8/18/99

FORM PTO-1618A
Expires 06/30/99
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08-23-1999

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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- [X] New
- [ ] Resubmission (Non-Recordation) Document ID #
- [ ] Correction of PTO Error Reel # Frame #
- [ ] Corrective Document Reel # Frame #

Conveyance Type

- [ ] Assignment
- [ ] License
- [ ] Security Agreement
- [ ] Nunc Pro Tunc Assignment
- [X] Merger — Effective Date Month Day Year: 01 16 96
- [ ] Change of Name
- [ ] Other

Conveying Party

[ ] Mark if additional names of conveying parties attached

Name: Clonetics Corporation

Execution Date Month Day Year: 12 20 95

Formerly:

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [X] Corporation
- [ ] Association
- [ ] Other
- [ ] Citizenship/State of Incorporation/Organization

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: BioWhittaker Technologies, Inc.

DBA/AKA/TA:

Composed of:

Address (line 1): 8830 Biggs Ford Road

Address (line 2):

Address (line 3): Walkersville (City) Maryland, U.S. (State/Country) 2179309127 (Zip Code)

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [X] Corporation
- [ ] Association
- [ ] Other
- [ ] Citizenship/State of Incorporation/Organization

[ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. *(Designation must be a separate document from Assignment.)*

FOR OFFICE USE ONLY

08/20/1999 MTHAI1 00000257 1789993
01 FC:481 40.00 OP
02 FC:482 400.00 OP

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments , Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number 202 508-9148

Name: Brian E. Banner, Esq.

Address (line 1): Banner & Witcoff, LTD.

Address (line 2): 1001 G Street, NW, Suite 1100

Address (line 3): Washington, D.C. 21793-0127

Address (line 4):

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 51

Trademark Application Number(s) or Registration Number(s)

[X] Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
			1789993	1790001	1790002
			1790007	1790006	1790005
			1790003	1790004	1790000

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 440.00

Method of Payment: Enclosed [XX] Deposit Account [ ]

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: # 19-0733

Authorization to charge additional fees: Yes [X] No [ ]

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Brian E. Banner	Brian E. Banner	9/18/99
Name of Person Signing	Signature	Date Signed

Registration Numbers for Assignment from Clonetics Corporation to BioWhittaker Technologies, Inc.

1789997

1789996

1789995

1789999

1789990

1789991

1789992

1790008

Addendum to AGREEMENT AND PLAN OF MERGER

Clonetics Corporation, a Delaware corporation (the "**Company**"), BioWhittaker, Inc., a Delaware corporation ("**Purchaser**") and Peter Maniatis as representative for the Company's Stockholders and Option Holders to acquire stock of the Company (the "**Shareholder Representative**") have entered into an Agreement and Plan of Merger (hereinafter called this "**Agreement**"), dated as of December 20, 1995. Under the terms of that Agreement, Purchaser and Company determined that it is in the best interests of their respective stockholders for a wholly-owned subsidiary of Purchaser ("Newco") to merge with and into the Company, upon the terms and subject to the conditions set forth therein. By this addendum, BioWhittaker Cells, Inc. joins in the agreement as Newco and acknowledges that it has approved and adopted the Agreement and Plan of Merger by all necessary corporate action.

BioWhittaker Cells, Inc.

Date: January 16, 1996

By: _____
Noel Buterbaugh, President

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger (hereinafter called this "**Agreement**"), dated as of December 20, 1995, by and among Clonetics Corporation, a Delaware corporation (the "**Company**"), BioWhittaker, Inc., a Delaware corporation ("**Purchaser**") and Peter Maniatis as representative for the Company's Stockholders and Option Holders to acquire stock of the Company (the "**Shareholder Representative**").

RECITALS

WHEREAS, Purchaser and the Company have determined that it is in the best interests of their respective stockholders for a wholly-owned subsidiary of Purchaser ("Newco") to merge with and into the Company, upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Company and Purchaser desire to make certain representations, warranties, covenants and agreements in connection with this Agreement, and

WHEREAS, the Company has determined that it is in the interest of its Stockholders and Option holders to have an individual designated to act for them as Shareholder Representative after consummation of the Merger herein contemplated with the powers hereinafter described.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained herein, the parties to this Agreement hereby agree as follows:

ARTICLE I

The Merger; Closing; Effective Time

1.1 Merger. Subject to the terms and conditions of this Agreement, at the Effective Time (as defined in Section 1.3) Newco shall be merged with and into the Company and the separate corporate existence of Newco shall thereupon cease (the "**Merger**"). The Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "**Surviving Corporation**") and shall continue to be governed by the laws of the State of Delaware, and the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall have the effects specified in the Delaware General Corporation Law (the "**DGCL**").

1.2 Closing. The closing of the Merger (the "**Closing**") shall take place (i) at the offices of the Purchaser at 8830 Biggs Ford Road, Walkersville, Maryland at 9:00 A.M. on the second business day after the last to be fulfilled or waived of the conditions set forth in Article VII hereof shall be fulfilled or waived in accordance with this Agreement or (ii) at such other place and time and/or on such other date as the Company and Purchaser may agree (the "**Closing Date**").

1.3 Effective Time. As soon as practicable following the Closing, and provided that this Agreement shall not have been terminated or abandoned pursuant to Article VIII hereof, the Company and Purchaser will cause a Certificate of Merger (the "**Delaware Certificate of Merger**") to be executed and filed with the Secretary of State of Delaware as provided in Section 251 of the DGCL. The Merger shall become effective at the time and on the date on which the Delaware Certificate of Merger has been duly filed with the Secretary of State of Delaware, and such time is hereinafter referred to as the "**Effective Time.**"

1.4 Deposit Payable upon Signing. Upon signing of the Agreement,, Purchaser shall deposit in an interest bearing account with Mellon Bank, N.A. as escrow agent the sum of $200,000 as a deposit (such amount together with any interest thereon being referred to herein as the "**Deposit**") against the Cash Consideration. Such amount shall be paid over to Purchaser at Closing when the Merger becomes effective to be used to pay the amounts due to holders of the Shares. The terms of the Escrow Agreement governing such escrow shall be substantially as set forth on Exhibit A hereto. If the Closing does not occur and this Agreement is terminated pursuant to Section 8.1, Company shall be entitled upon written demand to the Deposit unless the Company has failed to perform or comply with any of its obligations herein or unless any condition to Purchaser's obligation to close (other than Purchaser's financing contingency in Section 7.1(l)) has not been satisfied, which failure or lack of satisfaction has been a primary cause of the failure to close, or the Company or its stockholders have elected pursuant to Section 6.2 to combine with or transfer control of the Company to a third party as contemplated by Section 6.2 or the Purchaser has elected to terminate the Agreement pursuant to Section 9.1 as a result of any amendment to the Disclosure Schedule proposed after signing of this Agreement (any of such events being a "**Deposit Default**") and Purchaser shall be entitled to a refund of the Deposit upon the occurrence of a Deposit Default or upon the Closing. Purchaser may also direct that the Deposit or any portion thereof be credited against the Holdback. The right of the Company to receive the payment of the Deposit upon the terms herein provided shall be the sole remedy of the Company and its stockholders and option holders against Purchaser if Closing does not occur and none of such parties shall be entitled to any other remedy or payment.

ARTICLE II

Certificate of Incorporation and By-Laws of the Surviving Corporation

2.1 The Certificate of Incorporation. The Certificate of Incorporation of Newco (the "**Certificate**") in effect at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation, until duly amended in accordance with the terms thereof and the DGCL.

2.2 The By-Laws. The By-laws of Newco in effect at the Effective Time shall be the By-laws of the Surviving Corporation, until duly amended in accordance with the terms thereof and the DGCL.

ARTICLE III

Officers and Directors
of the Surviving Corporation

3.1 Officers and Directors. The directors of Newco and the officers of Newco at the Effective Time shall, from and after the Effective Time, be the directors and officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and By-Laws.

ARTICLE IV

Cancellation of Shares in the Merger; Allocation
of Consideration

4.1 Newco Shares. As a result of the Merger, each share of the common stock of Newco issued and outstanding immediately prior to the Merger (excluding shares held in treasury, if any, which shall be canceled and extinguished) shall be converted, without any action of the holder thereof, into one share of the common stock of the Company. Accordingly, each of the shares of the common stock of Newco issued and outstanding on the Effective Time shall, after the Merger, be issued and outstanding shares of the common stock of the Company without any action on the part of the holders of any such shares of stock.

4.2 Conversion of Shares and Cancellation of Options.

(a) Each share of the Company's common stock (individually, a "**Share**", collectively, the "**Shares**") issued and outstanding immediately prior to the Merger (excluding Shares held by the Company as treasury stock, which shares shall be canceled and extinguished, and Dissenting Shares as defined below), and all rights in respect thereof, shall, by virtue of the Merger, be converted, without any action by the holder thereof, into the right to receive with respect to each Share, subject to the provisions of Section 4.3 below, an amount of cash equal to the Per Share Cash Consideration, provided that for purposes of this Article IV and elsewhere herein as appropriate, the 133, 445 shares of the Company's Class A common stock owned of record by Charles River Laboratories, Inc. shall not be deemed outstanding stock since such shares are to be paid for pursuant to the Settlement Agreement dated as of September 15, 1995 between the Company and Charles River Laboratories, Inc. and Section 4.8(b) of this Agreement.

(b) In connection with the Merger, all options, warrants or other rights to acquire stock of the Company then outstanding as more fully defined in Section 5.1(k) (collectively the "**Options**") shall be canceled and, upon surrender of the option agreement and other relevant documents, and receipt of a signed acknowledgment of such surrender and cancellation in form acceptable to the Purchaser and any withholding statement required and in exchange therefor, subject to Section 4.3, each holder of Options shall receive from the Paying Agent (as defined in Section 4.4(a) below) an amount of cash equal to (i) the product of the number of Shares for which such holder's Options would be exercisable as of immediately following the Effective Time multiplied by the Per Share Cash Consideration, (ii) less the aggregate exercise price of such holder's Options and any applicable withholding. Until such surrender and delivery of the acknowledgment and other documents required, after the Effective Time, each Option shall represent for all purposes only the right to receive the consideration specified in Section 4.2. Promptly after Closing, the Purchaser shall mail to each Option Holder who has not already deposited the required documents with the Purchaser a letter explaining the documentation required, with all forms required.

(c) The "**Per Share Cash Consideration**" shall be equal to the quotient of (i) the Cash Consideration, divided by (ii) the sum of the number of Shares issued and outstanding immediately prior to the Merger (excluding Shares held as treasury stock and shares owned by Charles River Laboratories, Inc. purchased or to be purchased under the Settlement Agreement dated September 15, 1995, but including the conversion of the $500,000 promissory note with interest accrued to date payable to Charles Butcher as described in Section 7.1(m)) and 962,417 (the number of Shares underlying all Options issued and outstanding immediately prior to the Merger).

The "**Cash Consideration**" shall be an amount equal to $10,250,000 plus the aggregate Option Exercise Price ($1,840,917.40) (to be deducted from the amount payable to option holders as later described), less (i) $300,000 for liability due Stephen Boyce, plus accrued interest and pre-payment that would be payable if the liability to Mr. Boyce were paid on the Closing Date; (ii) $100,000 payable to William Doyle as a consulting payment if the Merger closes; (iii) $429,000.00 payable to employees as a retention bonus if the employee does not voluntarily sever employment with the Company within six (6) months after Closing or is terminated involuntarily within such six month period (provided that any portion thereof forfeited by any employee shall be added back to the Consideration and be included in the Holdback), and (iv) all amounts payable to Charles River Laboratory under the terms of the September 15, 1995 Settlement Agreement with Charles River Laboratory other than the payment in the amount of $100,000 already paid (the balance estimated to be approximately $650,000 plus accrued interest and penalties). Purchaser shall pay or cause the Company to pay for the amounts in (i) through (iv) above after the Merger becomes effective as required by the terms of the agreements establishing the terms of payment of such obligations. The Cash Consideration will be increased by an amount (to be distributed with the Holdback) equal to the sum of (A) any portion of the retention bonus as described in (iii) above forfeited by any employee prior to the first anniversary of the Closing Date and (B) the net proceeds recovered in the German lawsuit

entitled Promocell (but excluding any recovery in a related French lawsuit) by the fifth day prior to the first anniversary of the Closing Date, after deducting all fees, costs and other expenses incurred in connection with such suit, including the collection and enforcement of any judgement or settlement and all direct costs (i.e. allocable salary, benefits and other social payments) of personnel whose time is required in connection with such suit, as reasonably determined by the Purchaser. To the extent that the debt described above in Subsections (i) or (iv) is not paid at Closing by Purchaser or the Company, Purchaser will indemnify Charles Butcher for any portion of the amount described in Subsections (i) or (iv) that he has guaranteed and any additional interest or penalties which become due as a result of any delay in payment after Closing.

