As filed with the Securities and Exchange Commission on May 21, 2010

Registration No. 333-165562

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 3
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GenMark Diagnostics, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	3841	27-2053069
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

757 S. Raymond Avenue
Pasadena, CA 91105
(626) 463-2000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Jon Faiz Kayyem, Ph.D.
President and Chief Executive Officer
GenMark Diagnostics, Inc.
757 S. Raymond Avenue
Pasadena, CA 91105
(626) 463-2000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael S. Kagnoff, Esq. **Jeffrey C. Thacker, Esq.** **DLA Piper LLP (US)** **4365 Executive Drive, Suite 1100** **San Diego, CA 92121** **Tel: (858) 677-1400** **Fax: (858) 677-1401**	**David B. Miller, Esq.** **Jason Day, Esq.** **Faegre & Benson LLP** **2200 Wells Fargo Center** **90 South Seventh Street** **Minneapolis, MN 55402** **Tel: (612) 766-7000** **Fax: (612) 766-1600**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1]	Amount of Registration Fee
Common Stock, $0.0001 par value per share	$51,750,000	$3,690[2]

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act. Includes the offering price of additional shares of common stock that the underwriters have the option to purchase.

(2) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Amendment No. 3 is being filed solely to file Exhibit 5.1, to amend the confidential treatment request with respect to Exhibits 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13 and 10.14 and to update the Exhibit List accordingly.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All of the amounts are estimated except the SEC registration fee, the FINRA filing fee and the NASDAQ Global Market listing fee.

	Amount to be paid
SEC registration fee	$ 3,690
NASDAQ Global Market listing fee	$ 125,000
FINRA filing fee	$ 5,675
Printing and mailing	$ 300,000
Legal fees and expenses	$ 1,700,000
Accounting fees and expenses	$ 500,000
Transfer agent and registrar	$ 25,000
Miscellaneous	$ 240,635
Total	$ 2,900,000

Item 14. Indemnification of Directors and Officers.

Our certificate of incorporation and bylaws that will be effective upon completion of the offering provide that each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director, officer, or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by us to the fullest extent authorized by the Delaware General Corporation Law against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding brought by reason of the fact that such person is or was a director or officer of the corporation, if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful. In a derivative action, or an action brought by or on behalf of the corporation, indemnification may be provided only for expenses actually and reasonably incurred by any director or officer in connection with the defense or settlement of such an action or suit if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine that the defendant is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Pursuant to Section 102(b)(7) of the Delaware General Corporation Law, Article 12 of our certificate of incorporation eliminates the liability of a director to us or our stockholders for monetary damages for such a breach of fiduciary duty as a director, except for liabilities arising:

- from any breach of the director's duty of loyalty to us or our stockholders;
- from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; and
- from any transaction from which the director derived an improper personal benefit.

The foregoing discussion of our certificate of incorporation, bylaws, indemnification agreements, and Delaware law is not intended to be exhaustive and is qualified in its entirety by such certificate of incorporation, bylaws, indemnification agreements, or law.

Reference is made to Item 17 of our undertakings with respect to liabilities arising under the Securities Act. Reference is also made to the form of underwriting agreement filed as Exhibit 1.1 to this registration statement for the indemnification agreements between us and the underwriters.

Item 15. Recent Sales of Unregistered Securities

Stock Options Grants

Since March 1, 2007, Osmetech granted stock options to employees and directors pursuant to which the optionees may purchase up to an aggregate of 1,157,049 ordinary shares at a weighted average exercise price of $12.22 per share after giving effect to the Reorganization. Of the options granted during this period, options to purchase a total of 39,099 ordinary shares have been exercised and a total of 154,437 options to purchase ordinary shares were forfeited. The sale and issuance of these securities were exempt from registration under Rule 701 under the Securities Act.

Issuances of Ordinary Shares and Warrants by Osmetech

On December 5, 2008, Osmetech issued 1,050,813 ordinary shares at $3.36 per share to "accredited investors" as defined in Regulation D under the Securities Act of 1933, or Regulation D, for net proceeds of approximately $3.5 million. On December 21, 2008, Osmetech issued 1,942,624 ordinary shares to "accredited investors" as defined in Regulation D at $3.36 per share for net proceeds of approximately $6.5 million.

On June 25, 2009, Osmetech issued 1,139,285 ordinary shares to "accredited investors" as defined in Regulation D at $7.59 per share for net proceeds of approximately $8.6 million. On December 21, 2009, Osmetech issued 2,086,090 ordinary shares to "accredited investors" as defined in Regulation D at $7.60 per share for net proceeds of approximately $15.8 million.

Effective July 1, 2009, Osmetech issued a warrant to purchase 132,475 ordinary shares at an exercise price of $6.94 and a warrant to purchase 88,317 ordinary shares at an exercise price of $10.40. Each of the warrants was issued to an "accredited investor" as defined in Regulation D.

Each of the foregoing share numbers gives effect to the Reorganization. No underwriters were involved in the foregoing sales of securities. To the extent an exemption from registration was required, the securities were sold and issued to accredited investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and, with respect to the sales of ordinary shares, Rule 506 of Regulation D under the Securities Act. The

purchasers of shares and warrants represented to Osmetech in connection with their purchase that they were accredited investors and were acquiring the securities for investment and not distribution, that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration. The sales of these securities were made without general solicitation or advertising.

Issuances of Common Stock by GenMark Diagnostics, Inc.

Since our incorporation in February 2010, we have issued and sold the following securities that were not registered under the Securities Act:

In connection with our incorporation and initial organization, we issued 1,000 shares of common stock at par value to Osmetech plc for a total consideration of $0.10, which was exempt from registration pursuant to Regulation S under the Securities Act.

Concurrent with the effective time of this offering, we will issue shares of our common stock to the existing shareholders of Osmetech plc in exchange for the cancellation of their outstanding Osmetech ordinary shares pursuant to a scheme of arrangement under Part 26 of the U.K. Companies Act of 2006. Based on the number of ordinary shares of Osmetech outstanding as of March 31, 2010, and the exchange ratio set forth in the scheme of arrangement, we will issue 7,123,512 shares of common stock to the existing shareholders of Osmetech plc. The scheme of arrangement will be approved by the courts in the United Kingdom and by the Osmetech shareholders. The issuances will be exempt from registration pursuant to Section 3(a)(10) of the Securities Act.

In connection with the scheme of arrangement, the holders of outstanding options and warrants to purchase ordinary shares in Osmetech will be given the opportunity to surrender their options and warrants for options and warrants to purchase shares of common stock in GenMark. Based on the options and warrants of Osmetech outstanding as of March 31, 2010, and the exchange ratio set forth in the scheme of arrangement, we will issue options and warrants exercisable for 1,184,305 shares of GenMark common stock to the existing option and warrant holders of Osmetech. The issuance of these options and warrants will be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions not involving a public offering or transactions under compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

Item 16. Exhibits and Financial Statement Schedules.

(a) See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

All other schedules have been omitted because they are not applicable.

Financial Statement Schedules

All schedules have been omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 14 above, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Amendment No. 3 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Pasadena, California, on May 21, 2010.

GENMARK DIAGNOSTICS, INC.

By: /s/ JON FAIZ KAYYEM, PH.D.
Name: Jon Faiz Kayyem, Ph.D.
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated below.

Signature	Title	Date
/s/ JON FAIZ KAYYEM, PH.D **Jon Faiz Kayyem, Ph.D**	President and Chief Executive Officer (Principal Executive Officer)	May 21, 2010
/s/ STEVEN KEMPER **Steven Kemper**	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 21, 2010
* **Christopher Gleeson**	Chairman of the Board	May 21, 2010
* **Daryl J. Faulkner**	Director	May 21, 2010
* **Kevin C. O'Boyle**	Director	May 21, 2010

*by: /S/ JON FAIZ KAYYEM
Jon Faiz Kayyem
Attorney-in-fact

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits
1.1	Form of Underwriting Agreement.**
3.1	Certificate of Incorporation.**
3.2	By-Laws.**
4.1	Form of Warrant**
5.1	Opinion of DLA Piper LLP (US) regarding the legality of the securities being registered.
10.1	Lease between The Campus Carlsbad, LLC and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated February 8, 2010.**
10.2	Commercial Lease Agreement between Collis P. and Howard Huntington Memorial Hospital Trust and Osmetech Technology Inc., dated March 24, 2008.**
10.3	First Amendment to Commercial Lease Agreement between Collis P. and Howard Huntington Memorial Hospital Trust and Osmetech Technology Inc., dated February 1, 2009.**
10.4	Second Amendment and Termination of Commercial Lease Agreement between Collis P. and Howard Huntington Memorial Hospital Trust and Osmetech Technology Inc., dated November 1, 2009.**
10.5	Commercial Lease Agreement between Kandamerica, Inc., and Osmetech Inc., dated August 1, 2005.**
10.6	Amendment to Commercial Lease Agreement between Kandamerica, Inc., and Osmetech Inc., dated March 12, 2008.**
10.7	License Agreement by and between California Institute of Technology and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated February 8, 1995.++
10.8	Amended and Restated License Agreement by and between President and Fellows of Harvard College and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated July 14, 1997.++
10.9	Exclusive License Agreement by and between Marshfield Clinic and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated October 15, 2007.++
10.10	Non-Exclusive Patent License Agreement by and between the University of Washington and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated February 28, 2007.++
10.11	Amended and Restated Chemically Modified Enzymes Kit Patent License Agreement by and between Roche Molecular Systems, Inc., F. Hoffman-La Roche Ltd., and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated February 27, 2008.++
10.12	Non-Exclusive License Agreement by and between The Johns Hopkins University and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated December 29, 2006.++
10.13	License Agreement by and between the Regents of the University of Michigan, HSC Research and Development Limited Partnership and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated March 15, 2006.++
10.14	License Agreement by and between HSC Research and Development Limited Partnership and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, dated March 15, 2006.++
10.15	2010 Equity Incentive Plan.+**
10.16	Form of Stock Option Agreement+**
10.17	Form of Director and Officer Indemnification Agreement.+**

