

Sandia BioTech, Inc.
MATERIAL PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into by and between, Sandia BioTech, Inc. hereinafter referred to as the PROVIDER, and RECIPIENT, as defined in Appendix A and referred to below, the parties to this Agreement being referred to individually as a "Party," and collectively as "Parties."

AGREEMENT

- 1) MATERIAL means any biological material including but not limited to nucleic acids and proteins.

MATERIAL also includes progeny and unmodified derivatives of the materials provided. Progeny means an unmodified descendent from the original material, such as virus from virus, cell from cell, or organism from organism. Unmodified derivative means substances created by RECIPIENT that constitute an unmodified functional subunit or product expressed by the original material, such as subclones of unmodified cell lines, purified or fractionated subsets of or the original material, proteins expressed by DNA/RNA supplied by PROVIDER, or monoclonal antibodies secreted by a hybridoma cell line.

- 2) MATERIAL is the intellectual property of Los Alamos National Laboratory (LANL), exclusively licensed to Sandia BioTech, Inc. by LOS ALAMOS NATIONAL SECURITY, LLC, and is embodied in the following patents, copyrights, patent applications, or patent disclosures:

- a. DOE S# 100,623 "Self Assembling Split Fluorescent Protein Systems," Geoffrey S. Waldo and Stephanie Cabantous, U.S. Patent Application No. 10/973,693.
- b. DOE S# 100,623 "Self Assembling Split Fluorescent Protein Systems," Geoffrey S. Waldo and Stephanie Cabantous, Patent Cooperation Treaty Case #05/43861 was filed on 12/03/2005. The following countries have patent prosecution in process:

Country	Application No.	Filing Date
CANADA	2585231	April 24, 2007
AUSTRALIA	2004315485	April 26, 2006
JAPAN	2006-536796	April 21, 2006
CHINA	200480035241.4	April 24, 2006
EUROPEAN PATENT CONVENTION	EP20040810010	May 24, 2006

- 3) The MATERIAL is the property of the PROVIDER and is made available as a service to the research community and will be used for teaching or not-for-profit research purposes only. The RECIPIENT does not acquire any property rights or interest in the MATERIAL.

Technical Contact:

For matters concerning technical information regarding the MATERIAL, the following contact information should be used:

Adrian Rubio
Sandia BioTech, Inc.
5741 Midway Park Bd. NE
Albuquerque, NM 87109
(505) 342-0224
arubio@SandiaBio.com

Property Contact:

The Property Representative for this Agreement is Adrian Rubio or his/her designee. Any questions concerning the MATERIAL property provided, acquired, or used in the performance of this Agreement, other than technical information, should be addressed to his attention at the following e-mail address and/or telephone number: arubio@SandiaBio.com, (505) 342-0224. In addition, the Property Representative is authorized to take any action necessary to comply with the Federal Property Management Regulations and the terms of this Agreement regarding the appropriate acquisition, use, loss, replacement, transfer or return of property furnished under this Agreement.

- 4) RECIPIENT REPRESENTS AND WARRANTS THAT THE MATERIAL IS NOT TO BE USED IN HUMAN SUBJECTS.
- 5) The RECIPIENT will NOT transfer MATERIAL to any third party. RECIPIENT will refer any request for the MATERIAL to the PROVIDER.

The use, disposition, export and re-export of this property are subject to all applicable U.S. laws and regulations, including the Atomic Energy Act of 1954, as amended; the Arms Export Control Act (22 U.S.C. 2751 et seq.); the Export Administration Act of 1979 (50 U.S.C. Append 2401 et seq.); Assistance to Foreign Atomic Energy Activities (10 CFR part 810); Export and Import of Nuclear Equipment and Material (10 CFR part 110); International Traffic in Arms Regulations (22 CFR parts 120 et seq.); Export Administration Regulations (15 CFR part 730 et seq.); Foreign Assets Control Regulations (31 CFR parts 500 et seq.); and the Espionage Act (37 U.S.C. 791 et seq.) which among other things, prohibit (a) the making of false statements and concealment of any material information regarding the use or disposition, export or re-export of the property; and (b) any use or disposition, export or reexport of the property which is not authorized in accordance with the provisions of this agreement.

- 6) The RECIPIENT will use the MATERIAL in compliance with all applicable statutes and regulations.
- 7) RECIPIENT will NOT analyze the MATERIAL for composition.

- 8) The MATERIAL is experimental in nature and may have hazardous properties. THE MATERIAL is provided WITHOUT ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE PROVIDER MAKES NO REPRESENTATION OR WARRANTY THAT THE USE OF THE MATERIAL WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT OF A THIRD PARTY.
- 9) Except to the extent prohibited by law, the RECIPIENT assumes all liability for claims for damages, which may arise, from the use, storage or disposal of the MATERIAL. The PROVIDER, LANL and the U.S. Government will not be liable to the RECIPIENT for any loss, claim or demand made by the RECIPIENT, or made against the RECIPIENT by any other party, due to or arising from the use, handling, storage or disposal of the MATERIAL by the RECIPIENT, except to the extent permitted by law when caused by the gross negligence or willful misconduct of the PROVIDER.
- 10) This Agreement will be effective for a period of ten (10) years from the effective date of this Agreement. Either the RECIPIENT or the PROVIDER may terminate this Agreement upon thirty (30) days written notice; provided that termination will not relieve the RECIPIENT or the PROVIDER of any obligation or liability accrued hereunder prior to the effective date of such termination. Upon completion of use of the MATERIAL or upon termination of this Agreement, RECIPIENT will DESTROY the MATERIAL in RECIPIENT'S possession or, at the PROVIDER'S request, return to the PROVIDER the MATERIAL in RECIPIENT'S possession. The date, quantity, and method of destruction will be recorded and witnessed, and a copy of such record furnished to the PROVIDER.
- 11) Any payment, notice, or other communication required or permitted to be given to either party hereto will be deemed to have been properly given and to be effective on the date of delivery if delivered in person or by first-class certified mail, postage paid, to the respective address given below.
- 12) No amendment or modification of this Agreement is binding on the Parties unless made in a writing executed by duly authorized representatives of the Parties.
- 13) This Agreement may be assigned by the PROVIDER, but is personal to the RECIPIENT and assignable by the RECIPIENT only with the prior written consent of the PROVIDER.
- 14) This Agreement embodies the entire understanding of the Parties and supersedes all previous communications, representations, or understandings, either oral or written, between the Parties relating to this Agreement.

By ordering the MATERIAL, the Recipient Scientist acknowledges that he/she has read and understood this agreement.