As used herein, the terms "**Stockholders**" and "**Option Holders**" shall mean respectively the registered owners of Shares and the registered owners of Options to acquire Shares at the relevant time, provided that after the Merger, those terms shall refer respectively to the persons or entities who were the owners of Shares or Option immediately prior to the Merger. The term "**Holders**" when used alone means the Stockholders and Option Holders. The term "**Percentage Interest**" means the percentage of the Shares a Holder would have owned immediately prior to the Merger if all of the Options had been then exercisable and exercised.

4.3 Holdback.

(a) Purchaser shall be entitled to hold back from the Cash Consideration payable upon the initial exchange of Shares and payment for Options surrendered cash in the amount of $1,500,000 in the aggregate otherwise payable to such Stockholders and Option Holders pursuant to this Agreement (the "**Holdback**") to be allocated among and subtracted from the Cash Consideration payable to the Holders pro rata based on their Percentage Interest The amount of the Holdback shall be deposited in the interest bearing escrow account with Mellon Bank, N.A. as escrow agent described in Section 1.4 or with any other entity or party as successor escrow agent approved by the Purchaser and the Shareholder Representative. All fees and costs of the escrow agent shall be deducted and paid from the Holdback amount, except that any fees and costs in connection with a dispute between the Purchaser and the Shareholder Representative shall be split equally between the Purchaser and the Shareholder Representative.

(b) If the Purchaser is entitled to a remedy under Article IX, any amount due shall be paid only out of the Holdback and Purchaser shall have no recourse against any of the Stockholders, Option Holders, directors, officers, employees or agents of the Company except in the event of fraud. In addition, the Shareholder Representative may be reimbursed for documented reasonable fees and expenses incurred by the Shareholder Representative in performing his duties as set forth in Article X. Any portion of the Holdback that has not been so applied as of the first anniversary of the Closing Date together with amounts to be distributed with the Holdback pursuant to Section 4.2 (c) shall be paid to the Holders promptly thereafter pro rata based on their respective Percentage

Interests, provided that if any notice of claim has been submitted by the Purchaser or any other party entitled to indemnity, and if the amount of such claim has not been determined by the date for distribution of the Holdback, then an amount mutually agreed by the Purchaser and the Shareholder Representative representing the maximum amount of such claim likely to be payable to an indemnified party shall continue to be held in escrow until the amount of such claim has finally been determined. If the parties are not able to agree on the reserve still required, then the larger amount proposed by either party shall be withheld and reserved until the claims then pending are resolved. The Holders shall be entitled to a further distribution of any portion of such reserve not paid to the Purchaser when the amount of the claim is finally determined, to be allocated pro rata based on their respective Percentage Interests. In lieu of continuing to reserve further amounts, on or about the first anniversary of the Closing, the Purchaser and the Shareholder Representative may agree on an amount to be paid to the Purchaser in final settlement of its outstanding claims under Article IX, so that the remaining balance of the Holdback may be distributed, which agreement will be binding on all Stockholders and Option Holders. In the event of such agreement and payment of the agreed amount to the Purchaser, the Purchaser shall have no further right to a remedy under Article IX.

(c) The Holdback shall bear interest at the rate of interest paid by the depository institution, beginning from the first business day after the Closing Date to the last business day immediately prior to the day on which checks for such amounts are generally mailed to the Holders (or as to any portion paid out to Purchaser or others in settlement of claims, the date of such payment). Interest shall be allocated among the Holders pro rata based on their Shares and Options, provided that if any portion of the Holdback is paid out to the Purchaser, Purchaser shall be entitled to its allocable share of the interest accrued through the date of disbursement to Purchaser based on the percentage of the Holdback paid to the Purchaser. If any distribution of any portion of the Holdback is not accepted when mailed to any Holder at the last address for such Holder on the Purchaser's records, no additional interest shall accrue after the date of the original mailing.

4.4 Exchange of Shares.

(a) At Closing, Purchaser shall deposit with Mellon Bank, N.A. as Paying Agent the Cash Consideration, less the Holdback for distribution to the Holders in accordance with the terms of this Agreement and such terms as may be set forth in a Paying Agent Agreement among Mellon Bank, N.A., Purchaser, the Company and the Shareholder Representative acceptable to such parties. Such Paying Agent Agreement shall provide for the distribution of the amounts due to Holders after Closing within such reasonable time as may be set forth in the Paying Agent Agreement after surrender of the Certificates and other required documents pursuant to Section 4.4(b) or surrender of the Options and other required documents pursuant to Section 4.2(b) and for subsequent distributions of the Holdback which are ultimately distributable to the Holders and any other amounts which may ultimately be distributable to the Holders and for the payment of any amounts required to be withheld from such distributions. Until distribution, such amounts may be held in

short term investments and any income earned thereon shall be payable to the Purchaser. Purchaser shall pay the fees and expenses of the Paying Agent in accordance with the terms of the Paying Agent Agreement, provided that with respect to any claim by any Holders or the Shareholder Representative after Closing, if the Purchaser or Paying Agent whose actions have been challenged is determined to have acted properly, any fees or expenses of the Paying Agent which the Purchaser is required to pay shall be reimbursed together with costs of collection (including attorneys' fees) by the party making the claims.

(b) Each holder of Shares converted into the right to receive cash pursuant to Section 4.2(a), upon surrender to Paying Agent of certificates ("**Certificates**") representing all of the Shares owned by such holder, (i) duly endorsed in blank with signature guaranteed by an American bank or brokerage firm or accompanied by stock powers or other instruments of transfer duly executed in blank with signature guaranteed by an American bank or brokerage firm, and with all stock transfer stamps affixed (if any shall be required) free and clear of any lien, pledge, security interest, charge, mortgage, encumbrance, claim, options or equity of any kind or nature whatsoever (a "**Lien**")and (ii) accompanied by a properly completed IRS Form W-9, will be entitled to receive the cash payment which such Shares have become a right to receive pursuant to Section 4.2. Until so surrendered, each such Certificate shall, after the Effective Time, represent for all purposes only the right to receive the consideration specified in Section 4.2. Promptly after Closing, the Purchaser shall mail to each Holder who has not already deposited the required documents with the Purchaser a letter explaining the documentation required, with all forms required.

(c) No cash payment shall be made pursuant to Section 4.2 to a person who is not the registered holder of the Shares represented by the Certificate surrendered in exchange therefor. If a holder of Shares claims that a Certificate has been lost, stolen or destroyed, Purchaser shall pay to such holder the cash into which such Shares have been converted under Section 4.2 upon receipt of evidence of ownership of such Shares, and appropriate indemnification, in each case satisfactory to Purchaser.

(d) Each Holder (including after the Merger, each person who was a holder of Shares or Options and who continues to be entitled to any payment hereunder) shall be responsible for providing an address to which checks in payment of the cash into which such Shares or Options are converted may be sent by first class mail (or other form of delivery agreed to by Paying Agent) and for notifying the Purchaser, Paying Agent and the Shareholder Representative of any change in such address. Any check or other form of payment which is undeliverable due to lack of a current address may be canceled and such funds may be held by Paying Agent or be paid out in accordance with the terms of the Paying Agent Agreement; no interest shall accrue for the benefit of Holder on any such undeliverable payment. All payments not claimed within three (3) years after the last general mailing to Holders (or such lesser period as may be specified by law) shall be returned to Purchaser or forfeited as required by law. The Paying Agent may, but shall not be obligated to, use reasonable efforts to locate any Holder which the Paying Agent and Shareholder Representative believes is entitled to any payment and charge the costs of such

efforts against the amounts otherwise due hereunder to such Holder.

4.5 Dissenters' Rights.

(a) Notwithstanding Section 4.2, Shares outstanding immediately prior to the Effective Time and which are held by a holder who shall have delivered a written demand for appraisal of such Shares, as provided in Section 262 of the DGCL (each holder a "**Dissenting Stockholder**" and each Share a "Dissenting Share"), shall not be converted into the right to receive cash pursuant to Section 4.2, unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost such holder's right to dissent from the Merger under the DGCL, and shall be entitled to receive only the payment provided by Section 262 of the DGCL with respect to such Shares. If any Dissenting Stockholder shall fail to perfect or shall have effectively withdrawn or lost the right to dissent, the Dissenting Shares held by such Dissenting Stockholder shall thereupon be treated as if they had been converted into the right to receive cash pursuant to Section 4.2.

(b) The Company shall give Purchaser (i) prompt notice of any written demands for appraisal of any Dissenting Shares, attempted withdrawals of such demands, and any other instruments served pursuant to applicable law received by the Company relating to stockholders' rights of appraisal and (ii) the opportunity to direct all negotiations and proceedings with respect to demand for appraisal under the DGCL. The Company shall not, except with the prior written consent of Purchaser, voluntarily make any payment with respect to any demands for appraisals of Dissenting Shares, offer to settle or settle any such demands or approve any withdrawal of any such demands.

4.6 Meetings of the Company's Stockholders.

(a) The Company will take, consistent with applicable law, and its Certificate of Incorporation and By-laws, all action necessary to convene a meeting of Stockholders as promptly as practicable to consider and vote upon the approval of this Agreement and Merger. Subject to its fiduciary obligations, the Board of Directors of the Company shall recommend such approval and the Company shall take all lawful action to solicit such approval.

4.7 Other Deliveries by the Company. At the Closing, the Company shall cause to be delivered to Purchaser (unless delivered previously), the following:

(a) the written resignation of each director and officer of the Company;

(b) executed counterparts of any consents, approvals and authorizations referred to in Section 7.1(b) hereof;

(c) the officers' certificate referred to in Section 7.1(j) hereof;

(d) the opinion of counsel referred to in Section 7.1(g) hereof;

(e) the employment and non-compete agreements referred to in Section 7.1(i) hereof;

(f) the consents and financial statements referred to in Section 7.1(k) hereof; and

(g) all other previously undelivered documents, instruments and writings required to be delivered by the Company to Purchaser at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

4.8 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to the Company and the Shareholder Representative (unless delivered previously) the following:

(a) the officer's certificate referred to in Section 7.2(f) hereof;

(b) once the Merger has become effective, confirmation that payment of the amounts due to Charles River Laboratories, Inc. and Bill Doyle at Closing described in Section 4.2(c)(ii) and (iv) has been arranged;

(c) evidence that Purchaser has deposited the full amount of the purchase price payable at closing with Mellon Bank, N.A. as Paying Agent for distribution to the Holders upon receipt of the documents they are required to provide under Sections 4.2(b) and 4.4 and has deposited the Holdback with Mellon Bank, N.A. as escrow agent as contemplated by Section 4.3 provided that such deposit may be made contingent on completion of Closing; and

(d) all other previously undelivered documents, instruments and writings required to be delivered by Purchaser to the Company and the Shareholder Representative at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

ARTICLE V

Representations and Warranties

5.1 Representations and Warranties of the Company. The Company hereby represents and warrants that:

(a) Corporate Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing as a foreign corporation in California and in each other jurisdiction where the properties owned, leased or operated, or the business conducted, by it

require such qualification, except where the failure to so qualify would not have a material adverse effect on the Company. The Company has the requisite corporate power and authority to carry on its business as it is now being conducted. The Company has made available to Purchaser a complete and correct copy of the Company's Certificate of Incorporation and Bylaws, each as amended to date. The Company's Certificate of Incorporation and Bylaws so delivered are currently in full force and effect.

(b) Corporate Authority. Subject only to approval of this Agreement by the Stockholders, the Company has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement and any other instruments and agreements required to be executed and delivered by it pursuant to this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms. The Board of Directors of the Company has unanimously approved the Merger and this Agreement and the transactions contemplated herein.

(c) Capitalization. The authorized capital stock of the Company consists of Five Million (5,000,000) Shares divided into 4,999,199 shares of Class A common stock par value $0.01 per share and 801 shares of Class B common stock par value $0.01 per share, of which Two Million Thirteen thousand (2,013,000) Class A Shares were the only Shares outstanding at the close of business on December 7, 1995, which amount includes the shares issuable to Charles Butcher in connection with the Company's convertible promissory note in the original principal amount of $500,000 if the entire principal amount plus accrued interest to such date were converted as of January 15, 1996 (subject to adjustment for convertible interest accruing thereon after such date), but excludes the 133,445 shares of Class A common stock owned of record by Charles River Laboratories, Inc. and the Shares issuable upon exercise of the Options described below. All of the outstanding Shares have been duly authorized and are validly issued, fully paid and nonassessable and not subject to preemptive rights. The shareholders of the Company, all of whom are listed in Section 5.1(d) of the Disclosure Schedule (to be updated at and as of Closing), are all the record owners and record holders of the Shares. Except for the options to acquire 962,417 shares of common stock as described in Section 5.1(d) of the Disclosure Schedule, there are no outstanding options, warrants, calls, rights, commitments or agreements of any character to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of the Company or obligating the Company to grant, extend, or enter into any such option, warrant, call, right, commitment or agreement (the "**Options**"). None of the equity securities or other securities of the Company was issued since November 1, 1990 in violation of the Securities Act of 1933 (the "**Securities Act**") or any other applicable law, state or federal. Section 5.1(d) of the Disclosure Schedule lists each holder of an Option, the number of shares acquirable under such Option, the per share Option exercise price and any other terms of such Option relevant to the transactions herein contemplated.