Exhibit Number	Description of Exhibits
10.18	Executive Employment Agreement, dated January 1, 2010, by and between Osmetech Technology Inc. and Jon Faiz Kayyem.+**
10.19	Executive Employment Agreement, dated November 30, 2009, by and between Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics and Steven Kemper.+**
10.20	Executive Employment Agreement, dated January 1, 2010, by and between Osmetech Technology Inc., and Pankaj Singhal.+**
10.21	Executive Employment Agreement, dated March 1, 2010, by and between Osmetech Technology Inc. and John Bellano.+**
10.22	Compromise Agreement, dated August 10, 2009, by and between Osmetech plc and James White.+**
10.23	Compromise Agreement, dated March 10, 2010, by and between Osmetech plc and David Sandilands.+**
10.24	Loan and Security Agreement, dated March 12, 2010, by and among Square 1 Bank and Osmetech Technology Inc., Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics, and Genmark Diagnostics, Inc.**
10.25	Manufacturing Services Agreement, dated February 1, 2007, by and between Aubrey Group, Inc. and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics.++**
10.26	First Amendment to Manufacturing Services Agreement, dated May 7, 2009, by and between Aubrey Group, Inc. and Clinical Micro Sensors, Inc. dba Osmetech Molecular Diagnostics.**
21.1	List of Subsidiaries.**
23.1	Consent of DLA Piper LLP (US) (included in Exhibit 5.1).
23.2	Consent of Deloitte & Touche LLP (US).**
23.3	Consent of Deloitte LLP (UK).**
24.1	Powers of Attorney (included in the signature page).**
99.1	Scheme of Arrangement.**

\+ Management Compensation Plan
++ Confidential Treatment Request
* To be filed by amendment
** Previously filed

Exhibit 5.1

DLA Piper LLP (US)
4365 Executive Drive
San Diego, CA 92121

GenMark Diagnostics, Inc.
757 S. Raymond Avenue
Pasadena, CA 91105

Re: Registration Statement on Form S-1 (File No. 333-165562)

Ladies and Gentlemen:

You have requested our opinion with respect to certain matters in connection with the filing by GenMark Diagnostics, Inc., a Delaware corporation (the "**Company**"), of a Registration Statement on Form S-1 (File No. 333-165562) initially filed on March 19, 2010 (as amended and supplemented from time to time, the "**Registration Statement**") with the Securities and Exchange Commission, including a related prospectus filed with the Registration Statement (the "**Prospectus**"), covering the offering for sale of an aggregate of up to 5,750,000 shares (including shares that are subject to an over-allotment option granted to the underwriters in the offering, the "**Shares**") of the Company's common stock, $0.0001 par value ("**Common Stock**").

This opinion is being furnished in accordance with the requirements of Item 16(a) of Form S-1 and Item 601(b)(5)(i) of Regulation S-K.

In connection with this opinion, we have reviewed and relied upon the Registration Statement and Prospectus, the Company's charter documents, as amended and restated to date, records of the Company's corporate proceedings in connection with the offering, and such other documents, records, certificates, memoranda and other instruments as we deem necessary as a basis for this opinion. With respect to the foregoing documents, we have assumed the authenticity of all records, documents, and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to us as copies. We have also obtained from officers of the Company certificates as to certain factual matters and, insofar as this opinion is based on matters of fact, we have relied on such certificates without independent investigation.

We express no opinion concerning any law other than the Delaware General Corporation Law (including the statutory provisions, all applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting the foregoing) and the federal law of the United States of America.

Based on such review, we are of the opinion that Shares have been duly authorized and, if, as, and when issued by the Company in accordance with the related Prospectus (as amended and supplemented through the date of issuance), will be validly issued, fully paid, and non-assessable.

We consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the Prospectus that is part of the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, the rules and regulations of the Securities and Exchange Commission promulgated thereunder, or Item 509 of Regulation S-K.

This opinion is given to you solely for use in connection with the issuance and/or sale of the Shares in accordance with the Registration Statement and the related Prospectus and is not to be relied on for any other purpose. We disclaim any obligation to advise you of facts, circumstances, events or developments that hereafter may be brought to our attention and that may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the Shares, or the Registration Statement.

Very truly yours,

/s/ DLA Piper LLP (US)

DLA Piper LLP (US)

EXHIBIT 10.7

2/8/95

MK:dcr

CMS.Agr

LICENSE AGREEMENT

This AGREEMENT is effective as of the 8th day of February 1995, between California Institute of Technology, 1201 East California Boulevard, Pasadena, California 91125 ("CALTECH") and Clinical Micro Sensors, Inc., 428 South Sierra Bonita Avenue, Pasadena, CA 91106 ("CMS"), a corporation of the State of California:

WHEREAS, CALTECH, has been engaged in basic research relating to nucleic acid mediated electron transfer and cell and tissue-specific MRI contrast agents;

WHEREAS, CALTECH owns full right, title and interest in United States Patent Application Number 08/166,036 filed December 10, 1993 entitled "Nucleic Acid Mediated Electron Transfer" (CIT 2222) and to an invention entitled "Cell and Tissue-Specific MRI Contrast Agents" (CIT 2223) which will be the subject of a United States Patent Application and has the requisite power and authority to enter into this Agreement and to convey to CMS the interests herein;

WHEREAS, currently herewith CALTECH is receiving a five percent (5%) equity interest in CMS;

WHEREAS, CMS, is desirous of an exclusive license to the aforementioned United

States Patent Application and invention, and to certain divisions, continuations and continuation-in-part applications of the aforementioned application.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

1. “Subject Technology” means any, product or process covered by any claim in a Licensed Patent.

2. “Licensed Method” means any process or method, the use or practice of which would constitute an infringement of a valid claim of a Licensed Patent in that country in which the Licensed Method is used or practiced.

3. “Licensed Product” means (a) any product which cannot be manufactured, used or sold without infringing a valid claim of a Licensed Patent or (b) the practice of the Licensed Method.

4. “Licensed Patent” means any patent issued from the aforementioned United States Patent Application and invention and any continuation, continuation-in-part, divisions, reissues, re-examinations, and any foreign counterparts thereof.

5. “Deductible Expenses” means all costs incurred in connection with sales of Licensed Products to the extent paid or allowed by CMS and included in accordance with recognized principles of accounting in the gross sales price billed: (i) sales, use or turnover taxes; (ii) excise taxes, custom duties or consular fees; (iii) transportation, freight, and handling charges, and insurance on shipments to customers; (iv) trade or quantity discounts to the extent

actually granted; (v) agent fees or commissions and (vi) rebates, refunds, and credits for any returned Licensed Products.

6. "Related Company" means any company directly or indirectly controlled by, controlling, or under common control with CMS.

ARTICLE II

PATENT LICENSE GRANT

7. CALTECH hereby grants to CMS and any Related Company an exclusive license to make, have made, use, distribute and sell Licensed Products throughout the world, subject to the reservation of CALTECH's right, on the part of itself and the Jet Propulsion Laboratory, to make, have made, and use Licensed Products solely for educational and research purposes. This license is not transferable by CMS, but CMS shall have the right to grant sublicenses provided that:

(A) In the event CMS receives any licensing fees or royalty payments from the sublicensing by CMS of this Agreement including running royalty payments from its sublicensees, CALTECH shall receive ***% of all such fees or payments.

(B) CMS shall furnish CALTECH within thirty (30) days of the execution thereof, a true and complete copy of each sublicense and any changes or additions thereto.

(C) In the event that CALTECH terminates this License Agreement because of a material breach by CMS which is not cured by CMS within the time specified in Article VI

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

then CALTECH shall offer Molecular Dynamics a license ssubstantially identical to the sublicense to be negotiated between CMS and Molecular Dynamics.

8. The exclusive patent license shall continue until the last of the Licensed Patents expires.

ARTICLE III

CMS PAYMENTS

9. (A) Starting from the issue date of the Licensed Patent and for the full term of the exclusive patent license granted under Article II, CMS shall pay to CALTECH patent royalty payments of *** percent (***%) of the gross sale of Licensed Products. The above royalty percentage is to be applied to gross sales after Deductible Expenses for any Licensed Products sold by CMS, its agents, its distributors, or Related Companies.

(B) CMS agrees that provided a patent has issued it will pay a minimum royalty of $ *** in the fifth year of the Agreement and that in each subsequent year the minimum will increase by $ *** until a maximum of $ *** per year is reached.

(C) CMS shall reimburse CALTECH for all expenses associated with the preparation, filing, prosecution and maintenance of any foreign equivalents of the Licensed Patent that CMS directs CALTECH to file. With respect to all costs paid through Chapter II of PCT, CMS will reimburse CALTECH within *** years of the effective date of this Agreement. All subsequent costs shall be reimbursed within thirty days of the receipt of a CALTECH statement by CMS.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

ARTICLE IV

UNLICENSED MANUFACTURE, USE OR SALE BY INFRINGERS

10. In the event either CMS or CALTECH discovers any unlicensed manufacture, use or sale of Licensed Products, the other party shall be promptly notified of such infringement. CMS may, at its own option and at its own expense, through attorneys of its own election, take appropriate action to terminate or prevent the infringement provided, however, that CMS may not bring an action nor enter into any settlement agreement with an accused infringer without prior written approval of CALTECH, which approval will not be unreasonably withheld. CALTECH agrees to be joined as a party plaintiff to any such action. If CMS takes no action within ninety (90) days of the discovery of the infringement, then CALTECH at its option, may take such action as it deems appropriate including but not limited to the right to license others to make, use and sell the Licensed Products.

11. CALTECH shall not be obligated to bring suit for infringement nor have any responsibility for taking or defending any action whatsoever against or by infringers or alleged infringers; provided, however, that CALTECH shall have the right and option upon giving of written notice to CMS, to participate in any such action, to contribute funds to the prosecution of such action, and to be represented by counsel. Furthermore, CALTECH shall not be obligated to defend the Licensed patents or any claim thereof against challenge or attack by any third party in the United States Patent & Trademark Office or the courts or elsewhere.

12. If CMS engages in litigation or otherwise incurs expense in order to terminate infringement and receives any money by way of damages, license or otherwise as a result of

such action, then to the extent that such money exceeds the expense involved, ***% of the excess shall be shared with CALTECH.

13. If any claim that CMS's practice of the Licensed Patent, in connection with the manufacture and/or sale of Licensed Product, infringes any patents or proprietary rights of any third party, is brought against CMS or its sublicensees, prompt notice of the claim asserted shall be given by CMS to CALTECH. The defense against any such claim will be conducted by CMS at its expense, but CALTECH may have counsel present at its own expense and shall be entitled to participate in the defense of any such claim. No settlement of any such matter, where CALTECH is party to the claim or a defendant, shall be made without the written approval of CALTECH, which approval shall not be unreasonably withheld. During the pendency of any such claim brought against CMS or its sublicensee, royalties due under this Agreement with respect to manufacture and/or sale of Licensed Product in the country of the disputed Patent Rights shall accrue, but not be paid. Such accrued royalties, less all expenses incurred by CMS as a result of such claims, shall be paid to CALTECH upon its successful defense of such claims or upon the settlement thereof with the approval of CMS, which approval shall not be unreasonably withheld.

