

## AGREEMENT

This agreement made October 1, 1984 is by and between Cutter Biological, a division of Miles Laboratories, Inc., with its address being P.O. Box 1986, Berkeley, California, 94701 (hereinafter referred to as "Cutter") and Central Georgia Plasma Labs, 652 Third Street, Macon, GA, 31201 referred to as "Supplier").

## RECITALS

- A. Cutter manufactures plasma fraction products and for such manufacture requires Source Plasma (Human) as a raw material.
- B. Supplier operates three (3) plasmapheresis centers, (hereinafter referred to as the "Centers") at which Source Plasma (Human) is produced. Currently these centers are located at Macon, GA; Hattiesburg, MS; Selma, AL.

## TERMS

THEREFORE, the parties agree as follows:

### 1. Purchase and Sale of Source Plasma (Human)

#### A. Period of Agreement

The term of this Agreement will commence on the date hereof and will expire on the second (2nd) anniversary of such date and will be renewed thereafter automatically for successive one (1) year terms; provided however, that either party may, at any time after the first year of the initial term, terminate this Agreement by giving the other at least one (1) year prior written notice thereof.

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**B. Quantity of Source Plasma (Human)**

Production from the three (3) centers is expected to average 3000 liters per month. Cutter will accept for purchase up to 4000 liters per month. Should it become necessary for Cutter to reduce the quantity of Source Plasma (Human) it is purchasing from Supplier, Cutter can require Supplier to reduce production by 16%, 4% per month for four months.

Within the volume limits specified above, Supplier will sell and Cutter will purchase at least 99% of the production of Source Plasma (Human) produced at the Centers. Up to 1% of the Center's production may be devoted to rare antibody production which will be offered to Cutter on terms at least equal to the best offer to Supplier by a third party.

**C. Quality of Source Plasma (Human)**

Cutter shall not be obligated to buy or pay for any Source Plasma (Human) pursuant to this agreement or any option herein which does not in all respects comply with the applicable regulations of the United States Food and Drug Administration.

**D. Base Price**

The base price for Source Plasma (Human) shall be \$37.00 per liter FOB Center and shall be paid for within ten business days of receipt by Cutter of the invoice, packing list, and carriers bill of lading. In addition Cutter will supply to the Centers all necessary RPR testing reagents, immunizing agents, and plasmapheresis "soft goods" and will conduct or cause to be conducted all required protein composition analyses and hepatitis B surface antigen tests or any new test for AIDS, all at Cutter's own expense. Supplier will be responsible for storage and protection of materials supplied by

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Cutter until such time as they are properly used in the collection of plasma to be sold to Cutter. Cutter will be reimbursed at fair market value for loss, damage and/or misuse of said materials by Supplier or his agent. Fair market value for the basis of reimbursement shall be determined at the date that Cutter receives actual notice of such loss, damage and/or misuse. The per liter price stated herein is for Source Plasma (Human) from normal, i.e., non-hyperimmunized donors. Prices for hyperimmune Source Plasma (Human) will be accordingly higher based upon an agreement between Cutter and Supplier.

**E. Price Adjustment**

The Intent of this Agreement and any price adjustments made during the period of this Agreement is to assure and maintain parity with other contract suppliers of Source Plasma (Human) to Cutter. Other contract suppliers to Cutter are: Yale Blood Plasma and Atlantic Plasma Corp. If Cutter increases the price paid to its other contract plasma suppliers above the base price of \$37 per liter, then Cutter will offer the Supplier the same price increase.

Further, in the event the costs incurred by Central Georgia Plasma Labs, Inc. in the collection, packaging, sampling, labelling, testing, processing or storage of plasma are increased or decreased to any extent above or below the cost in effect as of the date of this Agreement as a result of any change in laws or regulations of any Federal, State or Local Government or Agency or as a result of Cutter's request or modification of Cutter Standard Operating Procedures then the Purchase Price per liter shall be increased or decreased, as the case may be, to the extent properly allocable to the plasma sold to Cutter under this agreement, with generally accepted cost accounting practices.