(d) Governmental Filings; No Violations.

(i) Other than the filings provided for in Section 1.3 hereof, no notices, reports or other filings are required to be made by the Company with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by the Company from, any governmental or regulatory authority, agency, commission or other entity, domestic or foreign ("Governmental Entity"), in connection with the execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby.

(ii) The Company is not in violation of or default under any provisions of its Certificate of Incorporation or Bylaws or in violation of or default under any provision of any instrument, agreement or contract to which it is a party or by which it is bound or any provision of any federal or state judgment, order, writ, decree, statute, rule or regulation applicable to the Company, including but not limited to rules promulgated by the Food and Drug Administration. The execution and delivery of this Agreement by the Company do not, and the consummation by the Company of the transactions contemplated by this Agreement will not, constitute or result in (i) a violation of the Certificate of Incorporation or Bylaws of the Company, (ii) a breach or violation of, a default under or the triggering of any payment or other obligations pursuant to, any of the Company's existing Plans (as defined in Section 5.1(i)) or any grant or award made under any of the foregoing, (iii) a breach or violation of, or a default under, the acceleration of or the creation of a lien, pledge, security interest or other encumbrance on assets (with or without the giving of notice or the lapse of time) pursuant to, any provision of any agreement, lease, contract, note, mortgage, indenture, arrangement, license or other obligation (a "**Contract**") to which the Company is a party or by or to which the Company or any of its properties or assets is bound (other than the consents listed on Disclosure Schedule 5.1(d)or subject or any law, rule, ordinance or regulation or judgment, decree, order, award or governmental or non-governmental permit or license to which the Company is subject or (iv) any change in the rights or obligations of any party under any of the Contracts.

(e) Financial Statements. The Company has delivered to the Purchaser: (a) audited balance sheets of the Company as of December 31st in each of the years 1992 through 1994, and the related audited statements of income, changes in stockholders' equity, and cash flow for each of the fiscal years then ended, together with the report thereon of J. H. Cohn and Co., independent certified public accountants, (collectively, the "**Financial Statements**") and (b) an unaudited balance sheet of the Company as at September 30, 1995 (the "**Interim Balance Sheet**") and the related unaudited statement of income, changes in stockholders' equity, and cash flow for the nine (9) months then ended (collectively, the "**Interim Financial Statements**"). Such financial statements and notes present fairly in al material respects the financial position and the results of operations, changes in stockholders' equity, and cash flow of the Company as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles, consistently applied throughout the periods involved,

subject, in the case of Interim Financial Statements, to normal year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse) and the absence of notes (that, if presented, would not differ materially from those included in the Financial Statements). Except as reserved against or set forth in the Interim Balance Sheet, or as listed on Schedule 5.1 (e), the Company has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) other than current liabilities and obligations incurred in the ordinary course of business consistent with prior practice and experience since September 30, 1995.

(f) Absence of Certain Changes or Events. Except as disclosed on Disclosure Schedule 5.1(f), since December 31, 1994, the Company has conducted its business only in, and has not engaged in any material transaction other than in accordance with the ordinary and usual course of such business and there has not been (i) any change in the assets, liabilities, financial condition, operating results or prospects of the Company from that reflected in the most recent audited financial statements of the Company other than changes in the ordinary course which, in the aggregate, have not been materially adverse to the business, business prospects or financial condition of the Company ; (ii) any damage, destruction or loss, whether or not covered by insurance, having a material adverse effect on the financial condition or ability to conduct business of the Company; (iii) any waiver by the Company of a valuable right or of a material debt owed to it; (iv) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and which is not material to the assets, properties, financial condition, operating results or business of the Company (as such business is presently conducted); (v) any change or amendment to a material Contract by which the Company or any of its assets or properties is bound or subject; (vi) any material change in any compensation arrangement or agreement with any employee, director or consultant; (vii) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of the Company's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock. Since December 31, 1994, there has not been (x) any granting by the Company to any employee of the Company of any increase in compensation, except in the ordinary course of business consistent with prior practice or as was required under employment agreements in effect on December 31, 1994, (y) any granting by the Company to any employee of any increase in severance or termination pay, except as was required under any employment, severance or termination agreement in effect on December 31, 1994, or (z) any entry by the Company into any employment, severance or termination agreement with any such employees.

(g) Litigation. Except as set forth on Section 5.1(g) of the Disclosure Schedule, as of the date of this Agreement, there is no action, suit, proceeding or investigation involving the Company pending or currently threatened against the Company or to which the Company is a party; none of the actions, suits, proceedings or investigations so listed might result, either individually or in the aggregate, in a material adverse effect on the Company or prevent, materially delay or materially burden the transactions contemplated

by this Agreement, or result in any change in the current equity ownership of the Company, nor is there any reasonable basis for the foregoing. The foregoing includes, without limitation, actions pending or threatened (or any reasonable basis therefor known to the Company) involving the prior employment of any of the Company's employees, their use in connection with the Company's business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers. The Company is not a party or subject to the provisions of any order (except as imposed by the laws of general application), writ, injunction, judgment or decree (except as imposed by laws of general application) of any court or government agency or instrumentality.

(h) Employee Benefits.

(i) Except as shown in Section 5.1(i) of the Disclosure Schedule, there are no plans of the Company in effect for pension, profit sharing, deferred compensation, severance pay, bonuses, stock options, stock purchases or any other form of retirement or deferred benefit, or for any health, accident or other welfare plan, or any other employee or retired employee benefit plan, program, contract, understanding or arrangement in which any employee, former employee, retired employee, or beneficiary of any of them, of the Company is entitled to participate. The plans, programs, contracts, understandings and arrangements listed in Section 5.1(h) of the Disclosure Schedule are hereinafter referred to as the "**Plans**."

(ii) The Company has delivered to Purchaser true and complete copies of (or, where copies do not exist, summaries of) each of the Plans, all trust agreements, insurance contracts, investment management agreements and other documents, including, but not limited to, summary plan descriptions currently in effect with respect to the Plans, the two more recent audited financial statements and the most recent annual report filed with the Internal Revenue Service (the "**IRS**") for each such Plan.

(iii) Each of the Plans is in full force and effect and at all times have been operated in accordance with its terms and in accordance with all applicable laws including, but not limited to, the Employee Retirement Income Security Act of 1974 ("**ERISA**"), the Internal Revenue Code of 1986 (the "**Code**"), the Consolidated Omnibus Budget Reconciliation Act of 1986 and state health care continuation laws.

(iv) There are no pending investigations, proceedings or other matters concerning the Plans before the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation ("**PBGC**") or any other forum, other than determination letter applications filed with the IRS in the normal course of operating the Plans.

(v) Neither the Company nor any directors, officer, employee, agent or representative of the Company nor any fiduciary of any Plan has engaged in a transaction in connection with any of the Plans which would be subject to a civil

penalty against the Company or for which the Company would be liable assessed pursuant to Section 502(i) of ERISA, or a tax imposed by Section 4975 of the Code, with respect to any Plan.

(vi) Each of the Plans which is intended to qualify under Section 401(a) of the Code is designated on Section 5.1(h) of the Disclosure Schedule as being a "Qualified Plan" (the Plans so designated being hereinafter referred to as the "**Qualified Plans**").

(vii) The Company has received currently effective favorable determination letters from the IRS with respect to the qualification of the Qualified Plans, and true and correct copies of these determination letters have been delivered to Purchaser. To the knowledge of the Company, there have been no developments since the dates of the determination letters which creates a risk of causing the loss of such qualification.

(viii) With respect to each such Plan, the Company has not incurred (1) any accumulated funding deficiency within the meaning of Section 412 of the Code, whether or not waived, nor (2) any liability to the PBGC (other than for normal premium payments).

(ix) No "reportable event", as such term is defined in Section 4043(b) of ERISA, has occurred with respect to any Plan since the effective date of ERISA.

(x) The Company has not, since December 31, 1994, made or suffered a "complete withdrawal" or a "partial withdrawal" under any employee benefit plan within the meaning of Section 3(3) of ERISA (a "Plan") that is a multiemployer plan, as such terms are defined in Section 4203 and 4205 of ERISA, respectively; and the Company has not received notice to the effect that any Plan that is a multiemployer plan is either in reorganization (as defined in Section 4241 of ERISA) or insolvent (as defined in Section 4245 of ERISA). If the Company were to completely withdraw from any multiemployer plan listed in Section 5.1(h) of the Disclosure Schedule, the Company would not incur or become liable for any withdrawal liability.

(xi) There are no pending or threatened claims by or disputes with any participants or beneficiaries of the Plans, except Plan benefit claims arising in the normal course of the operations of the Plans and as to which no dispute exists, and neither the Stockholders nor the Company is aware of any facts which could give rise to any claims against any Plan or the fiduciaries of any Plan, except for Plan benefit claims arising in the normal course of the operations of the Plans.

(xii) Each of the Plans may be effectively terminated by the Company prior to Closing, without liability to Purchaser except for the obligation to pay certain fees with respect to the Company's 401(k) plan described on Disclosure Schedule 5.1(h).

(xiii) Except as set forth in Section 5.1(h) of the Disclosure Schedule, the

consummation of the transactions contemplated by this Agreement will not (i) entitle any current or former employee or officer of the Company to severance pay, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee or officer, (iii) result in any prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available, or the cost of which is not borne by the former employee (or his beneficiary) or (iv) in any way result in any liability on the part of Purchaser with respect to liabilities or obligations incurred under or in respect of any employee benefit plan of the Company.

(xiv) Except as disclosed on Disclosure Schedule 5.1(h), the Company has no unfunded pension or profit sharing plan obligations.

(xv) The Company does not have in effect any medical plans for retired employees, other than rights which any retiree may have under COBRA to continuation of benefits for up to 18 months after retirement/termination.

(i) Takeover Statutes. No "fair price", "moratorium", "control share acquisition" or other similar antitakeover statute or regulation (each a "**Takeover Statute**") is applicable to the Merger except for any such statutes or regulations as to which all necessary action has been taken by the Company and its Board of Directors to permit the consummation of the Merger in accordance with the terms hereof.

(j) Subsidiaries. The Company does not presently own or control, directly or indirectly, any interest in any other corporation, association, partnership or other business entity.

(k) Inventions and Trade Secrets. With respect to all of the Company's trade secrets, as such term is defined under the Maryland Uniform Trade Secrets Act (collectively, "**Trade Secrets**"), the documentation relating to such Trade Secrets are current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the special knowledge or memory of others except as disclosed in Section 5.1(k) of the Disclosure Schedule. The Company has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets. Except as disclosed on Section 5.1(k) of the Disclosure Schedule, all current employees and officers of the Company (and all employees and officers who have left the Company within the last 12 months) have executed a [name of trade secret confidentiality agreement] in the form previously furnished to Purchaser. The Company is not aware that any of such employees or officers is in violation thereof. The Company has good title and an absolute right to use the Trade Secrets. The Trade Secrets are not part of the public knowledge or literature, and, to the best of the Company's knowledge, have not been used, divulged, or appropriated either for the benefit of any person or entity (other than the Company) or to the detriment of the Company. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way, nor to the Company's knowledge is

any third party violating any of the Company's rights with respect to the Trade Secrets. The Company has not and is not violating the trade secret rights of any third party.

(l) Patents and Trademarks. The Company has sufficient title to and ownership of and/or licensed right s to use all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes and applications for any of such ("Intellectual Property Rights") necessary for its business as now conducted, without any conflict with or infringement of the rights of others except as described on Section 5.1(l) of the Disclosure Schedule. Except as set forth in Section 5.1(l) of the Disclosure Schedule, there are no outstanding options, licenses or agreements of any kind relating to Intellectual Property Rights, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the Intellectual Property Rights of any other person or entity used in or necessary to the business of the Company as conducted and as proposed to be conducted. The Company has received no communication alleging that the Company has violated or, by conducting its business as conducted or as proposed to be conducted, would violate any of the Intellectual Property Rights of any other person or entity and the Company has no other reason to believe that there has been or is any such violation or that any other party is violating any of the Company's Intellectual Property Rights.