ARTICLE V

RECORDS, REPORTS AND PAYMENTS

14. CMS shall keep records and books of account in respect of all Licensed Products made and sold by CMS under this agreement, and CMS shall require the same in respect to sales by its distributors, agents, and related companies. CALTECH shall have the right at its expense,

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

during business hours, to examine, or to have its designated auditors examine, such records and books of account, and CMS shall keep the same for at least three years after it pays CALTECH the royalties due for such Licensed Products and require Related Buyers to do the same.

15. On or before the forty-fifth day after the close of each calendar quarter after the first commercial sale, CMS shall render to CALTECH a report in writing, setting forth the number of units of Licensed Products manufactured and the number of units sold during the preceding calendar quarter by CMS and its distributors, agents and related companies, and also setting forth all information necessary to determine the royalties payable hereunder, such report to be accompanied by payment of the royalties shown by said report to be due CALTECH. Royalties and royalty reports for sales by sublicensees are due in the quarter after receipt of such payments and reports by CMS from its sublicensees.

ARTICLE VI

TERMINATION

16. If either party breaches in any material respect any of its obligations hereunder, the other party shall have the right to terminate this agreement and the license granted hereunder by giving the breaching party ninety (90) days written notice thereof, provided, however, that if the breaching party cures the breach within such ninety (90) day period, this agreement shall continue in full force and effect. CMS shall have the right to terminate this agreement at any time after it makes all payments and submits all reports to CALTECH due hereunder by giving CALTECH sixty (60) days written notice. CMS shall have the right to sell inventory on hand at the time of termination.

17. No termination of this agreement shall relieve CMS of the liability for payment of

any royalty due for Licensed Products made prior to the effective date of such termination.

ARTICLE VII

NEGATION OF WARRANTIES, IMPLIED LICENSES, AND AGENCY

18. Nothing in this agreement shall be construed as:

(A) a warranty or representation by CALTECH as to the validity or scope of Subject Technology or any claim thereof; or

(B) a warranty or representation that anything made, used, sold, or otherwise disposed of hereunder is or will be free from infringement of rights of third parties; or

(C) an obligation to bring or prosecute actions or suits against third parties for infringement, except to the extent provided in ARTICLE IV; or

(D) conferring by implication, estoppel or otherwise, any license or rights under any patents of CALTECH other than Licensed Patent, regardless of whether such other patents are dominant or subordinate to Licensed Patent.

19. NEITHER CALTECH NOR CMS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

20. CALTECH and CMS are independent parties in this agreement. Accordingly, there is no agency relationship between CALTECH and CMS under this agreement with respect to any products made or sold, or any methods used, by CMS under this agreement.

ARTICLE VIII

MISCELLANEOUS

21. CMS agrees that it will not use the name of CALTECH, or California Institute of

Technology, in any advertising or publicity material, or make any form of representation or statement which would constitute an express or implied endorsement by CALTECH of any commercial product or services, and that it will not authorize others to do so, without first having obtained written approval from CALTECH. CMS further agrees that the name of any inventor or employee of CALTECH will not be used by CMS in any such advertising or publicity material without the prior written consent of such inventor or employee.

22. CMS agrees to mark when reasonably possible the appropriate U.S. patent number or numbers on all Licensed Products made under this agreement and to require its sublicensees to do the same.

23. CMS agrees that CALTECH shall have no liability to CMS or to any purchasers or users of Licensed Products made or sold by CMS for any claims, demands, losses, costs, or damages suffered by CMS, or purchasers or users of Licensed Products, or any other party, which may arise out of the manufacture, use, or sale of such Licensed Products, and CMS agrees to defend, indemnify, and hold harmless CALTECH, its trustees, officers, agents, and employees from any such claims, demands, losses, costs, or damages.

24. This contract includes all the agreements of the parties in respect to the subject matter hereof. No claimed oral agreement in respect thereto shall be considered as any part hereof. No waiver of or change in any of the terms hereof subsequent to the execution hereof claimed to have been made by any representative of either party shall have any force or effect unless in writing, signed by duly authorized representatives of the parties.

25. This agreement shall be binding upon and inure to the benefit of any successor or assignee of CALTECH. This Agreement is not assignable by CMS or by operation of law

without the prior written consent of CALTECH, which consent shall not unreasonably be withheld, except that CMS may assign the agreement to any successor of its business, or purchaser of substantially all of the assets of its business, to which this agreement pertains. Should CMS be declared bankrupt following the filing of a petition in bankruptcy, be declared insolvent or execute an assignment for the benefit of creditors, or should a receiver or trustee be appointed by any court or government agency to administer the affairs and assets of CMS, then, in that event, this agreement shall become terminated, unless the receiver, or trustee, or other assignee, at the time of the assumption of this agreement: (a) cures defaults, if any, or gives reasonable assurance that any such defaults will be timely cured; and (b) provides adequate assurance of future performance under this agreement.

26. This agreement shall be deemed to have been entered into in California and shall be construed and enforced in accordance with California law.

27. Any controversy or claim arising out of or relating to this contract, or the breach thereof, including any dispute relating to patent validity or infringement arising under this contract, shall be settled by arbitration in Los Angeles, California or other site of CMS headquarters in accordance with the Patent Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator may be entered in any Court having jurisdiction thereof.

28. Any notice or communication required or permitted to be given or made under this agreement shall be addressed as follows:

CALTECH: Office of Patents & Licensing
California Institute of Technology
1201 East California Boulevard, MC 305-6
Pasadena, California 91125
Fax No. (818) 577-2528

CMS: Clinical Micro Sensors, Inc.
428 South Sierra Bonita Avenue
Pasadena, CA 91106
Fax No. (818) 584-9150

All communications relative to this agreement shall be deemed to be duly received seven days after mailing or upon actual receipt, whichever is earlier, if sent by Certified Mail, Return Receipt Requested, to the above address, and shall be deemed received the day after transmission if sent by a graphic scanning process (FAX) to the above number, unless either party is notified by the other in writing of a change of address or FAX number, in which event any subsequent communication relative to this agreement shall be sent to the last said notified address or number.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CALIFORNIA INSTITUTE OF TECHNOLOGY (CALTECH)

By: /s/ Brian K. Jenkins
Name: Brian K. Jenkins
Title: Assistant Director of Finance

Date: February 8, 1995

CLINICAL MICRO SENSORS, INC. (CMS)

By: /s/ Jon Faiz Kayyem
Name: Jon Faiz Kayyem
Title: President, C.E.O.

Date: February 8, 1995

EXHIBIT 10.8

AMENDED AND RESTATED

LICENSE AGREEMENT
BETWEEN
PRESIDENT AND FELLOWS OF HARVARD COLLEGE
AND

CLINICAL MICRO SENSORS, INC

Effective as of July 14, 1997

Re: Harvard Case No(s). 1063 and 1339

In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I

BACKGROUND

HARVARD has entered into an agreement, effective July 14, 1997 ("the License Agreement"), with LICENSEE granting LICENSEE certain rights under PATENT RIGHTS. The parties hereto agree that this Amended and Restated License Agreement supercedes and replaces the July 14, 1997 License Agreement.

ARTICLE II

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

2.1 AFFILIATE: any company, corporation, or business (a) which owns or controls at least fifty percent (50%) of the voting stock or other ownership of LICENSEE; or (b) of which LICENSEE owns or controls at least fifty percent (50%) of the voting stock or other ownership. Unless otherwise specified, the term LICENSEE includes AFFILIATES.

2.2 EFFECTIVE DATE: shall mean July 14, 1997

2.3 FIELD: shall mean all fields of use

2.4 HARVARD: President and Fellows of Harvard College, a nonprofit Massachusetts educational corporation having offices at the Office for Technology and Trademark Licensing, 124 Mt. Auburn Street, Suite 410 South, Cambridge, Massachusetts 02138.

2.5 LICENSED PROCESSES: the processes covered by PATENT RIGHTS.

2.6 LICENSED PRODUCTS: products covered by PATENT RIGHTS or products made or services provided in accordance with or by means of LICENSED PROCESSES.

2.7 LICENSEE: Clinical Micro Sensors, Inc a corporation organized under the laws of California having its principal offices at 101 Waverly Drive, Pasadena, CA 91105.

2.8 NET SALES: the amount billed, invoiced, or received (whichever occurs first) for sales, leases, or other transfers of LICENSED PRODUCTS, less:

(a) customary trade, quantity or cash discounts and non-affiliated brokers' or agents' commissions actually allowed and taken;

(b) amounts repaid or credited by reason of rejection or return; and

(c) to the extent separately stated on purchase orders, invoices, or other documents of sale, taxes levied on and/or other governmental charges made as to production, sale, transportation, delivery or use and paid by or on behalf of LICENSEE or sublicensees.

(d) reasonable charges for delivery or transportation provided by third parties, if separately stated.

NET SALES also includes the fair market value of any non-cash consideration received by LICENSEE or sublicensees for the sale, lease, or transfer of LICENSED PRODUCTS.

2.9 NON-COMMERCIAL RESEARCH PURPOSES: use of PATENT RIGHTS for academic research or other not-for-profit scholarly purposes which are undertaken at a non-profit or governmental institution that does not use the PATENT RIGHTS in the production or manufacture of products for sale or the performance of services for a fee.

2.10 NON-ROYALTY SUBLICENSE INCOME: Sublicense issue fees, sublicense maintenance fees, sublicense milestone payments, and similar non-royalty payments made by sublicensees to LICENSEE on account of sublicenses pursuant to this Agreement.

2.11 PATENT RIGHTS: United States patents and patent applications listed in Appendix A, including USSN Serial No. 08/312,388 filed 9/26/94, entitled "Molecular Recognition at Surfaces Derivatized with Self Assembled Monolayers" and United States patent application entitled "Surface-Immobilized Nucleic Acid and Electron-Transfer Devices and Methods", filed on 1/21/97, the inventions described and claimed therein, and any divisions, continuations, continuations-in-part to the extent the claims are directed to subject matter

specifically described and dominated by the claims of the existing PATENT RIGHTS, patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by HARVARD.