**Purchase of Closing Inventory**

At the expiration of this Agreement during which Supplier is obligated to sell, and Cutter is obligated to buy Source Plasma (Human) from Supplier, any inventory of Source Plasma (Human) in Supplier's centers that was collected

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in Cutter equipment and tested by Cutter will be sold to Cutter at the same rate for which Cutter was paying Supplier prior to the expiration of the Agreement.

III. Early Termination

- A. The suspension for more than sixty days or the revocation of the U.S. Food and Drug Administration establishment license or Source Plasma (Human) product license of the Centers shall be grounds for termination of this agreement at Cutter's option or at Supplier's option.
- B. If Supplier voluntarily discontinues collection of Source Plasma (Human) at any of their centers within the term of this Agreement then at Cutter's option, Supplier will assign its lease to Cutter and permit Cutter to operate in Supplier's stead. If Cutter chooses to operate in Supplier's stead, then with agreement of both parties, a fair market value for the Cutter purchase of all equipment which is usable and in good condition at the date of purchase, will be negotiated. No payment for good will or name will be requested by Supplier.

IV. First Right of Refusal

In the event Supplier offers one or more of the three Centers for sale during the term of this Agreement, this offer will be provided to Cutter no later than the offer is made to any third party or placed in the hands of a broker for sale. In the event that Supplier receives an offer(s) to buy the Center(s), Supplier will provide the details of such offer(s) to Cutter in writing with the first right of refusal to Cutter for purchase of the Center (s) on terms no less favorable than those offered by or to the third party; said price to be negotiated between Supplier and Cutter. Cutter will have a period of 15 working days following receipt of the written offer details to accept or reject its right of refusal.

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If Cutter rejects the opportunity to purchase Supplier's Center then Supplier, at Cutter's request, and in consideration of other financial arrangements provided in the Agreement, agrees that any sale agreement Supplier consummates with the third party Purchaser will contain provision requiring Purchaser to produce for delivery to Cutter no less than (1) 75% of the plasma volume committed to Cutter at the time of sale during the 30 days following the sale (2), 55% of such volume during the 2nd 30 day period (3), 35% of such volume during the 3rd 30 day period, and (4) 15% of such volume during the 4th 30 day period.

**V. Renegotiation of This Agreement**

Cutter and Supplier contemplate that the collection of Source Plasma (Human) will change substantially from the present manual process. It is probable that automation of the collection process will occur within the next two years. Both parties also contemplate significant change in the quantity of plasma produced from an automated center as well as the cost of producing plasma from that center. In order to determine how best to adjust the base price for plasma once automation is in effect, Cutter and Supplier will select one center each to participate in a pilot study using automation so both parties can independently ascertain the yields and costs realized from automation. All costs for said pilot study in excess of normal costs for the present manual process will be born by Cutter. Such extra costs will include but not be limited to purchase or lease of automated machinery, equipment related thereto and soft goods used in the study. Upon completion of the pilot program, Cutter and Supplier will enter into good faith negotiations to determine a new base price for any Centers converted to automation.

**VI. Assignment**

Neither party may assign any of its rights or obligations under this agreement without the prior written consent of the other. Any assignment without prior written consent is void.

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VII. Notice

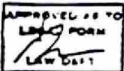
Any communications or notices between the parties may be given by mailing same, postage prepaid, to the addresses recited for each on page one of this agreement, or to such other address within the continental United States as a party may subsequently designate. Notice shall be effective upon receipt and a U.S. Post Office receipt of addressee for certified or registered mail shall conclusively determine the date of receipt. In the absence of such U.S. Post Office receipt, the recipient shall determine the date of receipt. The parties shall not decline to accept certified or registered mail upon which postage has been fully paid.

VIII. Choice of Law

This agreement shall be governed by, and construed under, the laws of the State of California.

In WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized officers as of the date first written above.

CUTTER GROUP OF  
MILES LABORATORIES, INC.



By: GRO-C

Date: 2/11/85

CENTRAL GEORGIA PLASMA LABS., INC.

By: GRO-C

Date: 10/4/84

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