(m) Title to Property and Assets. The Company owns its property and assets free and clear of all mortgages, liens, loans and encumbrances except as set forth in Section 5.1(m) of the Disclosure Schedule. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any material liens, claims or encumbrances. The property and assets owned and/or leased are sufficient to conduct the business of the Company as presently conducted, except as disclosed in Section 5.1(m)(B) of the Disclosure Schedule. Section 5.1 (m) of the Disclosure Schedule lists any lease which will require a periodic payment after Closing of more than $2500.00 per month or that is not cancelable on 60 days notice.

(n) Tax Returns and Payments. The Company has timely filed all tax returns and reports as required by law and paid all taxes shown as due thereon. The Company has made available to Purchaser true and correct copies of all such returns and reports. These returns and reports are true, correct and complete in all material respects. The Company has paid all taxes and other assessments due prior to the time penalties would accrue thereon. The provision for taxes of the Company as set forth in the Interim Balance Sheet is adequate for all taxes due or accrued as of the date hereof, whether or not shown as being due on any returns or reports. No claim for unpaid taxes has become a lien or encumbrance of any kind against the property of the Company or is being asserted against the Company; no audit of any tax return of the Company has been or is being conducted by a tax authority except for the state sales tax audit described in Disclosure Schedule 5.1(n) with a maximum potential liability of $8,000; and no extension of the statute of limitations for the assessment of any taxes has been granted by the Company and is currently in effect. As of December 31, 1994, the Company had unused federal regular net operating losses of $1,400,000

available through 2008.

(o) Insurance. The Company has in full force and effect the insurance policies set forth on Disclosure Schedule 5.1(o), which schedule lists the renewal dates of and premiums for each such policy. The Company has not received any notice of cancellation or non-renewal with respect to any of such policies.

(p) Employees. No current officer or director (or to the Company's knowledge, any former officer or director who left within the last 12 months) and, to the Company's knowledge, no current employee (or any former employee who left within the last 12 months) of the Company is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, non-competition, or proprietary rights agreement, between such employee or director and any other entity or person that in any way adversely affected, affects, or may affect (i) the performance of his duties as an employee, officer or director of the Company, or (ii) the ability of the Company to conduct its business as presently conducted (or the continuation of the business as presently conducted but under Purchaser's ownership). To the Company's knowledge, none of the Company's officers or other employees is obligated under any contract or arrangement, or subject to any judgment, decree or order (except as imposed by laws of general application) of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interest of the Company or that would conflict with the business of the Company as conducted (or the continuation of the business as presently conducted but under Purchaser's ownership). The Company has not received any written notice or other document indicating that any officer or key employee listed on Exhibit C intends to terminate his or her employment with the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing.

(q) Labor Agreements and Actions. The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the knowledge of the Company, has sought to represent any of the employees of the Company. The Company has complied in all material respects with all laws, including federal, state, local and foreign, relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, and occupational safety and health.

(r) Environmental. (i) The businesses of the Company, as presently or formerly engaged in by the Company, are and have been conducted in compliance in all material respects with all applicable Environmental Laws (as defined below), including, without limitation, having all required permits, licenses and other approvals and authorizations, during the time the Company engaged in such businesses, (ii) the properties presently or formerly owned or operated by the Company (including, without limitation, soil, groundwater or surface water on, under or adjacent to the properties, and buildings thereon) (the "**Properties**") do not contain any Hazardous Substance (as defined below) other than

as permitted under applicable Environmental Laws (provided, however, that with respect to Properties formerly owned or operated by the Company, such representation is limited to the period the Company owned or operated such Properties), (iii) the Company has not received any notices, demand letters or requests for information from any Federal, state, local or foreign governmental entity or any third party indicating that the Company may be in violation of, or liable under, any Environmental Law in connection with the ownership or operation of the Company's business, (iv) no reports have been filed, or are required to be filed, by the Company concerning the release of any Hazardous Substance or the threatened or actual violation of any Environmental Law on or at the Properties, (v) no Hazardous Substance has been disposed of, transferred, released or transported from any of the Properties during the time such Property was owned or operated by the Company, other than as permitted under applicable Environmental Laws, (vi) there have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by or which are in the possession of the Company relating to the Company or the Properties which have not been delivered to Purchaser prior to the date hereof, (vii) to the Company's knowledge, there are no underground storage tanks on, in or under any of the Properties and no underground storage tanks have been closed or removed from any Properties which are or have been in the ownership of the Company (provided, however, that with respect to Properties formerly owned or operated by the Company, the representations in this subsection (vii) are limited to the period the Company owned or operated such Properties), (viii) except as described in Disclosure Schedule 5.1(r), there is no asbestos present in any Property presently owned or operated by the company, (x) none of the Properties has been used at any time by the Company as a sanitary landfill or hazardous waste disposal site and (xi) the Company has not incurred, and none of the Properties (provided, however, that with respect to Properties formerly owned or operated by the Company, such representations are limited to the period the Company owned or operated such Properties) are presently subject to, any material liabilities (fixed or contingent) relating to any suit, settlement, court order, administrative order, judgment or claim asserted or arising under any Environmental Law.

"Environmental Law" means (i) any federal, state and local law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, legal doctrine, order, judgment, decree, injunction, requirement or agreement with any governmental entity, (x) relating to the protection, preservation or restoration of the environment (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety, or (y) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Substances , in each case as amended and as now or hereafter in effect, and (ii) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrine such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Substance. The term Environmental Law includes, without limitation, the federal Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization

Act, the Federal Water Pollution Control Act of 1972, the federal Clean Air Act, the federal Clean Water Act, the federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the federal Solid Waste Disposal Act and the federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Occupational Safety and Health Act of 1970, each as amended and as now or hereafter in effect.

"Hazardous Substance" means any substance presently or hereafter listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or by quantity, including any substance containing any such substance as a component. Hazardous Substance includes, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl.

(s) Regulatory Compliance. The Company is in compliance in all material respects with all laws, orders, rules and regulations of any applicable government authority and, except as disclosed in Section 5.1(s) of the Disclosure Schedule, has not received any notices of violations or similar communication from any government agency which has not been resolved to the satisfaction of the applicable government agency. All Products manufactured by or for the Company are manufactured in accordance with the applicable Good Laboratory Practice Regulations of the Federal Food and Drug Administration and are not adulterated or misbranded under the Federal Food, Drug and Cosmetic Act or prohibited from being introduced into interstate commerce.

(t) Contracts. Except as disclosed in Section 5.1(t) of the Disclosure Schedule, neither the Company nor, to the Company's knowledge, any other party thereto is in violation of and there are no circumstances which, with notice or the passage of time, would constitute a violation of any contract to which the Company is a party or by which it is bound which would have a material adverse effect on the Company.

(u) Permits and Licenses. The Company has all permits, licenses and other governmental approvals needed to operate its Business as presently conducted, except as disclosed in Section 5.1(s) of the Disclosure Schedule.

(v) Minute Books. All minute books and minutes of meetings of directors, committees and stockholders since the time of incorporation, and all stock transfer records of the Company, have been delivered to Purchaser for inspection and are correct and accurately reflect in all material respects all transactions referred to in such minutes or stock transfer records .

(w) Tangible Assets and Equipment. All of the computers, equipment and other tangible assets that are on Company's books are in good operating condition and repair and are adequate for the uses to which they are being put. None of such computers, equipment

or other tangible assets is in need of maintenance or repairs except for ordinary, routine maintenance and repairs which are not material in nature or cost, except as disclosed in Section 5.1(m)(B) of the Disclosure Schedule. All such computers, equipment and other tangible assets are free from any known defects.

(x) Information. Neither this Agreement, any exhibit or schedule hereto, nor any other written statements or certificates made or delivered in connection herewith contains any untrue statement of a material fact made by the Company or omits to state a material fact required to be stated herein or therein by the Company or necessary to make the statements made by the Company herein or therein, in light of the circumstances in which they were made, not misleading.

(y) Brokers. The Company has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement.

5.2 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants that:

(a) Corporate Organization and Qualification: Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Purchaser has the requisite corporate power and authority to carry on its business as it is now being conducted.

(b) Corporate Authority. Purchaser has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement and any other instruments and agreements required to be executed and delivered by it pursuant to this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement is a valid and binding agreement of Purchaser enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally.

(c) No Violations. The execution and delivery of this Agreement by Purchaser do not, and the consummation by Purchaser of the transactions contemplated by this Agreement will not, constitute or result in (i) a breach or violation of, or a default under, the Certificate of Incorporation or By-laws of Purchaser or (ii) a breach or violation of, or a default under, the acceleration of or the creation of a lien, pledge, security interest or other encumbrance on assets (with or without the giving of notice or the lapse of time) pursuant to, any provision of any Contract to which Purchaser is a party or by or to which Purchaser or any of its properties or assets is bound or subject or any law, rule, ordinance or regulation or judgment, decree, order, award or governmental or non-governmental permit or license to which Purchaser is subject.

ARTICLE VI

Covenants of the Company

6.1 Interim Operations of the Company. The Company covenants and agrees that, prior to the Effective Time (unless Purchaser shall otherwise agree in writing and except as otherwise expressly contemplated by this Agreement):

(a) the business of the Company shall be conducted only in the ordinary and usual course and, to the extent consistent therewith, the Company shall preserve its business organization intact and maintain its existing relations with customers, suppliers, employees and business associates and preserve it goodwill;

(b) the Company shall not (i) create any subsidiaries; (ii) amend its Certificate of Incorporation or By-laws, (iii) split, combine or reclassify the outstanding Shares, or (iv) declare, set aside or pay any dividends in cash, stock or property with respect to the Shares;

(c) the Company shall not (i) issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock of any class of the Company or any other property or assets other than shares issuable pursuant to options outstanding on the date hereof; (ii) transfer, lease, license, guarantee, sell, mortgage, pledge, dispose of or encumber (each a "transaction") any assets, including, without limitation, all intellectual property and technology rights which it owns or uses, or enter into any collaboration, except for any such transaction or collaboration involving the transfer of research materials in the ordinary course of business consistent with past practice; (iii) incur or modify any indebtedness or other liability other than in the ordinary and usual course of business; (iv) acquire directly or indirectly by redemption or otherwise any shares of the capital stock of the Company or (v) except subject to and within limits specified in Section 6.1(c) of the Disclosure Schedule, authorize capital expenditures in excess of $10,000 or, other than the acquisition of inventory and supplies in the ordinary course of business consistent with past practice, make any acquisition of, or investment in, assets or stock of any other person or entity (including any in-licensing of technology except for any such in-licensing which involves aggregate consideration the net present value of which is reasonably expected to be less than $10,000 and is in the ordinary course of business consistent with past practice);

(d) except as otherwise provided herein, the Company shall not grant any increase in the salary or other compensation of any employee, except in the ordinary course of business, any severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or other employee of the Company; and the Company shall not establish, adopt, enter into, make any new grants or awards under or amend, any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, employee stock ownership, deferred compensation, employment,

termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any directors, officers or employees;

(e) the Company shall not settle or compromise any material claims or litigation or modify, amend or terminate any of its material Contracts or waive, release or assign any material rights or claims;

(f) the Company shall not make any tax election or permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated without notice to Purchaser, except in the ordinary and usual course of business;

(g) the Company will use its best efforts to prevent any violation by any employee or former employee of any trade secret or confidentiality agreement executed by such employee for the benefit of the Company and promptly advise Purchaser if it learns of any potential violation; and

(h) except as expressly permitted hereunder, the Company shall not authorize or enter into an agreement to do any of the foregoing.

6.2 No Negotiation. In consideration of the time and expense of BioWhittaker to be expended in the negotiation of the Merger, the Company shall not (and the Company shall use its best efforts to cause the officers, directors, employees, representatives and agents of the Company, including, but not limited to, investment bankers, brokers, attorneys and accountants, not to), directly or indirectly, encourage, solicit, participate in or initiate discussions or negotiations with, or provide any information to, any corporation, partnership, person or other entity or group (other than Purchaser or any of its affiliates or representatives) concerning any merger, tender offer or exchange offer, involving the Company or the sale of all or a significant portion of the assets, or the sale of shares of capital stock or debt securities of the Company, or any similar transaction involving the Company; provided that the Company may negotiate with a third party if (i) the offer of interest from the third party is unsolicited, (ii) the third party has provided a bona fide written acquisition proposal to the Board of Directors of Clonetics which the Board determines in the exercise of its reasonable business judgement to constitute an offer offering superior aggregate value to the stockholders of Clonetics than that made by BioWhittaker and (iii) outside counsel for Clonetics determines that the Board of Directors of Clonetics would violate its fiduciary duty to the Clonetics stockholders if the Board failed to pursue such negotiations. The Company will promptly communicate to Purchaser the terms of any proposal, discussion, negotiation or inquiry (and will disclose the substance of any written materials received by the Company in connection with such proposal, discussion, negotiation, or inquiry) and the identity of the party making such proposal or inquiry which it may receive in respect of any such transaction. In the event that the transaction contemplated by this agreement is not consummated and the Company or its stock is sold, on or before March 31, 1996, to a third party, the Company agrees to pay BioWhittaker a fee of $300,000 in the aggregate in consideration of BioWhittaker's

time and effort expended in connection with this transaction.