2.12 TERRITORY: Any and all countries for which PATENT RIGHTS exist.

2.13 The terms "Public Law 96-517" and "Public Law 98-620" include all amendments to those statutes.

2.14 The terms "sold" and "sell" include, without limitation, leases and other transfers and similar transactions.

ARTICLE III

REPRESENTATIONS

3.1 HARVARD is sole owner by assignment from Drs. C. Bamdad, J. Strominger, G. Sigal and G. Whitesides of their entire right, title and interest in United States Patent Application Serial No. 08/312,388 filed 9/26/94 entitled 'Molecular Recognition at Surfaces Derivatized with Self Assembled Monolayers' (H.U. Case #1063) and from Dr. C. Bamdad of her entire right title and interest in United States Patent Application entitled 'Surface-Immobilized Nucleic Acid and Electron Transfer Devices or Methods filed 1/21/97 (HU Case #1339) in the foreign patent applications corresponding thereto, and in the inventions described and claimed therein.

3.2 HARVARD has the authority to issue licenses under PATENT RIGHTS.

3.3 HARVARD warrants that all intellectual property rights to HU Case nos. 1063 and 1339 are included in PATENT RIGHTS.

3.4 HARVARD is committed to the policy that ideas or creative works produced at HARVARD should be used for the greatest possible public benefit, and believes that every reasonable incentive should be provided for the prompt introduction of such ideas into public use, all in a manner consistent with the public interest.

3.5 LICENSEE is prepared and intends to diligently develop the invention and to bring products to market which are subject to this Agreement.

3.6 LICENSEE is desirous of obtaining an exclusive license in the TERRITORY and in the FIELD in order to practice the above-referenced invention covered by PATENT RIGHTS in the United States and in certain foreign countries, and to manufacture, use and sell in the commercial market the products made in accordance therewith, and HARVARD is desirous of granting such a license to LICENSEE in accordance with the terms of this Agreement.

ARTICLE IV

GRANT OF RIGHTS

4.1 HARVARD hereby grants to LICENSEE and LICENSEE accepts, subject to the terms and conditions hereof an exclusive commercial license in the TERRITORY and in the FIELD under PATENT RIGHTS to make and have made, to use and have used, to sell and have sold the LICENSED PRODUCTS, and to practice the LICENSED PROCESSES, for the life of the PATENT RIGHTS. Such licenses shall include the right to grant sublicenses, subject to HARVARD's review. In order to provide LICENSEE with commercial exclusivity for so long as the license under PATENT RIGHTS remains exclusive, HARVARD agrees that it will not grant licenses under PATENT RIGHTS to others except as required by HARVARD's obligations in paragraph 3.2(a)or as permitted in paragraph 3.2(b).

4.2 The granting and exercise of this license is subject to the following conditions:

(a) HARVARD's "Statement of Policy in Regard to Inventions, Patents and Copyrights," dated March 17, 1986, Public Law 96-517, Public Law 98-620, and HARVARD's obligations under agreements with other sponsors of research. To the best of HARVARD's knowledge, the only sponsor of the research from which PATENT RIGHTS arise is the federal government. Any right granted in this Agreement greater than that permitted under Public Law 96-517, or Public Law 98-620, shall be subject to modification as may be required to conform to the provisions of those statutes.

(b) HARVARD reserves the right to make and use, and grant to others non-exclusive licenses to make and use for NON-COMMERCIAL RESEARCH PURPOSES the subject matter described and claimed in PATENT RIGHTS.

(c) LICENSEE shall use diligent efforts to effect introduction of the LICENSED PRODUCTS into the commercial market as soon as practicable, consistent with sound and reasonable business practice and judgment; thereafter, until the expiration of this Agreement, LICENSEE shall endeavor to keep LICENSED PRODUCTS reasonably available to the public.

(d) At any time after five (5) years from the EFFECTIVE DATE, HARVARD may terminate or render this license non-exclusive if, in HARVARD's reasonable judgment, the Progress Reports furnished by LICENSEE do not demonstrate that LICENSEE:

(i) has put the licensed subject matter into commercial use in the country or countries hereby licensed, directly or through a

sublicense, and is not keeping the licensed subject matter reasonably available to the public, or

(ii) is engaged in research, development, manufacturing, marketing or sublicensing activity appropriate to achieving 3.3(d)(1), and

(iii) has adhered directly or through a sublicensee to the following performance milestones:

1. Within five (5) years from the effective date, LICENSEE shall have designed and built at least one prototype device based on PATENT RIGHTS and shall provide HARVARD with documentation of such.

2. Within seven (7) years from the effective date, LICENSEE shall be manufacturing at least one device based on PATENT RIGHTS and shall provide HARVARD with documentation of such.

3. Within eight (8) years from the effective date, LICENSEE shall provide HARVARD with documentation of the commercial sale of at least one device or service based on PATENT RIGHTS.

LICENSEE will inform HARVARD promptly in writing about any material problem, delay or requirement in connection with the commercial, development and/or manufacture, use, sale or marketing of LICENSED PRODUCTS. LICENSEE and HARVARD may modify the above performance milestones accordingly and as mutually agreed.

(e) In all sublicenses granted by LICENSEE hereunder, LICENSEE shall include a requirement that the sublicensee use its best efforts to bring the subject matter of the sublicense into commercial use as quickly as is reasonably possible. LICENSEE shall further provide in such sublicenses that such sublicenses are subject and subordinate to the terms and conditions of this Agreement, except the sublicensee may not further sublicense. Copies of all sublicense agreements shall be provided promptly to HARVARD.

(f) During the period of exclusivity of this license in the United States, LICENSEE shall cause any LICENSED PRODUCT produced for sale in the United States to be manufactured substantially in the United States.

4.3 All rights reserved to the United States Government and others under Public Law 96-517, and Public Law 98-620, shall remain and shall in no way be affected by this Agreement.

ARTICLE V

ROYALTIES

5.1 LICENSEE has paid to HARVARD a non-refundable license royalty fee in the sum of *** ($***) dollars.

5.2 (a) **Sales/Sublicenses in the Nucleic Acid Sensor Market:** LICENSEE shall pay to HARVARD during the term of this Agreement a royalty of *** percent (***%) of NET SALES by LICENSEE and sublicensees. In the case of sublicenses that are based solely on PATENT RIGHTS, LICENSEE shall also pay to HARVARD *** (***%) percent of any NON-ROYALTY SUBLICENSE INCOME. Such additional payments shall only be due for sublicenses executed prior to the four year anniversary of the EFFECTIVE DATE. For any sublicense agreement concluded after the four year anniversary of the EFFECTIVE DATE, and for any sublicense agreement that is not based solely on PATENT RIGHTS, there shall be no payments due based on NON-ROYALTY SUBLICENSE INCOME; however LICENSEE shall pay to HARVARD a *** percent (***%) royalty on sublicensee NET SALES.

(b) **Sales/Sublicenses in the Protein Sensor Market:** LICENSEE shall pay to HARVARD during the term of this Agreement a royalty of *** percent (***%) of NET SALES by LICENSEE and a royalty of *** percent (***%) of NET SALES by sublicensees. In the case of sublicenses that are based solely on PATENT RIGHTS or sublicenses which include both the Nucleic Acid Sensor Field and the Protein Sensor Field, LICENSEE shall also pay to HARVARD *** percent (***%) of any NON-ROYALTY SUBLICENSE INCOME. In the case of sublicenses that are not based solely on PATENT RIGHTS, LICENSEE shall pay to HARVARD *** percent (***%) of any NON-ROYALTY SUBLICENSE INCOME. Such additional payments shall only be due for sublicenses executed prior to the five year anniversary of the EFFECTIVE DATE. For sublicense agreement executed after the five year anniversary of the EFFECTIVE DATE, there will be no payments based on NON-ROYALTY SUBLICENSE INCOME; however LICENSEE shall pay to HARVARD a *** percent (***%) royalty on sublicensee NET SALES.

(i) If LICENSEE's cumulative NET SALES on any one LICENSED PRODUCT reach *** dollars ($***), LICENSEE may reduce the royalty due to HARVARD under this Section 5.2(b) from NET SALES of such LICENSED PRODUCT by *** percent (***%) to a final royalty of *** percent (***%).

(ii) If LICENSEE is required to obtain license(s)/sublicense(s) for third party patents infringed as a result of practising the subject matter of PATENT RIGHTS, then royalties due HARVARD under this Section 5.2(b) will be reduced by an amount equivalent to the royalty payable to such third party(s) ("Infringing Royalty"); however, the royalty due HARVARD will not be reduced by more than *** percent (***%).

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

(iii) If royalties are paid by LICENSEE to an entity (other than an AFFILIATE) for LICENSED PRODUCT OR LICENSED PROCESSES for which royalties are also due to HARVARD under this Section 5.2(b) ("Other Royalties") and total royalties excluding Infringing Royalty for a LICENSED PRODUCT or LICENSED PROCESS exceed *** percent (***%) of NET SALES, then the royalties due to HARVARD shall be reduced by *** percent (***%) for each percent above *** percent, but only to the extent that the Other Royalties, which are equal to or greater than the royalty due to HARVARD, are reduced in a like manner. The royalty due HARVARD shall never be reduced by more than *** percent (***%) in any one year. These reductions may not be accumulated and carried over into future years.

(iv) In no event may the royalty payable to HARVARD under this Section 5.2(b) be reduced below *** percent (***%) as a result of all the reductions of Sections 5.2(b) (i)-(iii).

(c) Only one royalty for each specific sale of a LICENSED PRODUCT shall be payable irrespective of the number of patents or patent applications in PATENT RIGHTS covering the manufacture, use or sale of such LICENSED PRODUCTS.

(d) If the license pursuant to this Agreement is converted to a non-exclusive one and if other non-exclusive licenses in the same field and territory are granted, the above royalties shall not exceed the royalty rate to be paid by other licensees in the same field and territory during the term of the non-exclusive license.

(e) On sales between LICENSEE and its AFFILIATES or sublicensees for resale, the royalty shall be paid on the NET SALES of the AFFILIATE or sublicensee.

5.3 No later than sixty (60) days from January 1 of each calendar year after the effective date of this Agreement, LICENSEE shall pay to HARVARD the following non-refundable license maintenance royalty and/or advance on royalties. Such payments may be credited against running royalties due for that calendar year and Royalty Reports shall reflect such a credit. Such payments shall not be credited against milestone payments (if any) nor against royalties due for any subsequent calendar year.

February 28,1998	$***
February 28,1999	$***
February 28,2000 and each year thereafter	$***

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ARTICLE VI

REPORTING

6.1 Prior to signing this Agreement, LICENSEE has provided to HARVARD a written research and development plan under which LICENSEE intends to bring the subject matter of the licenses granted hereunder into commercial use upon execution of this Agreement.

