Governing Law. This Agreement and any dispute, including without limitation any arbitration, arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of the State of New York without reference to conflicts of laws principles.

8.2. Independent Contractors. The relationship of the Parties is that of independent contractors. A Party shall not be deemed to be an agent, partner or joint venturer of any other Party for any purpose as a result of this Agreement.

8.3. Assignment. The rights and obligations under this Agreement shall not be assignable by Customer without the prior written consent of TaconicArtemis and CXR.

8.4. Notices. All notices, requests and other communications hereunder shall be in writing and shall be personally delivered or sent by telecopy or other electronic facsimile transmission or by registered or certified mail, return receipt requested, postage prepaid, in each case to the respective address specified in the first paragraph above, or such other addresses as may be specified in writing to the other Parties hereto:

8.5. Limitation of Liability. IN NO EVENT WILL TACONIC BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR OTHER INDIRECT DAMAGES, OR FOR LOSS OF PROFITS, ARISING OUT OF OR RESULTING FROM THIS AGREEMENT, THE EXERCISE BY CUSTOMER OF THE NON-EXCLUSIVE LICENSE OR THE USE OF TRANSADMET MICE OR MATERIALS, WHETHER BASED UPON WARRANTY, CONTRACT, STRICT LIABILITY, TORT OR OTHERWISE, EVEN IF TACONIC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES.

8.6. Injunctive Relief. Customer acknowledges that limitations and restrictions on its possession and use of TransADMET Mice and Materials hereunder are necessary and reasonable to protect Taconic, TaconicArtemis and CXR, and Customer expressly agrees that monetary damages may not be a sufficient remedy for any breach of Article 2 of this Agreement. In addition Customer agrees that Taconic shall be entitled to seek temporary and permanent injunction relief against any threatened violation of such limitations or restrictions or the continuation of any such violation in any court of competent jurisdiction. For avoidance of doubt, any such equitable remedies shall be cumulative and not exclusive and are in addition to any other remedies, which any Party may have under this Agreement or applicable law.

8.7. Severability. In the event that any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect without said provision. In such event, the Parties shall in good faith negotiate an amendment providing a substitute clause or any provision declared invalid or enforceable, which shall most nearly approximate the intent of the Parties in entering this Agreement.

8.8. Waiver. It is agreed that no waiver by any Party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

8.9. Complete Agreement. This Agreement constitutes the entire agreement, both written and oral, between the Parties with respect to the subject matter hereof, and shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. All prior agreements respecting the subject matter hereof, either written or oral, expressed or implied, are merged and canceled, and are null and void and of no effect. No amendment or change hereof or addition hereto shall be effective or binding on any of the Parties hereto unless reduced to writing and duly executed on behalf of all Parties.

8.10. Headings. The captions to the several Sections and Articles hereof are not a part of this Agreement, but are included merely for convenience of reference only and shall not affect its meaning or interpretation.

8.11. Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed an original and which together shall constitute one instrument.

IN WITNESS WHEREOF, Taconic and Customer have executed this Agreement by their respective duly authorized representative.

TACONIC FARMS, INC.

[Customer Name]

By: _____
Signature of Authorized Representative
[Printed Name]
[Title]

By: _____
Signature of Authorized Representative
Printed Name]
[Title]

Date: _____

Date: _____

Exhibits:
Exhibit 1.2 – TransADMET Mouse Models
Exhibit 1.7 – Patent Rights

Exhibit 1.2
TransADMET Mouse Models

This exhibit may be updated and replaced with additional TransADMET Mouse Models upon Taconic's decision.

Nuclear Receptor:

Pxr-Car Knockout Mouse (Taconic model 8222)

Humanized PXR-CAR Mouse (Taconic model 8223)

Cytochrome P450:

Cyp3a (7-gene) Knockout Mouse (Taconic model 8841)

Humanized CYP3A4/3A7 Mouse (Taconic model 8842)

Humanized Gut CYP3A4 Mouse (Taconic model 9047)

Humanized Liver CYP3A4 Mouse (Taconic model 9048)

Humanized Gut & Liver CYP3A4 Mouse (Taconic model 9049)

Exhibit 1.7
Patent Rights

SALK Institute

Patent applications published as numbers WO99/35246; WO01/42290 and WO02/086063, and US patents: US 6,984,773 and US 7,214,482, relating to: "Novel steroid activated nuclear receptors and uses therefore", "Xenobiotic compound modulated expression systems", and "Transgenic mice expressing a Human SXR receptor polypeptide" including any corresponding patent applications and patents in any world-wide territory; re-issue patents; and continuation or divisional patent applications and patents.

XenoPharm, Inc,

US patents 7,193,125; 7,186,879 and US patent application 11/464,479, AU patent 2001291192, Canadian patent application 2422921, EU patent application EP1330645, and Japanese patent application pub. no. 2004-510416 ser. no. 2002-528817, relating to "Screening systems and methods for identifying modulators of xenobiotic metabolism" including any corresponding patent applications and patents in any world-wide territory; re-issue patents; and continuation or divisional patent applications and patents.

Massachusetts General Hospital

US patents 5,756,448; 5,710,017; 5,686,574 and 6,989,242 relating to "CAR receptors and related molecules and methods", including any corresponding patent applications and patents in any world-wide territory; re-issue patents; and continuation or divisional patent applications and patents.

ITI Scotland

UK patent application GB0427172.2 entitled "Transgenic Animals for Assessing Drug Metabolism and Toxicity" with a filing date of 13 December 2004, and all corresponding patent applications and patents in any world-wide territory, re-issues, divisions, continuations, continuations-in-part, renewals and extensions of such patent application.