The provisions of this section shall survive termination of this Agreement unless

(a) termination under Section 8.1(a) is the result of Purchaser's breach of the Agreement,

(b) termination results from the failure to satisfy Purchaser's condition to closing relating to financing in Section 7.1(l),

(c) termination results solely from the failure of Purchaser to satisfy in any material respect the conditions to closing set forth in Section 7.2(b) and (d);

(d) termination is due to the failure of Purchaser to cause its subsidiary to execute or to file the Articles of Merger or the Delaware Secretary of State to accept for filing such Articles unless such failure is caused by Company or

(e) the parties otherwise agree in writing.

6.3 Filings; Other Action. Subject to the terms and conditions herein provided, the Company and the Stockholders shall use their best efforts to promptly take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement as soon as practicable.

6.4 Access. Upon reasonable notice, the Company shall afford Purchaser's officers, employees, counsel, accountants and other authorized representatives ("Representatives") access, during normal business hours throughout the period prior to the Effective Time, to its properties, books, Contracts and records and, during such period, the Company shall furnish promptly to Purchaser all information concerning its business, properties and personnel as Purchaser or its representatives may reasonably request. Any information disclosed as a result of such access shall be subject to the terms of the Confidentiality Agreement dated April 10, 1995 between the Company and the Purchaser

6.5 Notification of Certain Matters. The Company and the Stockholders shall give prompt notice to Purchaser of any notice of, or other communication relating to, any default or violation or event that, with notice or lapse of time or both, could become a default or violation, received by the Company or the Stockholders subsequent to the date of this Agreement and prior to the Effective Time, under any Contract to which the Company is party or by which the Company or any of its property or assets is subject or bound or any law, rule, ordinance or regulation or judgment, decree, order, award or governmental or non-governmental permit or license to which the Company or any of its property or assets is subject. The Company and the Stockholders shall give prompt notice to the Purchaser of

any change or the occurrence of any event which could have a material adverse affect on the business, assets or prospects of the Company or on the consummation of the transactions contemplated hereby and of any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated by this Agreement.

6.6 Best Efforts. Between the date of this Agreement and the Closing Date, the Stockholders and the Company shall use their best efforts to cause the conditions in Articles VI and VII hereof to be satisfied.

ARTICLE VII

Conditions

7.1 Conditions to Obligations of Purchaser. The obligation of Purchaser to consummate the Merger is subject to the fulfillment of each of the following conditions, any or all of which may be waived in whole or in part by Purchaser to the extent permitted by applicable law:

(a) Stockholder Approval. This Agreement shall have been duly approved by the holders of the Shares, in accordance with applicable law and the Certificate of Incorporation and By-laws of the Company;

(b) Consents. All filings required to be made prior to the Effective Time by the Company with, and all consents, approvals and authorizations required to be obtained prior to the Effective Time by the Company from, any third party or any Governmental Entity in connection with the execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated hereby by the Company and Purchaser shall have been made or obtained (as the case may be) and delivered to Purchaser;

(c) Litigation. No court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which would prohibit consummation of the transactions contemplated by this Agreement or impose restrictions on Purchaser or the Company in connection with the consummation of the Merger or with respect to their business operations, either prior to or subsequent to the Merger (collectively, an "Order").

(d) Representations and Warranties. The representations and warranties contained in Section 5.1, and in all certificates and documents, including the Disclosure Schedule as of the date of this Agreement, delivered by the Stockholders or the Company to Purchaser pursuant hereto or in connection with the transactions contemplated hereby shall be true in all respects as of the date of this Agreement, and as of the Effective Time as though made at and as of the Effective Time except for changes expressly contemplated by

this Agreement.

(e) Performance of Covenants. The Stockholders and the Company shall have performed and complied in all respects with each and every covenant, obligation and agreement required to be performed by them under this Agreement at or prior to the Closing Date.

(f) Dissenting Shares. The number of Dissenting Shares, if any, that are not to be treated as Non-Election Shares pursuant to Section 4.4 shall not exceed 5% of the total number of outstanding Shares.

(g) Opinion. The Company and the Stockholders shall have delivered to Purchaser an opinion of Sheppard, Mullin, Richter & Hampton, counsel to the Company and the Stockholders, dated the Closing Date, addressed to Purchaser, satisfactory to counsel for Purchaser and substantially in the form of Exhibit B, attached hereto.

(h) Resignations. Purchaser shall have received copies of written resignations effective the Closing Date of all persons serving as directors and officers of the Company from their positions as directors and officers.

(i) Employment and Non-Compete Agreements. The Purchaser shall have received signed employment, consulting and non-compete agreements from certain employees and a consultant of the Company as designated by Purchaser, in form and upon terms acceptable to Purchaser, from the individuals listed on Exhibit C.

(j) Certificates. Purchaser shall have received a certificate dated the Closing Date by the President and the Secretary of the Company, certifying after inquiry as to the satisfaction of the conditions set forth in this Section and, to the best of their knowledge, as to the ownership of Shares and Options as of the Closing Date.

(k) Financial Statements. As of the Closing Date, Purchaser shall have received written assurances, satisfactory to Purchaser, from J. H. Cohn & Company, that they know of no reason presently why their manually signed consents to the use of their reports in such registration statements as the Purchaser may file with the SEC under the Securities Act of 1933 ("Registration Statements") or other filings required of Purchaser under federal securities laws could not be made available and that they will use their best efforts to provide such consents on a timely basis in the future when requested, subject to the completion of the appropriate procedures which, in their judgement, are required under generally accepted auditing standards and the rules and regulations promulgated by the SEC

At or before Closing, Company shall also have furnished to the Purchaser prepared in accordance with Regulation S-X (part 210 of the Code of Federal Regulations) promulgated by the Securities and Exchange Commission audited financial statements for year ended 12/31/94 and an unaudited balance sheet dated as of October 31, 1995 and a

statement of income and cash flows for the ten months ended October 31, 1995, as required by Regulation S-X, or by Items 2 and 7 of SEC Form 8-K as applicable to the Purchaser by reason of the acquisition of the Company. All such financial statements shall have been prepared in accordance with generally accepted accounting principles and the audited statements to be included in the Form 8-K to be filed with the SEC by reason of Purchaser's acquisition of the Company shall be accompanied by a manually signed report of J. H. Cohn & Company, in accordance with generally accepted auditing standards, along with a consent to the incorporation by reference of its report in the Company's 1933 Act Offering Registration numbers 33-4426 (Savings and Stock Investment Plan), 33-46139 (1991 Long Term Incentive Stock Plan), 33-83128 (1994 Stock Option Plan) previously filed on Form S-8.

(l) Finalizing financing. BW shall have obtained bank or other financing for the payment of the Cash Consideration and other costs of the transactions contemplated hereby on terms acceptable to the Purchaser.

(m) Conversion of Debt and Cancellation of Debt to Charles Butcher. The Company's Promissory Note dated February 16, 1995 in the amount of $500,000 payable to Charles Butcher plus accrued interest shall have been converted into stock. In addition, Charles Butcher shall have agreed in writing to the cancellation of the three notes issued to him pursuant to the Credit Assistance and Security Agreement dated June 30, 1995 without any payment or liability on the part of Purchaser or the Company, provided that Purchaser shall indemnify and hold harmless Butcher from and against any loss, cost, damage or expense in connection with a claim from Stephen Boyce with respect to the amounts owed by the Company to him or the Bank of Boulder and Colorado National Bank with respect to letters of credit issued by them in connection with the amounts due to Boyce.

(n) Government Contracts. The Company shall have resolved any issues concerning prices now or previously charged to its government customers in a manner satisfactory to Purchaser.

7.2 Conditions to Obligations of the Company. The obligations of the Company to consummate the Merger are subject to the fulfillment of each of the following conditions, any or all of which may be waived in whole or in part by the Stockholders and the Company to the extent permitted by applicable law:

(a) Stockholder Approval. This Agreement shall have been duly approved by the holders of the Shares in accordance with applicable law and the Certificate of Incorporation and By-laws of the Company.

(b) Representations and Warranties. The representations and warranties contained in Section 5.2, and in all certificates and documents, delivered by Purchaser to the Stockholders or the Company pursuant hereto or in connection with the transactions contemplated hereby shall be true in all respects as of the Effective Time as though made at

and as of the Effective Time except for changes expressly contemplated by this Agreement.

(c) Consents. All filings required to be made prior to the Effective Time by the Company with, and all consents, approvals and authorizations required to be obtained prior to the Effective Time by the Company from, any third party or any Governmental Entity in connection with the execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated hereby by the Company and Purchaser shall have been made or obtained (as the case may be) and delivered to Purchaser;

(d) Performance of Covenants. Purchaser shall have performed and complied in all respects with each and every covenant, obligation and agreement required to be performed by it under this Agreement at or prior to the Closing Date.

(e) Order. There shall be in effect no Order.

(f) Conversion of Debt and Cancellation of Debt to Charles Butcher. The Company's Promissory Note dated February 16, 1995 in the amount of $500,000 payable to Charles Butcher plus accrued interest shall have been converted into stock. In addition, Charles Butcher shall have agreed in writing to the cancellation of the three notes issued to him pursuant to the Credit Assistance and Security Agreement dated June 30, 1995 without any payment or liability on the part of Purchaser or the Company, provided that Purchaser shall indemnify and hold harmless Butcher from and against any loss, cost damage or expense in connection with a claim from Stephen Boyce with respect o the amounts owed by the Company to him or the Bank of Boulder and Colorado National Bank with respect to letters of credit issued by them in connection with the amounts due to Boyce.

ARTICLE VIII

Termination

8.1 Termination Events. This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by either Purchaser or the Company if a breach of any provision of the Agreement has been committed by another party and such breach has not been waived;

(b) (i) by Purchaser if any of the conditions in Section 7.1 has not been satisfied as of the Closing Date or if satisfaction of such condition is or becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement) and Purchaser has not waived such condition on or before the Closing Date or if the Company proposes any amendment to the Disclosure Schedule and Purchaser elects to terminate the Agreement;

(ii) by the Company, if any of the conditions in Section 7.2 has not been

satisfied as of the Closing Date or if satisfaction of such condition is or becomes impossible (other than through the failure of the Company to comply with its obligations under this Agreement) and the Company has not waived such condition on or before the Closing Date; or

(c) by mutual consent of Purchaser and the Company; or

(d) by any party to this Agreement if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before January 21, 1996, or such later date as the parties may agree upon.

8.2 Effect of Termination. Each party's right of termination under Section 8.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement will terminated, except that the obligations in Sections 1.4, 10.1, 10.2. 10.4 and 10.5 will survive; provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the termination party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive unimpaired, subject to Section 1.4.

ARTICLE IX

Remedies of Purchaser

9.1 Survival. The representations, warranties, covenants and agreements of the Company contained herein, or in any certificate or other document, including the Disclosure Schedule, delivered pursuant to or in connection with this Agreement, shall survive the Closing hereunder and any investigation made by or on behalf of a party hereto until the first anniversary of the effective date of the Merger. Any limitation on any representation or warranty shall not be effective unless included in the Disclosure Schedule prior to Closing. If after the signing of this Agreement and prior to Closing, the Company learns of any additional matter which should be included on the Disclosure Schedule to comply with Section 7.1(d), it must disclose to Purchaser any such addition in writing referencing the section of the Disclosure Schedule to be amended and obtain a written acknowledgement from an officer of Purchaser. If any such amendment is made, the Purchaser may at any time prior to completion of Closing accept such amendment without other change to the agreement, notify the Company in writing of termination of the Agreement without liability to the Company for such termination or notify the Company in writing that it will not close absent an amendment of the Agreement to compensate Purchaser for any material adverse effect of such amendment (defined for this purpose only to be a disclosure of a claim or

liability or aggregate claims and liabilities in excess of $25,000), with the right to terminate the Agreement without liability to the Company as provided in this section if no such amendment acceptable to Purchaser is agreed.