6.2 No later than February 28 of each calendar year, LICENSEE shall provide to HARVARD a written annual Progress Report describing progress on research and development, regulatory approvals, manufacturing, sublicensing, marketing and sales during the preceeding calendar year and plans for the forthcoming year. If multiple technologies are covered by the license granted hereunder, the Progress Report shall provide the information set forth above for each technology. LICENSEE shall also provide any reasonable additional data HARVARD requires to evaluate LICENSEE's performance.

6.3 LICENSEE shall report to HARVARD the date of first sale of LICENSED PRODUCTS (or results of LICENSED PROCESSES) in each country within thirty (30) days of occurrence.

6.4 (a) LICENSEE shall submit to HARVARD on or before February 28 of each calendar year, a Royalty Report setting forth for such preceeding year at least the following information:

(i) the number of LICENSED PRODUCTS sold by LICENSEE, its AFFILIATES and sublicensees in each country;

(ii) total billings for such LICENSED PRODUCTS;

(iii) an accounting for all LICENSED PROCESSES used or sold;

(iv) deductions applicable to determine the NET SALES thereof;

(v) the amount of NON-ROYALTY SUBLICENSE INCOME received by LICENSEE; and

(vi) the amount of royalty due thereon, or, if no royalties are due to HARVARD for any reporting period, the statement that no royalties are due.

Such report shall be certified as correct by an officer of LICENSEE and shall include a detailed listing of all deductions from royalties.

(b) LICENSEE shall pay to HARVARD with each such Royalty Report the amount of royalty due with respect to such year. If multiple technologies are covered by the license granted hereunder, LICENSEE shall specify which PATENT RIGHTS

are utilized for each LICENSED PRODUCT and LICENSED PROCESS included in the Royalty Report.

(c) All payments due hereunder shall be deemed received when funds are credited to Harvard's bank account and shall be payable by check or wire transfer in United States dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in the New York Times or the Wall Street Journal) on the last working day of each royalty period. No transfer, exchange, collection or other charges shall be deducted from such payments.

(d) All such reports shall be maintained in confidence by HARVARD except as required by law; however, HARVARD may include in its usual reports annual amounts of royalties paid.

(e) Late payments shall be subject to a charge of *** percent (***%) per month, or $***, whichever is greater.

ARTICLE VII

RECORD KEEPING

7.1 LICENSEE shall keep, and shall require its AFFILIATES and sublicensees to keep, accurate records (together with supporting documentation) of LICENSED PRODUCTS made, used or sold under this Agreement, appropriate to determine the amount of royalties due to HARVARD hereunder. Such records shall be retained for at least three (3) years following the end of the reporting period to which they relate. They shall be available during normal business hours for examination by an accountant selected by HARVARD, for the sole purpose of verifying reports and payments hereunder. In conducting examinations pursuant to this paragraph, HARVARD's accountant shall have access to all records which HARVARD reasonably believes to be relevant to the calculation of royalties under Article IV.

7.2 HARVARD's accountant shall not disclose to HARVARD any information other than information relating to the accuracy of reports and payments made hereunder.

7.3 Such examination by HARVARD's accountant shall be at HARVARD'S expense, except that if such examination shows an underreporting or underpayment in excess of five percent (5%) for any twelve (12) month period, then LICENSEE shall pay the cost of such examination as well as any additional sum that would have been payable to HARVARD had the LICENSEE reported correctly, plus interest on said sum at the rate of one and one half per cent (11/2%) per month.

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ARTICLE VIII

DOMESTIC AND FOREIGN PATENT FILING AND MAINTENANCE

8.1 Within sixty (60) days of the execution of this Agreement, LICENSEE shall reimburse HARVARD for all reasonable expenses HARVARD has incurred for the preparation, filing, prosecution and maintenance of PATENT RIGHTS. Thereafter, LICENSEE shall reimburse HARVARD for all such future expenses upon receipt of invoices from HARVARD. Late payment of these invoices shall be subject to interest charges of *** percent (***%) per month. HARVARD shall, in its sole discretion, be responsible for the preparation, filing, prosecution and maintenance of any and all patent applications and patents included in PATENT RIGHTS. HARVARD shall consult with LICENSEE as to the preparation, filing, prosecution and maintenance of such patent applications and patents and shall furnish to LICENSEE copies of documents relevant to any such preparation, filing, prosecution or maintenance.

8.2 Upon receipt of LICENSEE's payment of expenses incurred for the preparation, filing, prosecution and maintenance of PATENT RIGHTS according to 8.1, HARVARD shall provide to LICENSEE copies of the complete file history for all patents and patent applications in PATENT RIGHTS.

8.3 HARVARD and LICENSEE shall cooperate fully in the preparation, filing, prosecution and maintenance of PATENT RIGHTS and of all patents and patent applications licensed to LICENSEE hereunder, executing all papers and instruments or requiring members of HARVARD to execute such papers and instruments so as to enable HARVARD to apply for, to prosecute and to maintain patent applications and patents in HARVARD's name in any country. Each party shall provide to the other prompt notice as to all matters which come to its attention and which may affect the preparation, filing, prosecution or maintenance of any such patent applications or patents.

8.4 LICENSEE may elect to surrender its PATENT RIGHTS in any country upon sixty (60) days written notice to HARVARD. Such notice shall not relieve LICENSEE from responsibility to reimburse HARVARD for patent-related expenses incurred prior to the expiration of the (60)-day notice period (or such longer period specified in LICENSEE'S notice).

ARTICLE IX

INFRINGEMENT

9.1 With respect to any PATENT RIGHTS that are exclusively licensed to LICENSEE pursuant to this Agreement, LICENSEE shall have the right to prosecute in its own name and at its own expense any infringement in the FIELD

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of such patent, so long as such license is exclusive in the FIELD at the time of the commencement of such action. HARVARD agrees to notify LICENSEE promptly of each infringement of such patents of which HARVARD is or becomes aware. Before LICENSEE commences an action with respect to any infringement of such patents, LICENSEE shall give careful consideration to the views of HARVARD and to potential effects on the public interest in making its decision whether or not to sue.

9.2 (a) If LICENSEE elects to commence an action as described above, Harvard may, to the extent permitted bylaw, elect to join as a party in that action. Regardless of whether HARVARD elects to join as a party, HARVARD shall cooperate fully with LICENSEE in connection with any such action.

(b) If HARVARD elects to join as a party pursuant to subparagraph (a), HARVARD shall jointly control the action with LICENSEE.

(c) LICENSEE shall reimburse HARVARD for any costs HARVARD incurs, including reasonable attorneys' fees, as part of an action brought by LICENSEE, irrespective of whether HARVARD becomes a co-plaintiff.

9.3 If LICENSEE elects to commence an action as described above, LICENSEE may deduct from its royalty payments to HARVARD with respect to the patent(s) subject to suit an amount not exceeding *** percent (***%) of LICENSEE's expenses and costs of such action, including reasonable attorneys' fees; provided, however, that such reduction shall not exceed *** percent (***%) of the total royalty due to HARVARD with respect to the patent(s) subject to suit for each calendar year. If such *** percent (***%) of LICENSEE's expenses and costs exceeds the amount of royalties deducted by LICENSEE for any calendar year, LICENSEE may to that extent reduce the royalties due to HARVARD from LICENSEE in succeeding calendar years, but never by more than *** percent (***%) of the total royalty due in any one year with respect to the patent(s) subject to suit.

9.4 No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the prior written consent of HARVARD, which consent shall not be unreasonably withheld.

9.5 Recoveries or reimbursements from actions commenced pursuant to this Article shall first be applied to reimburse LICENSEE and HARVARD for litigation costs not paid from royalties and then to reimburse HARVARD for royalties deducted by LICENSEE pursuant to paragraph 8.3. Any remaining recoveries or reimbursements shall be shared as follows:

(i) If the amount is lost profits, LICENSEE shall receive an amount equal to the damages the court determines LICENSEE has suffered as a result of the infringement less the amount of any royalties that would have been due HARVARD on sales of LICENSED PRODUCTS lost by LICENSEE as a result

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of the infringement had LICENSEE made such sales and HARVARD shall receive *** have received if such sales had been made by LICENSEE; or

(ii) As to awards other than lost profits, *** (*** %) percent to LICENSEE and *** (*** %) percent to HARVARD.

9.6 If LICENSEE elects not to exercise its right to prosecute an infringement of the PATENT RIGHTS pursuant to this Article, HARVARD may do so at its own expense, controlling such action and retaining all recoveries therefrom. LICENSEE shall cooperate fully with HARVARD in connection with any such action. Any reasonable legal expenses incurred by LICENSEE as a direct result of such cooperation shall be reimbursed from HARVARD's recoveries.

9.7 Without limiting the generality of paragraph 9.6, HARVARD may, at its election and by notice to LICENSEE, establish a time limit of sixty (60) days for LICENSEE to decide whether to prosecute any infringement of which HARVARD is or becomes aware. If, by the end of such sixty (60)-day period, LICENSEE has not commenced such an action, HARVARD may prosecute such an infringement at its own expense, controlling such action and retaining all recoveries therefrom. With respect to any such infringement action prosecuted by HARVARD in good faith, LICENSEE shall pay over to Harvard any payments (whether or not designated as "royalties") made by the alleged infringer to LICENSEE under any existing or future sublicense authorizing LICENSED PRODUCTS, up to the amount of HARVARD's unreimbursed litigation expenses (including, but not limited to, reasonable attorneys' fees).

9.8 If a declaratory judgment action is brought naming LICENSEE as a defendant and alleging invalidity of any of the PATENT RIGHTS, HARVARD may elect to take over the sole defense of the action at its own expense. LICENSEE shall cooperate fully with HARVARD in connection with any such action.

9.9 In the event that an action is brought against LICENSEE or any of its sublicensees alleging direct infringement of a patent right due to the manufacture, use, offer for sale or sale of LICENSED PRODUCTS, LICENSEE may terminate this Agreement upon giving HARVARD written notice of termination. In the event LICENSEE chooses not to terminate this Agreement, LICENSEE and HARVARD shall consult and decide uon an appropriate course of action regarding defence of the action and payment of royalties.

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ARTICLE X

TERMINATION OF AGREEMENT

10.1 This Agreement, unless terminated as provided herein, shall remain in effect until the last patent or patent application in PATENT RIGHTS has expired or been abandoned.

10.2 HARVARD may terminate this Agreement as follows:

(a) If LICENSEE does not make a payment due hereunder and fails to cure such non-payment (including the payment of interest in accordance with paragraph 6.4(e)) within forty-five (45) days after the date of notice in writing of such non-payment by HARVARD.

(b) If LICENSEE defaults in its obligations under paragraph 11.3(c)and(d) to procure and maintain insurance.

(c) If, at any time after five years from the date of this Agreement, HARVARD determines that the Agreement should be terminated pursuant to paragraph 4.2(d).

(d) If LICENSEE shall become insolvent, shall make an assignment for the benefit of creditors, or shall have a petition in bankruptcy filed for or against it. Such termination shall be effective immediately upon HARVARD giving written to LICENSEE.

(e) If an examination by Harvard's accountant pursuant to Article VII shows a repeated pattern of fraudulent underreporting or underpayment by LICENSEE in excess of 20% for any twelve (12) month period.

(f) If LICENSEE is convicted of a felony and has exhausted its appeals to such conviction relating to the manufacture, use, or sale of LICENSED PRODUCTS.

(g) Except as provided in subparagraphs (a), (b), (c), (d), (e) and (f) above, if LICENSEE defaults in the performance of any obligations under this Agreement and the default has not been remedied within ninety (90) days after the date of notice in writing of such default by HARVARD.

10.3 LICENSEE shall provide, in all sublicenses granted by it under this Agreement, that LICENSEE's interest in such sublicenses shall at HARVARD's option terminate or be assigned to HARVARD upon termination of this Agreement.

10.4 LICENSEE may terminate this Agreement by giving ninety (90) days advance written notice of termination to HARVARD. Upon termination, LICENSEE shall

submit a final Royalty Report to HARVARD and any royalty payments and unreimbursed patent expenses invoiced by HARVARD shall become immediately payable.

10.5 Paragraphs 7.1, 7.2, 7.3, 8.1, 9.5, 10.4, 10.5, 11.2, 11.3, 11.4, 11.5, 11.8 and 11.9 of this Agreement shall survive termination.

ARTICLE XI

GENERAL

11.1 HARVARD does not warrant the validity of the PATENT RIGHTS licensed hereunder and makes no representations whatsoever with regard to the scope of the licensed PATENT RIGHTS or that such PATENT RIGHTS may be exploited by LICENSEE, an AFFILIATE, or sublicensee without infringing other patents.

11.2 HARVARD EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED OR EXPRESS WARRANTIES AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PATENT RIGHTS, OR INFORMATION SUPPLIED BY HARVARD, LICENSED PROCESSES OR LICENSED PRODUCTS CONTEMPLATED BY THIS AGREEMENT.

11.3 (a) LICENSEE shall indemnify, defend and hold harmless HARVARD and its current or former directors, governing board members, trustees, officers, faculty, medical and professional staff, employees, students, and agents and their respective successors, heirs and assigns (collectively, the "Indemnitees"), against any liability, damage, loss or expenses (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon the Indemnitees or any of them in connection with any claims, suits, actions, demands or judgments arising out of any theory of product liability (including, but not limited to, actions in the form of tort, warranty, or strict liability) concerning any product, process or service made, used or sold pursuant to any right or license granted under this Agreement.

(b) LICENSEE shall, at its own expense, provide attorneys reasonably acceptable to HARVARD to defend against any actions brought or filed against any Indemnitee hereunder with respect to the subject of indemnity contained herein, whether or not such actions are rightfully brought.

(c) Beginning at the time any such product, process or service is being commercially distributed or sold (other than for the purpose of obtaining regulatory approvals) by LICENSEE or by a sublicensee, AFFILIATE or agent of LICENSEE, LICENSEE shall, at its sole cost and expense, procure and maintain commercial general liability insurance in amounts not less than $*** per incident and $*** annual aggregate and naming the Indemnitees as additional insureds. During clinical

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trials of any such product, process or service, LICENSEE shall, at its sole cost and expense, procure and maintain commercial general liability insurance in such equal or lesser amount as HARVARD shall require, naming the Indemnitees as additional insureds. Such commercial general liability insurance shall provide (i) product liability coverage and (ii) broad form contractual liability coverage for LICENSEE'S indemnification under this Agreement. If LICENSEE elects to self-insure all or part of the limits described above (including deductibles or retentions which are in excess of $*** annual aggregate) such self-insurance program must be acceptable to HARVARD and the Risk Management Foundation of the Harvard Medical Institutions, Inc. in their sole discretion. The minimum amounts of insurance coverage required shall not be construed to create a limit of LICENSEE's liability with respect to its indemnification under this Agreement.

(d) LICENSEE shall provide HARVARD with written evidence of such insurance upon request of HARVARD. LICENSEE shall provide HARVARD with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance; if LICENSEE does not obtain replacement insurance providing comparable coverage within such fifteen (15) day period, HARVARD shall have the right to terminate this Agreement effective at the end of such fifteen (15) day period without notice or any additional waiting periods.

(e) LICENSEE shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (i) the period that any product, process, or service, relating to, or developed pursuant to, this Agreement is being commercially distributed or sold by LICENSEE or by a sublicensee, AFFILIATE or agent of LICENSEE and (ii) a reasonable period after the period referred to in (e)(i) above which in no event shall be less than fifteen (15) years.

11.4 LICENSEE shall not use HARVARD's name or insignia, or any adaptation of them, or the name of any of HARVARD's inventors in any advertising, promotional or sales literature without the prior written approval of HARVARD.

11.5 HARVARD shall not use LICENSEE's name or logos in any advertising or promotional literature without the prior written approval of LICENSEE, nor may HARVARD disclose the financial terms of this Agreement without LICENSEE's prior written approval, except as required by law. HARVARD may use LICENSEE's name and royalty information in its own internal confidential reports.

11.6 Without the prior written approval of HARVARD in each instance, neither this Agreement nor the rights granted hereunder shall be transferred or assigned in whole or in part by LICENSEE to any person whether voluntarily or involuntarily, by operation of law or otherwise. This Agreement shall be binding upon the respective successors, legal representatives and assignees of HARVARD and LICENSEE.

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11.7 The interpretation and application of the provisions of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

11.8 LICENSEE shall comply with all applicable laws and regulations. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to United States laws and regulations controlling the export of such commodities and technical data, including all Export Administration Regulations of the United States Department of Commerce. These laws and regulations among other things, prohibit or require a license for the export of certain types of technical data to certain specified countries. LICENSEE hereby agrees and gives written assurance that it will comply with all United States laws and regulations controlling the export of commodities and technical data, that it will be solely responsible for any violation of such by LICENSEE or its AFFILIATES or sublicensees, and that it will defend and hold HARVARD harmless in the event of any legal action of any nature occasioned by such violation.

11.9 LICENSEE agrees (i) to obtain all regulatory approvals required for the manufacture and sale of LICENSED PRODUCTS and LICENSED PROCESSES and (ii) to utilize appropriate patent marking on such LICENSED PRODUCTS. LICENSEE also agrees to register or record this Agreement as is required by law or regulation in any country where the license is in effect.

11.10 Any notices to be given hereunder shall be sufficient if signed by the party (or party's attorney) giving same and either (a) delivered in person, or (b) mailed certified mail return receipt requested, or (c) faxed to other party if the sender has evidence of successful transmission and if the sender promptly sends the original by ordinary mail, in any event to the following addresses:

If to LICENSEE:

Jon Faiz Kayyem, PhD
President and CEO
Clinical Micro Sensors, Inc
101 Waverly Drive
Pasadena, CA 91105
Fax: 818-584-5900

If to Harvard to:

Office for Technology and
Trademark Licensing
Harvard University
124 Mt. Auburn Street, Suite 410 South
Cambridge, MA 02138
Fax No.: 617-495-9568

By such notice either party may change their address for future notices.

Notices delivered in person shall be deemed given on the date delivered. Notices sent by fax shall be deemed given on the date faxed. Notices mailed shall be deemed given on the date postmarked on the envelope.

11.11 Should a court of competent jurisdiction later hold any provision of this Agreement to be invalid, illegal, or unenforceable, and such holding is not reversed on appeal, it shall be considered severed from this Agreement. All other provisions, rights and obligations shall continue without regard to the severed provision, provided that the remaining provisions of this Agreement are in accordance with the intention of the parties.

11.12 This Agreement constitutes the entire understanding between the parties and neither party shall be obligated by any condition or representation other than those expressly stated herein or as may be subsequently agreed to by the parties hereto in writing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

PRESIDENT AND FELLOWS OF HARVARD COLLEGE	LICENSEE
/s/ Joyce Brinton	/s/ Jon Faiz Kayyem
Joyce Brinton, Director Office for Technology and Trademark Licensing	Signature
	Jon Faiz Kayyem, Ph.D.
	Name
	President & CEO
	Title
1/7/98	January 13, 1998
Date	Date

Appendix A

The following comprise PATENT RIGHTS:

US patent application serial no. 08/312,388, filed 9/26/94, entitled “Molecular Recognition at Surfaces Derivatized with Self Assembled Monolayers”

Continuation-in-part of USSN 08/312,388 filed 1/21/97, serial no. 08/786,187

US patent application entitled “Immobilized Nucleic Acid and Electron Transfer Devices or Methods”, filed 1/21/97, serial no. 08/786,153 (abd)

Continuation-in-part of US patent application filed 1/21/97 entitled “Immobilized Nucleic Acid and Electron Transfer Devices or Methods”, such CIP was filed on 2/24/97 and is entitled “Electronic-Property Probing of Biological Molecules at Surfaces”, serial no. 08/804,883 (abd)

Continuation-in-part of US patent application filed 1/21/97 entitled “Immobilized Nucleic Acid and Electron Transfer Devices or Methods”, such CIP was filed on 4/10/97 and is entitled “Electronic-Property Probing of Biological Molecules at Surfaces”, serial no. 08/843,623

This draft is dated October 18, 2007, and is solely for purposes of negotiation. No contract shall exist until a final, written agreement is signed by MARSHFIELD CLINIC and an authorized representative of Licensee. This draft shall expire on November 10, 2007.

EXCLUSIVE LICENSE AGREEMENT

This Agreement is made effective the 15th day of October, 2007, by and between Marshfield Clinic (hereinafter called "MARSHFIELD CLINIC"), a nonstock, nonprofit Wisconsin corporation, and Osmetech Molecular Diagnostics (hereinafter called "Licensee"), a corporation organized and existing under the laws of Delaware;

WHEREAS, MARSHFIELD CLINIC owns certain intellectual property rights to the inventions described in the "Licensed Patents" defined below, and MARSHFIELD CLINIC is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1: Definitions.