9.2 Remedies of Purchaser. If

(i) the Company fails to observe or perform any covenant or agreement herein;

(ii) any warranty or representation made by or on behalf of the Company herein, or in any certificate or other document, including the Disclosure Schedule, delivered pursuant hereto or in connection herewith is breached;

(iii) a claim is made with respect to any product shipped or manufactured by the Company prior to the Closing Date, other than product returns in the ordinary course and in normal quantities in which the only remedy sought is product replacement or refund of the original purchase price;

(iv) if any amount is required to be paid to Wistar or to be incurred as an expense in connection with the existing patent infringement claim described in the letter dated November 13, 1995 from Greenlee and Winner, P.C. to Wistar in excess of the $19,253 reserve for past damages as a royalty for future products in excess of the royalties (0.5% and 0.25%) proposed in the November 13 letter,

Purchaser shall be entitled to recover from the Holdback any loss, liability, claim, damage or expense (including costs of investigation and defense and attorneys' fees), whether or not involving a third-party claim (collectively, the "Damages") incurred by the Purchaser or the Company or for which either may be liable to their respective directors, officers, employees, agents, consultants, advisors, or other representatives, including legal counsel, accountants, and financial advisors, stockholders, controlling persons, and affiliates (collectively the "**Identified Persons**"). However, Purchaser shall have no right to recover from the Holdback until the Damages exceed $100,000 in the aggregate, but once they exceed such amount, all Damages from the first dollar may be recovered. Notwithstanding the preceding sentence, with respect to the default listed in (v) above, all amounts payable with respect thereto may be recovered without regard to the $100,000 threshold.

9.3 Time Limitations. If Closing occurs, any right to recovery from the Holdback shall expire unless, on or before the first anniversary of the Closing the Stockholder Representative is given notice of the claim specifying the factual basis of that claim in reasonable detail to the extent then known by Purchaser and the estimated Damages. Notwithstanding the above, nothing herein is intended to waive any right Purchaser may have to a remedy under applicable law in the event of fraud.

9.4 Procedure for Obtaining Remedy – Third Party Claims.

(a) Within a reasonable time after an officer of the Purchaser learns of any claim or the commencement of any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) (a "Proceeding") by any third party against the Purchaser, the Company or any Identified Person, the Purchaser shall notify the Shareholder Representative of such claim, but the failure to notify the Shareholder Representative will not limit the Purchaser's right to recovery from the Holdback, except to the extent that the Shareholder Representative demonstrates that the defense of such claim or action is materially prejudiced by the delay in giving such notice. Notwithstanding the foregoing, Purchaser shall not be entitled to any recovery from the Holdback if notice of any claim is first made after the first anniversary of the Closing.

(b) If any Proceeding referred to in Section 9.4(a) is commenced and notice is given to the Shareholder Representative of the commencement of such Proceeding, the Shareholder Representative will be entitled to participate in such Proceeding with counsel of its own choosing, subject to reimbursement of the reasonable costs thereof from the Holdback if the third party claim is defeated or such portion of such fees as may be agreed by the Purchaser in the event of a settlement.

(c) If any Proceeding is decided adversely to Purchaser, the Company or any Identified Person, the Purchaser shall be entitled to receive from the Holdback any amount of the judgement in such proceeding for which the Purchaser or the Company is liable or for which the Purchaser or the Company may be liable to any of the Identified Persons plus the documented legal fees, court costs and other fees and expenses incurred in the defense of such Proceeding. In the event of settlement of any claim or Proceeding, the Purchaser shall notify the Shareholder Representative of the amount of the settlement and related fees and expenses incurred in connection with the defense and settlement of such claim or Proceeding and give the Shareholder Representative ten (10) days in which to consent to the payment of such amount from the Holdback, which consent will not be unreasonably withheld. If such amount is not consented to, the Shareholder Representative must within such ten (10) day period identify in a written notice to the Purchaser the specific amounts to which objection is made and the reason for the objection and the resulting amount to which the Shareholder Representative would consent. Failure to identify and provide reasons for objection to any amount within the time allowed will be deemed consent to such amount. The Purchaser may then either accept the amount to which the Shareholder Representative indicates he would consent or request arbitration. If arbitration is required, it shall be conducted in Baltimore, Maryland under the auspices of and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be governed by the Maryland Uniform Arbitration Act and any judgement upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The arbitrator is not empowered to award damages in excess of compensatory damages or in excess of the amount then remaining in the Holdback. The escrow agent holding the Holdback will be authorized to distribute to the Purchaser any amount to which the

Purchaser is entitled or which is consented to or determined by arbitration, plus the allocable interest thereon (net of the allocable share of fees and costs of the escrow agent charged against the accrued interest on the Holdback).

(d) The Purchaser shall also be entitled to make a claim against the Holdback the United States District Court for the District of Maryland and in any other court in which a Proceeding is brought against the Purchaser or the Company for which the Purchaser would be entitled to recover Damages hereunder and the Shareholder Representative consents to the jurisdiction of such court for purposes of any claim that the Purchaser may have under this Agreement with respect to such Proceeding or the matters alleged therein. The only other required parties to such an action shall be the Shareholder Representative and, if appropriate, the escrow agent then holding the Holdback.

9.5 Procedure for Indemnification -- Other Claims. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the Shareholder Representative in the same manner as for a settlement outlined above in Section 9.4(c) and the right to any payment from the Holdback shall be resolved using the procedures outlined in Section 9.4(c).

ARTICLE X

Shareholder Representative

10.1 Shareholder Representative. Upon approval of the Merger, the Holders shall be deemed, for themselves and their personal representatives, heirs, assigns and other successors, to have constituted and appointed, effective from and after the Merger, Peter Maniatis (the "Shareholder Representative") as their agent and attorney-in-fact to take all action required or permitted under this Agreement and the Certificate of Merger (including, without limitation, the giving and receiving of all notices and consents and the execution and delivery of all documents, including any amendment of any non-material term or provision hereof or of the Certificate of Merger, and the execution and delivery of any agreements and releases in connection with the settlement of any dispute or claim under this Agreement). The Shareholder Representative shall not have any duties or responsibilities except those expressly set forth in this Agreement, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Agreement or shall otherwise exist against the Shareholder Representative. The Shareholder Representative may delegate all or any portion of his privileges, powers and duties hereunder to one or more of his agents. Such agents shall be held to the same duty of care, and shall be entitled to the same rights or indemnification, as the Shareholder Representative.

10.2 Removal and Replacement. The Shareholder Representative may be removed with or without cause by the Holders who held a majority of the fully diluted Common Stock (assuming exercise of the Options and conversion of convertible securities) immediately prior to the Merger. If thé Shareholder Representative is removed, resigns or

is otherwise unable to continue as the Shareholder Representative (due to death, incapacity or otherwise), then the Holders, by a majority vote, may replace the Shareholder Representative.

10.3 Actions of Shareholder Representative; Reliance on Advice of Others. The Shareholder Representative shall be entitled to rely, and shall be fully protected in relying, upon any statements furnished to it by Company, the Purchaser, any Stockholder or Option Holder or any other evidence deemed by the Shareholder Representative to be reliable, and the Shareholder Representative shall be entitled to act on the advice of counsel he selects. The Shareholder Representative shall not be responsible for the genuineness or validity of any document and shall have no liability for acting in accordance with any written instructions given to him and believed by him to be signed by the proper parties. The Shareholder Representative shall be fully justified in failing or refusing to take any action under this Agreement unless he shall have been expressly indemnified to his satisfaction by the Holders severally according to their respective pro rata interests against any and all liability and expense that the Shareholder Representative may incur by reason of taking or continuing to take any such action. The Shareholder Representative shall in all cases be fully protected in acting, or refraining from acting, under this Agreement in accordance with a request of Holders whose aggregate percentage of the fully diluted Common Stock of Clonetics immediately prior to the Merger ("Percentage Interest") exceeds 50%, and such request, and any action taken or failure to act pursuant thereto, shall be binding upon all of the Stockholders and Option Holders and their heirs, personal representatives, successors and assigns.

10.4. Expenses of Shareholder Representative. The Shareholder Representative shall be entitled to retain counsel, accountants and other advisors and to incur such expenses (including litigation expenses) as the Shareholder Representative deems to be necessary or appropriate in connection with his performance of his obligations under this Agreement, and all such fees and expenses (including reasonable attorneys' fees) incurred by the Shareholder Representative shall be borne by the Stockholders and Option Holders pro rata based on their number of shares and Option shares outstanding or issuable immediately prior to the Merger. To the extent there are funds available for distribution from the Holdback, the Shareholder Representative shall be reimbursed from the Holdback for any of such documented expenses prior to the distribution of the remaining funds to the Stockholders and Option Holders.

10.5 Indemnification of and Liability to Shareholder Representative. The Holders shall severally indemnify the Shareholder Representative (in his capacity as such) and each of his agents and affiliates, ratably according to their respective Percentage Interests, against, and hold the Shareholder Representative (in his capacity as such) and his agents and affiliates, harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of whatever kind which may at any time be imposed upon, incurred by or asserted against any of them in any way relating to or arising out of the Shareholder Representative's actions or failures to take action

pursuant to this agreement or in connection herewith in such capacity; provided, that no Holder shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or wilful misconduct of the person seeking such indemnification. The parties understand that, in connection with approval of the merger by the Stockholders, the Stockholders will be asked to agree to indemnify the Shareholder Representative as herein set forth. However, in no event will the Company or the Purchaser have any obligation to indemnify the Shareholder Representative or any liability to the Shareholder Representative in his capacity as Shareholder Representative.

ARTICLE XI

Miscellaneous and General

11.1 Payment of Expenses. Whether or not the Merger shall be consummated, each party hereto shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the consummation of the Merger.

11.2 Confidentiality. Between the date of this Agreement and the Closing Date, Purchaser, the parties will maintain in confidence, and the Purchaser, and the Company, respectively, will cause the directors, officers, employees, agents, and advisors of each of the Purchaser and the Company, respectively, (and the Company will use reasonable efforts to cause the stockholders of the Company) to maintain in confidence any written, oral, or other information obtained in confidence from another party in connection with the agreement or the transactions contemplated thereby unless (a) such information is already known to such party or to others not bound by a duty of confidentiality, becomes publicly available through no fault of such party, is obtained from a third party without breach of any obligation to the original disclosing party or is independently developed by the receiving party without use of any of the disclosed information as evidenced by written records, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated by this Agreement, or (c) the furnishing or use of such information is required by legal proceedings. If the transactions contemplated by this Agreement are not consummated, each party will return or destroy as much of such information as the other party may reasonably request.

11.3 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

11.4 Jurisdiction; Service of Process. An action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought against any of the parties in the exclusive jurisdiction of the United States District Court for

the District Maryland; and each of the parties consents to the jurisdiction of such court (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

11.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

11.6 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid or by other commercial delivery service providing confirmation of receipt:

(a) if to Purchaser:

BioWhittaker, Inc.
8830 Biggs Ford Road
Walkersville, Maryland 21793-0127
Attention: President

with a copy to:

BioWhittaker, Inc.
8830 Biggs Ford Road
Walkersville, Maryland 21793-0127
Attention: General Counsel

(b) if to the Company:

Clonetics, Inc.
9620 Chesapeake, Drive #201
San Diego, Ca. 92123
Attn: President

with a copy to:

Barbara Borden, Esq.
Sheppard, Mullin, Richter & Hampton
501 W. Broadway 19th floor
San Diego, Ca. 92101

(c) if to the Shareholder Representative to:

or to such other persons or addresses as may be designated in writing by the party to receive such notice.

11.7 Entire Agreement; Amendments. This Agreement (including any exhibits, schedules or annexes hereto) constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties both written and oral, between the parties with respect to the subject matter hereof.

This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment. Prior to the Merger, the consent of the Shareholder Representative shall not be required for any amendment unless the amendment directly affects the rights and obligations of the Shareholder Representative. Any amendment which affects the rights of the Shareholder Representative must be approved by the Shareholder Representative or, prior to the Merger, by the Stockholders then owning a majority of the outstanding Shares or, after the Merger by the persons who would have owned immediately prior to the Merger a majority of the Shares on a fully diluted basis as if all outstanding Options had been exercised.

11.8 Captions. The Article, Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

11.9 Further Assurances. The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purposes of carrying out the intent of this Agreement and the documents referred to in this Agreement.

11.10 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the

right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

11.11 Assignments, Successors, and No Third-Party Rights. Neither party may assign any of its rights under this Agreement without the prior consent of the other parties, except that Purchaser may assign any of its rights under this Agreement to any subsidiary of Purchaser. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of the Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

11.12 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement or caused it to be executed by its duly authorized representative and has affixed or caused to be affixed its or his seal intending that this shall be a document under seal, all as of the day and year first above written.

ATTEST OR WITNESS

BIOWHITTAKER, INC.