For the purpose of this Agreement, the Appendix A definitions shall apply.

Section 2: Grant.

A. License and Option.

(i) MARSHFIELD CLINIC hereby grants to Licensee under the Licensed Patents an exclusive license to make, use and sell Products in the Licensed Field and Licensed Territory.

(ii) MARSHFIELD CLINIC grants to Licensee an exclusive option to license any warfarin molecular markers identified by inventors of MARSHFIELD CLINIC and solely owned by MARSHFIELD CLINIC that are identified before January 1, 2011. MARSHFIELD CLINIC also grants a non-exclusive option to non-exclusively license warfarin molecular markers jointly owned by MARSHFIELD CLINIC, provided MARSHFIELD CLINIC is not restricted from doing so by agreement with joint owner. Such offer is conditional on Licensee's satisfactory progress towards market launch of Licensed Products, including receiving FDA approval (Appendix E), as determined by MARSHFIELD CLINIC. MARSHFIELD CLINIC shall notify Licensee in writing of any such markers in a timely manner, after such markers are disclosed by the inventors to MARSHFIELD CLINIC. Upon receipt of notification, Licensee shall have thirty (30) days to provide written notice to MARSHFIELD CLINIC that Licensee desires to exercise such option. Upon MARSHFIELD CLINIC'S receipt of such notice, MARSHFIELD CLINIC and Licensee shall enter into good faith negotiations regarding the terms of a license agreement and shall have ninety (90) days from the date of notice to negotiate such a license. If MARSHFIELD CLINIC and Licensee fail to enter a license within such time period, the option granted shall terminate, unless extended by a written agreement signed by both parties, but only with respect to the specific warfarin molecular marker disclosed.

(iii) In consideration of establishing a long-term collaboration, Licensee agrees to place an Osmetech eSensor XT-8 instrument at MARSHFIELD CLINIC and provide necessary training on or before March 31, 2008. The Licensee retains all rights to the equipment and may terminate the arrangement after a six (6) month advance notice.

B. Sublicenses.

(i) Licensee may grant written, nonexclusive sublicenses to third parties. Any agreement granting a sublicense shall state that the sublicense is subject to the termination of this Agreement. Licensee shall have the same responsibility for the activities of any sublicensee as if the activities were directly those of Licensee. Licensee shall provide MARSHFIELD CLINIC with the name, contact information and address of each sublicensee, as well as information regarding the number of full-time employees of any such sublicensee to allow MARSHFIELD CLINIC to determine whether it can maintain its small entity filing status for patent prosecution and maintenance purposes.

(ii) With respect to sublicenses granted by Licensee under this Section 2B, Licensee shall pay to MARSHFIELD CLINIC an amount equal to what Licensee would have been required to pay to MARSHFIELD CLINIC had Licensee sold the amount of Products sold by such sublicensee. In addition, Licensee shall pay to MARSHFIELD CLINIC *** percent (***%) of all upfronts, milestone payments, penalties, or other payments in consideration of the sublicense, exclusive of royalties owed. Licensee shall not receive from its sublicensees anything of value in lieu of cash payments in consideration for any sublicense granted under this Agreement without the express prior written consent of MARSHFIELD CLINIC.

C. Reservation of Rights.

MARSHFIELD CLINIC hereby reserves the right to grant non-profit research institutions and governmental agencies non-exclusive licenses to practice and use the inventions of the Licensed Patents for Non-Commercial Research Purposes. Marshfield Clinic and the inventors of the Licensed Patents shall have the right to publish any information included in the Licensed Patents.

D. License to MARSHFIELD CLINIC.

(i) Licensee hereby grants, and shall require its sublicensee(s) to grant, to MARSHFIELD CLINIC a nonexclusive, royalty-free, irrevocable, paid-up license, with the right to grant sublicenses to non-profit research institutions and governmental agencies, to practice and use of the Licensed Patents and "Improvements" for Non-Commercial Research Purposes. "Improvements" shall mean any patented modification of an invention described in the Licensed Patents that (1) would be infringed by the practice of an invention claimed in the Licensed Patents; or (2) if not for the license granted under this Agreement, would infringe one or more claims of the Licensed Patents. Licensee shall provide MARSHFIELD CLINIC with a written, enabling disclosure of each such invention, unambiguously identifying it as an invention governed by this paragraph, within six (6) months of the issuance of a patent thereon.

(ii) In the event that Licensee and its sublicensee(s) discontinue the use or commercialization of the Licensed Patents or any Improvements provided for under this Agreement, Licensee shall grant, and shall require its sublicensee(s) to grant, to MARSHFIELD CLINIC an option to obtain a nonexclusive, royalty-bearing license, with the right to grant sublicenses, to practice and use said Improvements for commercial purposes. Licensee shall provide to MARSHFIELD CLINIC written notice that Licensee and its sublicensee(s) intend to discontinue such use or commercialization immediately upon making such a decision. Marshfield Clinic's option with respect to each Improvement shall expire sixty (60) days after Marshfield Clinic's receipt of said written notice from Licensee. The failure of MARSHFIELD CLINIC to timely exercise its option under this paragraph shall be deemed a waiver of Marshfield Clinic's option, but only with respect to the Improvement so disclosed.

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Section 3: Development.

A. Licensee shall diligently develop, manufacture, market and sell Products in each Licensed Field and Licensed Territory throughout the term of this Agreement. Such activities shall include, without limitation, those activities listed in the Development Plan attached hereto as Appendix E. Licensee agrees that said Development Plan is reasonable and that it shall take all reasonable steps to meet the development program as set forth therein.

B. Beginning in calendar year 2008 and until the Date of First Commercial Sale, Licensee shall provide MARSHFIELD CLINIC with a written Development Report summarizing Licensee's development activities since the last Development Report and any necessary adjustments to the Development Plan. Licensee agrees to provide each Development Report to MARSHFIELD CLINIC on or before thirty (30) days from the end of each semi-annual period ending June 30 and December 31 for which a report is due, and shall set forth in each Development Report sufficient detail to enable MARSHFIELD CLINIC to ascertain Licensee's progress toward the requirements of the Development Plan. MARSHFIELD CLINIC reserves the right to audit Licensee's records relating to the development activities required hereunder. Such record keeping and audit procedures shall be subject to the procedures and restrictions set forth in Section 6 for auditing the financial records of Licensee.

C. Licensee agrees to and warrants that it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents and to develop Products for sale in the commercial market and that it so intends to develop Products for the commercial market. Licensee acknowledges that any failure by Licensee to reasonably implement the Development Plan, or to make timely submission to MARSHFIELD CLINIC of any Development Report, or the providing of any false information to MARSHFIELD CLINIC regarding Licensee's development activities hereunder, shall be a material breach of this Agreement.

Section 4: Consideration.

A. License Fee.

License agrees to pay MARSHFIELD CLINIC a *** of $*** US within thirty (30) days of Licensee's execution of this Agreement.

B. Royalty.

In addition to the Section 4A license fee, Licensee agrees to pay to MARSHFIELD CLINIC as "earned royalties" a royalty calculated as a percentage of the Selling Price of Products in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Product is actually sold, leased or otherwise transferred for consideration, the date an invoice is sent by Licensee, or the date a Product is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of *** percent (***%) of the Selling Price of Products.

C. Minimum Royalty.

Licensee further agrees to pay to MARSHFIELD CLINIC a minimum royalty of $*** per calendar year or part thereof during which this Agreement is in effect starting in calendar year 2009, against which any earned royalty paid for the same calendar year will be credited provided that MARSHFIELD CLINIC proves clinical utility for its SNP rs2108622 in the gene CYP4F2 through

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clinical validation studies. Such validation studies are being conducted at MARSHFIELD CLINIC now in partnership with external collaborators. Positive results of such studies will be considered as proof of clinical validation. Unless and until Marshfield Clinic secures such validation, no obligation will exist for Licensee to pay such minimum royalty. The minimum royalty for a given year shall be due at the time payments are due for the calendar quarter ending on December 31. It is understood that the minimum royalties will apply on a calendar year basis, and that sales of Products requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due MARSHFIELD CLINIC for any other given calendar year.

D. Patent Fees and Costs.

MARSHFIELD CLINIC has authorized WiSys Technology Foundation to file, prosecute and maintain patent coverage of the Licensed Patent or patent application on its behalf. Therefore, WiSys Technology Foundation shall be the contact agency for Licensee regarding all matters described in this Section 4D.

(i) Licensee also agrees to reimburse MARSHFIELD CLINIC for one hundred percent (100%) of all reasonable costs incurred by MARSHFIELD CLINIC in filing, prosecuting and maintaining the Licensed Patents in US, EU and Japan. All such costs for each Licensed Patent shall come due only after the applicable patent office has issued a notification of allowance (or its equivalent), and shall be paid by Licensee within thirty (30) days of receipt of an invoice from MARSHFIELD CLINIC, or WiSys Technology Foundation, acting on behalf of MARSHFIELD CLINIC.

(ii) MARSHFIELD CLINIC is not obligated to make or maintain any foreign filing of the Licensed Patents other than agreeing that it shall make and maintain US, EU (7 selected countries in Europe) and Japan filings of the Licensed Patents. If Licensee desires MARSHFIELD CLINIC to make or maintain other foreign filings, Licensee must notify MARSHFIELD CLINIC in writing three (3) months prior to the expiration of the deadline for making such foreign filings, indicating those countries in which Licensee desires MARSHFIELD CLINIC to pursue foreign patent protection. Licensee agrees to pay all reasonable patenting costs for additional countries within thirty (30) days of receiving an invoice from MARSHFIELD CLINIC. Any country for which MARSHFIELD CLINIC files for such patent protection at Licensee's request shall be included in the Licensed Territory under this Agreement. MARSHFIELD CLINIC reserves the right to file a patent application, at its own expense, in any countries not requested by Licensee pursuant to this Section 4D. Licensee acknowledges that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Licensed Patents were conceived or made, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. § 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to make and maintain foreign filings in those countries not selected by Licensee and/or MARSHFIELD CLINIC.

(iii) MARSHFIELD CLINIC will prosecute all national applications it files at Licensee's request pursuant to this Section 4D until MARSHFIELD CLINIC determines that continued prosecution is unlikely to result in the issuance of a patent in that country. If MARSHFIELD CLINIC decides to abandon prosecution or maintenance of any patent or patent application under the Licensed Patents in a country in which Licensee has requested MARSHFIELD CLINIC to make and maintain such filing, MARSHFIELD CLINIC shall provide Licensee notice of Marshfield Clinic's intent to abandon such application. In such event, Licensee shall have the right to continue prosecution of said application, at its own expense, on behalf of MARSHFIELD CLINIC and Licensee, to the extent allowed under applicable law.