BY: _____ [CORPORATE SEAL]
Name:
Title:

CLONETICS Corporation

BY: _____ [CORPORATE SEAL]
Name: Suzan Garner
Title: President / CEO

SHAREHOLDER REPRESENTATIVE:

_____ [SEAL]

Exhibit A
ESCROW AGREEMENT

This Escrow Agreement (this "Agreement") is dated as of December 20, 1995 by and among **BIOWHITTAKER, INC.**, a Delaware corporation ("BWI"), **CLONETICS CORPORATION**, a Delaware corporation ("Clonetics"), **Peter Maniatis** as shareholder representative (the "Shareholder Representative") and **MELLON BANK, N.A.**, as escrow agent ("Mellon" or the "Escrow Agent").

Preamble: BWI and Clonetics have agreed that Clonetics will be acquired by BWI by merger of a wholly owned subsidiary of BWI into Clonetics (the "Merger") pursuant to the terms of an Agreement and Plan of Merger (the "Merger Agreement"), a copy of which has been provided to Escrow Agent for informational pruposes only. Under the terms of Sections 1.4 and 4.3 of that Agreement, certain amounts are required to be held in escrow subject to release upon the terms therein provided. If Closing of the Merger occurs, the Shareholder Representative has been designated to act as representative of the stockholders of Clonetics and the holders of options to acquire shares of Clonetics' stock whose stock and options will be converted to a right to receive cash as a result of the Merger. The purpose of this Agreement is to establish the terms upon which Mellon Bank, N.A. will act as escrow agent.

Now, Therefore, the parties hereto hereby agree as follows:

1. Appointment of Escrow Agent. BWI and Clonetics hereby appoint Mellon Bank, N.A. as the Escrow Agent hereunder, and the Mellon Bank, N.A. hereby accepts such appointment.

2. Creation of Escrow Fund; Escrow Deposit. The Escrow Agent hereby agrees to hold in a separate account or fund which shall be designated the " Clonetics Escrow Fund" (the 'Escrow Fund") the amounts described in Section 1.4 and 4.3 of the Merger Agreement. The Escrow Fund shall be held or disbursed by the Escrow Agent under and subject to the provisions of this Agreement. The Escrow Agent hereby acknowledges its receipt of Two Hundred Thousand Dollars ($200,000) (the "Deposit"), which amount shall be deposited into the Escrow Fund. Upon closing under the Merger Agreement, BWI shall deposit One Million Five Hundred Thousand Dollars ($1,500,000) (the "Holdback") in the Escrow Fund, provided that BWI may upon Closing, direct that the Deposit and interest accrued thereon be credited against the Holdback in lieu of making payment of such portion of the Holdback.

3. Investment of Escrow Fund. The Escrow Agent shall invest and reinvest the amounts on deposit in the Escrow Fund in Investment Securities as defined below as directed in writing by BWI prior to the Merger and by BWI and the Shareholder Representative jointly after the Merger, provided that the Escrow Agent shall invest only in such Investment Securities as shall perfnit funds to be available for payment when reasonably anticipated to be needed. As used herein, "Investment Securities" means:

a. (i) direct obligations of, or obligations, the principal and interest on which are unconditionally guaranteed by the United States of America or (ii) evidences of ownership in specified direct obligations of, or obligations, the principal and interest on which are unconditionally guaranteed by the United States of America, which obligations are held by a bank or trust company organized under the laws of the United States of America or any state thereof as custodian,

b. bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other like U.S. governmental or government-sponsored organizations: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Bank, Federal Home Loan Bank System, Export Import Bank of the United States, Farmers Home Administration, Small Business Administration, Federal Land Banks, the Federal National Mortgage Association, The Government National Mortgage Association or the Tennessee Valley Authority,

c. direct and general obligations of any state of the United States, to the payment of the principal and interest on which the full faith and credit of such State is pledged, if at the time of their purchase such obligations are rated at the time of investment in any of the three highest Rating Categories by a national recognized Rating Agency such as Moody's or Standard & Poors,

d. negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company (including Escrow Agent or any affilitate of the Escropw Agent), the deposits of which to the extent uninsured by the Federal Deposit Insurance Corporation, are to be secured as to principal by the securities of the types listed in subsections (a), (b), or (c) above,

e. repurchase agreements or similar arrangements with banking institutions, including the Escrow Agent, having or the parent company of which shall have a rating at the time of investment in any of the three highest rating categories by any nationally recognized rating agency, pursuant to which there shall have been delivered to the Escrow Agent, or its designee, Investment Securities of the types set forth in subsection (a) or (b) above having at all times a fair market value of at least 100% of the value of such agreement or (ii) with banking institutions (including the Escrow Agent if applicable) not meeting the rating requirements of (i) above, pursuant to which there shall have been delivered to the Escrow Agent, or its designee, Investment Securities of the types set forth in subsection (a) or (b) above having at all times a fair market value of at least 102% of the value of such agreement, or

f. shares of an open end, diversified investment company which is registered under the Investment Company Act of 1940, including shares of funds for which the Escrow Agent or any of its affiliates performs services for a fee and which invests exclusively in Investment Securities of the types set forth in (a), (b), or (d) above or repurchase agreements fully collateralized by such Investment securities, seeks to maintain a constant net asset value per share in accordance with the regulations of the Securities and Exchange Commission and has aggregate net assets of not less than ten million dollars on the date of purchase.

All earnings or other income received from such investment and reinvestment less expenses and losses, if any incurred on such investment and reinvestment (such net amount

being herein referred to as "Net Earnings"), shall be added to the Escrow Fund and shall be disbursed as part of the Escrow Fund in accordance with Section 4 hereof.

4. Disbursement of Escrow Fund. The Escrow Fund shall be held by the Escrow Agent and not disbursed until one of the following events has occurred, in which event the Escrow Agent is authorized and directed to disburse the Escrow Fund, or a portion thereof, in the manner indicated:

(a) Upon receipt of a written demand for payment from BWI or, prior to Closing, Clonetics and after Closing, the Shareholder Representative indicating the amount requested and the reason the party is entitled to the payment under the Merger Agreement, the Escrow Agent shall provide a copy of such request to the other party hereto. If no written objection to the demand is received from such other party within ten business days after delivery of such notice, then distribution of the amount demanded shall be made.

(b) If no written demand for payment has been received by Escrow Agent as of the day after the first anniversary of the effective date of the Merger pursuant to the Merger Agreement or if all demands for payment previously made have been paid in full as of such date, then, after deducting all fees and expenses payable to the Escrow Agent, Escrow Agent shall cause the balance remaining in the Escrow Fund to be distributed to the former stockholdrs and option holders of Clonetics in accordance with the terms of the separate Paying Agent Agreement among the parties hereto.

(c) If, as of the first anniversary of the date of closing, BWI and the Shareholder Representative are able to agree on any amount to be retained pending resolution of existing claims, then the balance remaining (after establishing a reserve in an amount agreed by BWI and the Shareholder Representative and an amount sufficient to cover the reasonably anticipated fees and expenses of Escrow Agent, which reserve amount shall be specified in a writing provided to the Escrow Agent) shall be distributed as set forth in subsection (b) above. If BWI and the Shareholder Representative are not able to agree on the reserve still required, then the larger amount proposed by either party shall be withheld and reserved until the claims then pending are resolved and the balance remaining (after establishing a reserve in the larger amount specified in writing by either BWI or the Shareholder Representative and an amount sufficient to cover the reasonably anticipated fees and expenses of Escrow Agent) shall be distributed as set forth in subsection (b) above. Thereafter, when any pending claims have been resolved and any payments with respect thereto have been paid and all accrued and unpaid fees and expenses of the Escrow Agent have been paid in full, then the remaining balance in the Escrow Fund shall be distributed as set forth in subsection (b) above.

(d) If an objection is made within the time permitted in (a) above, then no distribution shall be made of any amount objected to unless and until:

(i) The parties mutually agree in a writing provided to the

Escrow Agent as to any amounts to be distributed; or

(ii) The Escrow Agent receives an order of an arbitrator or court in the United States, a copy of which the Escrow Agent provides to the party not receiving the distribution and such order is not stayed or enjoined by a court order served on the Escrow Agent within 15 business days after a copy thereof is delivered to the party not receiving the distribution.

(e) Any amounts which constitute Net Earnings that are included in payments made in accordance with this Section 4 shall be considered, for Internal Revenue Service reporting purposes, to be paid to the recipients thereof.

5. Parties in Interest. Prior to the Closing, the parties in interest other than the Escrow Agent shall be BWI and Clonetics and the Shareholder Representative shall have no rights or obligations hereunder. Once the Closing has occurred, the parties in interest shall be BWI and the Shareholder Representative and Clonetics shall have no rights or obligations hereunder. Any reference herein to the Shareholder Representative shall mean the individual named herein as the Shareholder Representative unless the Escrow Agent receives written notice from the former shareholders and holders of options to acquire shares of Clonetics owning a majority of the shares on a fully diluted basis designating a replacement Shareholder Representative in accordance with the terms of the Merger Agreement. Until receipt of such notice, Escrow Agent shall be fully protected in relying on any direction or instruction of the Shareholder Representative given by the individual named herein as Shareholder Representative.

6. Termination. This Agreement shall terminate and be of no further force and effect on the date when all monies comprising the Escrow Fund have been disbursed in accordance with the terms hereof. If this Agreement is still in effect on the date which is three years after the date hereafter and the Escrow Agent has not received any instructions pursuant to Section 4 hereof with respect to the amounts remaining in the Escrow Fund or an arbitration or court proceeding is not then pending to resolve the rights to the Escrow Fund, the Escrow Agent shall promptly disburse any amounts remaining in the Escrow Fund as to which it has not received instructions or as to which an arbitration or court proceeding is not then pending as provided in subsection 4(b) above..

7. Escrow Agent's Duties and Fees.

(a) Duties Limited. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and shall not be subject to, nor have any liability or responsibility under, nor to be obligated to recognize, the Merger Agreement or any other agreement between, or directions or instructions of, any of the parties hereto or any other person in carrying out its duties hereunder, except for written directions or notices delivered to the Escrow Agent in accordance with Section 4 of this Agreement.

(b) Reliance. The Escrow Agent may rely upon, and shall be protected in acting or refraining from acting upon, any written notice, instruction or request furnished to it hereunder and reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may act in reliance upon the reasonable advice of counsel satisfactory to it in reference to any matter connected with its obligations hereunder and shall not incur any liability for any action taken in accordance with such advice.

(c) Standard of Care; Indemnification. The Escrow Agent shall not be responsible for any act or failure to act hereunder except in the case of its willful misconduct, gross negligence or bad faith. BWI and , if Closing does not occur, Clonetics or if Closing does occur, the Shareholder Representative shall jointly and severally indemnify the Escrow Agent and hold it harmless against any claims, losses, liabilities, judgments, attorneys' fees and other costs or expenses of any kind incurred by the Escrow Agent without willful misconduct, gross negligence or bad faith on its part, arising out of or in connection with its entering into this Agreement and the performance of its duties hereunder, including, without limitation, any litigation arising from this Agreement or involving the subject matter hereof. Any amount payable hereunder shall be paid from the Escrow Fund and the parties shall be liable in the same manner as for other fees and expenses as set forth in subsection (f) below.

(d) Disputes. In cast of any dispute regarding this Escrow Agreement, the Escrow Agent shall be entitled to deposit the Escrow Fund with any court of competent jurisdiction and thenceforth be relieved of any further duty or responsibility hereunder. The parties hereto agree that any action or proceeding commenced by or against the Escrow Agent arising out of or relating to the transactions contemplated by this Agreement shall be commenced in the Court of Common Pleas of Allegheny County, Pennsylvania, the United States District Court for the Western District of Pennsylvania or the District of Maryland or the Circuit Court for Frederick County, Maryland. The parties hereto expressly submit and consent in advance to jurisdiction in any such action or proceeding commenced in such courts. Each party agrees that a summons and complaint commencing an action or proceeding in either of such Courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the Commonwealth of Pennsylvania, the State of Maryland or the Federal Rules of Civil Procedure. The parties hereto waive any claim that Pittsburgh, Pennsylvania, Frederick, Maryland, the District of Maryland or the Western District of Pennsylvania is an inconvenient forum and claim that any action or proceeding arising out of or relating to the transaction contemplated by this Agreement in any of the aforementioned Courts lacks proper venue.

(e) Successor Escrow Agent. The Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving 60 days prior written notice of such resignation to each of the parties hereto, specifying the date upon which such resignation shall take effect. The parties hereto together, shall have the right to terminate the appointment of the Escrow Agent hereunder by giving to it notice in writing of such

termination, specifying the date upon which such termination shall take effect. Upon any such resignation or termination of the Escrow Agent, the parties hereto shall appoint a successor Escrow Agent who shall have all rights of an Escrow Agent hereunder and be bound by all of the provisions hereof.

(f) Fees and Expenses. The Escrow Agent shall receive a fee for its services hereunder as set forth on Schedule 1 hereto, and shall be reimbursed for its reasonable out-of-pocket expenses incurred in performing its duties hereunder. Such fees and reimbursable expenses shall be deducted from the Escrow Fund after 10 days prior written notice to the parties of any such proposed disbursement, except that any fees and reimbursable expenses in connection with a dispute between the Purchaser and the Shareholder Representative shall be paid directly by the Purchaser and the Shareholder Representative, each of which shall be liable for one half of such fees and expenses. If the amounts then remaining in the Escrow Fund are insufficient, then BWI and, if Closing does not occur, Clonetics or if Closing does occur, the Shareholder Representative shall each be liable for one half of the amount due and each shall pay its share of the Escrow Agent's fees for its services hereunder and any expected costs and expenses (including attorney's fees and expenses) incurred by it hereunder.

(g) Compliance with Court Order. If all or part of the Escrow Fund held by the Escrow Agent hereunder shall be attached, garnished or levied upon under any order of court, or if the delivery thereof shall be stayed or enjoined by any order of court, or if any other order, judgment or decree shall be made or entered by any court affecting the Escrow Fund or any part thereof, the Escrow Agent is expressly authorized in its sole reasonable discretion to obey and comply with all writs, orders, judgments, or decrees so entered or issued, whether with or without jurisdiction, and in case it obeys and complies with any such writ, order, judgment, or decree, it shall not be liable to the parties hereto, their successors or assigns, any of their claims or to any other person or entity, by reason of such compliance, notwithstanding that such writ, order, judgment or decree be subsequently reversed, modified, annulled, set aside or vacated.

8. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted hereunder:

(a) shall be in writing;

(b) shall be sent by messenger, certified or registered U.S. mail, a reliable express delivery service providing evidence of receipt or telecopier (with a copy sent by one of the foregoing means), charges prepaid as applicable, to the appropriate address(es) or number(s) set forth below; and

(c) shall be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (i) a receipt executed by the addressee (or a responsible person in his or her office), the records of the person delivering such communication or a

notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or express delivery service, or (ii) a receipt generated by the sender's telecopier showing that such communication was sent to the appropriate number on a specified date, if sent by telecopier, provided that hard copy is mailed on the same day.

All such communications shall be sent to the following addresses or numbers, or to such other addresses or numbers as any party may inform the others by giving five business days' prior notice:

If to BWI, to:

BioWhittaker, Inc.
8830 Biggs Ford Road
Walkersville, Md. 21793-0127
Attn: President
Telecopier (301) 825-4491

If to Clonetics, if prior to the Merger, to:

Clonetics Corporation
9620 Chesapeake Drive #201
San Diego, CA 92123
Attn: President

If to Clonetics, if after the Merger, or if to Shareholder Representative, to:

Peter Maniatis, D.D.S.
2601 East Third
Denver, Co. 80206

If to Escrow Agent, to:

Mellon Bank, N.A.
Mellon Independence Center
Attn: Corporate Trust Group, 199-5000
701 Market Street
Philadelphia, PA 19106
Telecopy: (215) 553-0933

8. Miscellaneous.

(a) Benefit of Parties. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and permitted assigns.

(b) Assignment. Neither this Agreement nor any right, interest or obligation hereunder may be assigned, pledged or otherwise transferred by any party, whether by operation of law or otherwise without the prior consent of the other parties.

(c) Amendments. This Agreement may be amended, modified or supplemented only by a writing signed by each of the parties, and any such amendment shall be effective only to the extent specifically set forth in such writing.

(d) Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts, and by each of the parties on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement by telefacsimile also shall delivery a manually executed counterpart of this Agreement, but the failure to delivery a manually executed counterpart shall not affect the validity, enforceability of binding effect of this Agreement.

(e) Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions.

(f) Governing Law. This Agreement shall be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the laws of said Commonwealth.

(g) Heading. All titles and headings in this Agreement are intended solely for convenience of reference and shall in no way limit or otherwise affect the interpretation of any of the provisions hereof.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the duly authorized representatives of the parties hereto as of the date first written above.

BioWhittaker, Inc.

By: _____
Name: _____
Title: _____

Clonetics Corporation

By: _____
Name: _____
Title: _____

MELLON BANK, N.A. as Escrow Agent

By _____
Title: _____

Shareholder Representative

_____
Peter Maniatis

SCHEDULE 1

Escrow Agent's Compensation Schedule

One Time Fee

To cover acceptance of the escrow agency appointment; review and negotiation of the governing document; establishment of the escrow account and communication with the working party; on-going maintenance of the escrow account 360 day life of the escrow (if extended beyond a year, an additional fee of $1,000 per year for each subsequent year may be charged).

$1,000
(Payable at closing)

Investment charges
(where applicable)

Security Purchases (inclusive of collection at maturity)	$45.00 per investment purchase
Security Sales (if prior to maturity; no charge if sold at maturity)	$30.00 per investment purchase

Charges waived for investments made in Mellon Bank Certificates of Deposit, Time Deposits or Dreyfus Mutual Funds. In connection with Mutual Funds, no administrative or custodial charges will be assessed for funds where the Mellon Bank Corporation or an affiliate receives a Rule 12B-1 fee.

Activity Charges

Checks Generated	$1.00 per check
Wire transfers	$20.00 per wire

Out of pocket expenses, fees and disbursements and services of an unanticipated or extraordinary nature are not included in the above schedule.

EXHIBIT B

The form of this opinion is derived from the Report of the Special Joint Committee on Lawyers' Opinions in Commercial Transactions of the Maryland State Bar Association, Inc. and The Bar Association of Baltimore City dated January 18, 1989, as published in The Business Lawyer, volume 45, number 2 (February 1990) at page 705.

[DATE]

BioWhittaker, Inc.

Re: Merger of subsidiary of BioWhittaker, Inc. Into Clonetics Corporation pursuant to Agreement and Plan of Merger dated December __, 1995 (the "Merger Agreement")

Ladies and Gentlemen:

We have acted as counsel to Clonetics Corporation, a Delaware corporation ("Clonetics") in connection with the captioned transaction (the "Merger"). This letter is furnished to satisfy the condition set forth in Section _ of the Merger Agreement. All capitalized terms used in this letter that are not otherwise defined herein shall have the meanings assigned to them in the Merger Agreement.

In our capacity as counsel to Clonetics and for purposes of this opinion, we have examined the following documents:

(i) the Merger Agreement and all documents required to be executed and delivered in connection with the execution of that agreement and consummation of the transactions contemplated thereby (collectively, the "Merger Documents");

(ii) the charter and bylaws of Clonetics;

(iii) the records of the proceedings and actions of the Board of Directors of Clonetics;

(iv) a certificate of the Secretary of State of Delaware dated ____, 1996 to the effect that Clonetics is duly incorporated and validly existing under the laws of the State of Delaware and is in good standing and duly authorized to transact business in the State of Delaware;

(iv) a certificate of the Secretary of State of California dated ____ , 1996 to the effect that Clonetics is qualified to do business and is in good standing under the laws of the State of California;

(v) certificates of the President and Chief Financial Officer of Clonetics

to the effect that the representations made by or on behalf of Clonetics in the Merger Documents are accurate and complete, both as of the date of signing the Merger Agreement and as of the Closing Date;

(vi) reports by [search firm] of judgments, orders, and decrees outstanding against, actions, suits, or proceedings pending against, and tax liens filed with respect to Clonetics in the jurisdictions and as of the dates indicated in such reports, copies of which have been furnished to Purchaser's counsel; and

(vii) such other documents and matters as we have deemed necessary and appropriate to render the opinions set forth in this letter, subject to the limitations, assumptions, and qualifications noted below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of Clonetics in matters with respect to which we have been engaged by Clonetics as counsel, no information has come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the foregoing documents, certificates, reports, and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or verification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the lawyers within our firm who have recently worked on matters on behalf of Clonetics.

In reaching the opinions set forth below, we have assumed, and to our knowledge there are no facts inconsistent with, the following:

(a) each of the parties thereto (other than Clonetics) has duly and validly executed and delivered each instrument, document, and agreement executed in connection with the Merger to which such party is a signatory, and such party's obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with their respective terms;

(b) each person executing any such instrument, document, or agreement on behalf of any such party (other than Clonetics) is duly authorized to do so;

(c) each natural person executing any such instrument, document, or agreement is legally competent to do so;

(d) there are no oral or written modifications of or amendments to the Merger Documents, and there has been no waiver of any of the provisions of the Merger Documents, by actions or conduct of the parties or otherwise;

(f) all documents submitted to us as originals are authentic; all documents submitted to us as certified or photostatic copies conform to the original

document; all signatures on all documents submitted to us for examination are genuine and all public records reviewed are accurate and complete;

Based on our review of the foregoing and subject to the assumptions and qualifications set forth herein, it is our opinion that, as of the date of this letter:

1. Clonetics is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware. Clonetics is qualified to do business in and in good standing in the State to California.

2. Clonetics has the corporate power to own its current properties and conduct its business as now conducted and to execute and perform its obligations under the Merger Documents.

3. Clonetics has the corporate power and authority to enter into and perform the Merger Documents. All necessary corporate action has been taken to authorize the execution, delivery, and performance of the Merger Documents by Clonetics.

4. The Merger Documents have been duly executed and delivered by Clonetics and constitute the valid and legally binding obligations of Clonetics, enforceable against Clonetics in accordance with their terms, subject to the following:

(i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws affecting the rights of creditors generally; and

(ii) the exercise of judicial discretion in accordance with general principles of equity.

5. The execution and delivery of, and the performance of the obligations under, the Merger Documents (i) will not conflict with Clonetics' charter or bylaws, (ii) to our knowledge, will not violate or result in the material breach of the provisions of, or constitute a material default under, any of the Contracts identified in the Disclosure Schedule except as indicated therein or any other contracts known to us to which Clonetics is a party, and (iii) to our knowledge, will not conflict with or result in the breach of any court order or decree or order of any governmental body binding on Clonetics.

6. To our knowledge and based on the reports we have obtained, there is no litigation, arbitration, or mediation pending before any court, arbitrator, mediator, or administrative body involving Clonetics, or threatened against Clonetics or any of its properties, except as described in the Disclosure Schedules.

7. No "fair price", "moratorium", "control share acquisition" or other similar antitakeover statute or regulation is applicable to the transactions contemplated by

the Merger Documents except for any such statutes or regulations as to which all necessary action has been taken by the Company and its Board of Directors to permit the consummation of the Merger in accordance with the terms of the Merger Documents.

8. To our knowledge, no consent, approval, authorization, or other action by, or filing with, any governmental authority is required for the execution and delivery by Clonetics of the Merger Documents, or if required, the requisite consent, approval, or authorization has been obtained, the requisite filing has been accomplished, or the requisite action has been taken.

9. The shares of stock of Clonetics shown as issued and outstanding in the Disclosure Schedule are duly authorized, validly issued, fully paid and non-assessable and to our knowledge, except for the options to acquire stock disclosed in the Disclosure Schedule, there are no other shares of stock outstanding or authorized for issuance.

In addition to the qualifications set forth above, the opinions set forth herein are also subject to the following qualifications:

(i) We express no opinion with respect to title to any property, nor do we express any opinion with respect to the existence of encumbrances upon any property or the attachment, validity, perfection, or priority of any security interests or liens.

ii) We express no opinion on the perfection of any lien or security interest except as expressly stated herein.

(v) We express no opinion as to the laws of any jurisdiction other than the laws of the State of California and, where relevant, the General Corporation Law of the State of Delaware and the laws of the United States of America. The opinions expressed herein concern only the effect of the laws (excluding principles of conflicts of law) of the jurisdictions above named as currently in effect. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof.

The opinions expressed in this letter are solely for the use of the Purchaser and its counsel, and these opinions may not be relied on by any other persons without our prior written approval. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions should be inferred beyond the matters expressly stated.

Very truly yours,

[Hand-sign]

EXHIBIT C

List of Clonetics Employees and Consultant required to enter into Employment Agreements, Consulting Agreements and Covenants Against Competition as a Condition of Closing

Employee(E) or Consultant(C)	**Employment Agreement**	**Consulting Agreement**	**Covenant Against Competition**
Suzan Garner(E)	X		X
Jeffrey Janus(E)	X		X
Jess Stengel(E)	X		X
Soverin Karmiol(E)	X		X
Sandra Valone(E)	X		
Michael Campbell(E)	X		X
Dr. Richard Ham(C)		X	

Key employees for purposes of Section 5.1(q) also include the three people working for Mr. Karmiol (Jeremy Hammond, Jinouin Shen and Sorin Damian), Steve Reid, the TSRs (Nancy Palmerton, Alexa Dillberger, Kathleen Lovelace, Pam Hensley, Julie Hilton, and Kim Lockheimer) and Scott Boyer.