E. Accounting; Payments.

(i) Amounts owing to MARSHFIELD CLINIC under Sections 2B and 4B shall be paid on a quarterly basis, with such amounts due and received by MARSHFIELD CLINIC on or before the thirtieth (30th) day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. The balance of any amounts which remain unpaid more than thirty (30) days after they are due to MARSHFIELD CLINIC shall accrue interest until paid at the rate of the lesser of *** percent (***%) per month or the maximum amount allowed under applicable law. However, in no event shall this interest provision be construed as a grant of permission for any payment delays.

(ii) Except as otherwise directed, all amounts owing to MARSHFIELD CLINIC under this Agreement shall be paid in U.S. dollars to MARSHFIELD CLINIC at the address provided in Section 16(a). All royalties owing with respect to Selling Prices stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment. MARSHFIELD CLINIC is exempt from paying income taxes under U.S. law. Therefore, all payments due under this Agreement shall be made without deduction for taxes, assessments, or other charges of any kind which may be imposed on MARSHFIELD CLINIC by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to MARSHFIELD CLINIC pursuant to this Agreement. All such taxes, assessments, or other charges shall be assumed by Licensee.

(iii) A full accounting showing how any amounts owing to MARSHFIELD CLINIC under Sections 2B and 4B have been calculated shall be submitted to MARSHFIELD CLINIC on the date of each such payment. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C of this Agreement. In the event no payment is owed to MARSHFIELD CLINIC, a statement setting forth that fact shall be supplied to MARSHFIELD CLINIC.

Section 5: Certain Warranties.

A. MARSHFIELD CLINIC warrants that except as otherwise provided under Section 14 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:

(i) a warranty or representation by MARSHFIELD CLINIC as to the validity or scope of any of the Licensed Patents;

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(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties; or

(iii) an obligation to furnish any know-how not provided in the Licensed Patents or any services other than those specified in this Agreement.

B. MARSHFIELD CLINIC MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES, OF PRODUCTS INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

C. Licensee represents and warrants that Products produced under the license granted herein shall be manufactured substantially in the United States as required by 35 U.S.C. § 204 and applicable regulations of Chapter 37 of the Code of Federal Regulations.

Section 6: Recordkeeping.

A. Licensee and its sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its sublicensee(s)'s accounting referred to above, including, without limitation, inventory, purchase and invoice records relating to the Products or their manufacture. In addition, Licensee shall maintain documentation evidencing that Licensee is in fact pursuing the development of Products as required herein. Such documentation may include, but is not limited to, invoices for studies advancing the development of Products, laboratory notebooks, internal job cost records, and filings made to the Internal Revenue Department to obtain tax credit, if available, for research and development of Products. Such books and records shall be preserved for a period not less than six (6) years after they are created during and after the term of this Agreement.

B. Licensee and its sublicensee(s) shall take all steps necessary so that MARSHFIELD CLINIC may within thirty (30) days of its request review and copy all the books and records at a single U.S. location to allow MARSHFIELD CLINIC to verify the accuracy of Licensee's royalty reports and Development Reports and the royalty reports of its sublicensee(s). Such review may be performed by any employee of MARSHFIELD CLINIC as well as by any attorney or registered CPA designated by MARSHFIELD CLINIC, upon reasonable notice and during regular business hours.

C. If a royalty payment deficiency is determined, Licensee and its sublicensee(s), as applicable, shall pay the royalty deficiency outstanding within thirty (30) days of receiving written notice thereof, plus interest on outstanding amounts as described in Section 4E(i).

D. If a royalty payment deficiency for a calendar year exceeds the lesser of *** percent (***%) of the royalties paid for that year or $*** then Licensee or its sublicensee(s) shall be responsible for paying Marshfield Clinic's out-of-pocket expenses incurred with respect to such review.

Section 7: Term and Termination.

A. The term of this license shall begin on the effective date of this Agreement and continue until this Agreement is terminated as provided herein or until the earlier of the date that no

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Licensed Patent remains an enforceable patent or the payment of earned royalties under Sections 2B and 4B, once begun, ceases for more than eight (8) calendar quarters.

B. Licensee may terminate this Agreement at any time by giving at least ninety (90) days written and unambiguous notice of such termination to MARSHFIELD CLINIC. Such a notice shall be accompanied by a statement of the reasons for termination.

C. MARSHFIELD CLINIC shall have the right to terminate this Agreement if Licensee fails to offer for sale to the retail market a diagnostic Product (APPENDIX A) by January 1, 2011 by giving Licensee at least ninety (90) days written notice.

D. If Licensee at any time defaults in the timely payment of any monies due to MARSHFIELD CLINIC or the timely submission to MARSHFIELD CLINIC of any Development Report, fails to actively pursue the development plan, or commits any breach of any other covenant herein contained, and Licensee fails to remedy any such breach or default within ninety (90) days after written notice thereof by MARSHFIELD CLINIC, or if Licensee commits any act of bankruptcy, becomes insolvent, is unable to pay its debts as they become due, files a petition under any bankruptcy or insolvency act, or has any such petition filed against it which is not dismissed within sixty (60) days, or if Licensee or its sublicensee(s) offer any component of the Licensed Patents to their creditors, MARSHFIELD CLINIC may, at its option, terminate this Agreement by giving notice of termination to Licensee.

E. Upon the termination of this Agreement, Licensee and its sublicensee(s) shall remain obligated to provide an accounting for and to pay royalties earned up to the date of the termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year.

F. Waiver by either party of a single breach or default, or a succession of breaches or defaults, shall not deprive such party of any right to terminate this Agreement in the event of any subsequent breach or default.

Section 8: Assignability.

This Agreement may not be transferred or assigned by Licensee without the prior written consent of MARSHFIELD CLINIC, except upon the sale of substantially all of the Licensee's assets, in which case no consent for such assignment is required.

Section 9: Contest of Validity.

In the event Licensee or its sublicensee(s) contest the validity or enforceability of any Licensed Patent, Licensee and its sublicensee(s) shall continue to pay royalties with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.

Section 10: Enforcement.

MARSHFIELD CLINIC intends to protect the Licensed Patents against infringers or otherwise act to eliminate infringement when, in Marshfield Clinic's sole judgment, such action may be necessary, proper, justified and makes reasonable business sense considering all factors. In the event that Licensee or its sublicensee(s) believe there is infringement of any Licensed Patent under this Agreement which is to its substantial detriment, Licensee shall provide MARSHFIELD CLINIC with notification and reasonable evidence of such infringement.

Section 11: Patent Marking.

Licensee and its sublicensee(s) shall mark all Products or Product packaging with the appropriate patent number reference in compliance with the requirements of U.S. law, 35 U.S.C. § 287.

Section 12: Product Liability; Conduct of Business.

A. Licensee shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold MARSHFIELD CLINIC and the inventors of the Licensed Patents harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from the production, manufacture, sale, use, lease, consumption or advertisement of Products arising from any right or obligation of Licensee or its sublicensee(s) hereunder. MARSHFIELD CLINIC at all times reserves the right to select and retain counsel of its own to defend Marshfield Clinic's interests.

B. Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in marketing the products subject to this Agreement and that such insurance coverage lists MARSHFIELD CLINIC and the inventors of the Licensed Patents as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to MARSHFIELD CLINIC that the coverage is being maintained with MARSHFIELD CLINIC and its inventors listed as additional insureds. In addition, Licensee shall provide MARSHFIELD CLINIC with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13: Use of Names.

Neither Licensee nor its sublicensee(s) shall use Marshfield Clinic's name, the name of any inventor of inventions governed by this Agreement, in sales promotion, advertising, or any other form of publicity without the prior written approval of the entity or person whose name is being used; except that one or more press releases evidencing the existence of this Agreement may be undertaken by the parties, said releases to be jointly-approved between them prior to release.

Section 14: United States Government Interests.

It is understood that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Licensed Patents were conceived or made, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. §§ 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Licensed Patents for governmental purposes. Any license granted under this Agreement to Licensee or any of its sublicensee shall be subject to such right.

Section 15: Miscellaneous.

This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of Wisconsin. If any provisions of this Agreement are or shall come into conflict with the laws or regulations of any jurisdiction or any governmental entity having jurisdiction over the parties or this Agreement, those provisions shall be deemed automatically deleted, if such deletion is allowed by relevant law, and the remaining terms and conditions of this Agreement shall remain in full force and effect. If such a deletion is not so allowed or if such a deletion leaves terms thereby made clearly illogical

or inappropriate in effect, the parties agree to substitute new terms as similar in effect to the present terms of this Agreement as may be allowed under the applicable laws and regulations. The parties hereto are independent contractors and not joint venturers or partners.

Section 16: Notices.

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given at the earlier of the time when actually received as a consequence of any effective method of delivery, including but not limited to hand delivery, transmission by telecopier, or delivery by a professional courier service or the time when sent by certified or registered mail addressed to the party for whom intended at the address below or at such changed address as the party shall have specified by written notice, provided that any notice of change of address shall be effective only upon actual receipt.

(a) WiSys Technology Foundation
Attn: Contracts Manager
614 Walnut Street
Madison, Wisconsin 53726

(b) Licensee Osmetech Molecular Diagnostics Inc.
Attn: Legal Department
757 S. Raymond Ave
Pasadena, CA 91105

Section 17: Integration.

This Agreement constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, except as provided for elsewhere in this Section 17, made prior to or at the signing hereof, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.

Section 18: Confidentiality.

The parties hereto agree to keep any information identified as confidential by the disclosing party confidential using methods at least as stringent as each party uses to protect its own confidential information. “Confidential Information” shall include Licensee’s development plan and development reports, the Licensed Patents and all information concerning them and any other information marked confidential or accompanied by correspondence indicating such information is exchanged in confidence between the parties. Except as may be authorized in advance in writing by MARSHFIELD CLINIC, Licensee shall only grant access to Marshfield Clinic’s Confidential Information to its sublicensee(s) and those employees of Licensee and its sublicensee(s) involved in research relating to the Licensed Patents. Licensee shall require its sublicensee(s) and all such employees to be bound by terms of confidentiality no less restrictive than those set forth in this Section 18. Licensee and its sublicensee(s) shall not use any Confidential Information to Marshfield Clinic’s detriment, including, but not limited to, claiming priority to the Licensed Patents in any patent prosecution. The confidentiality and use obligations set forth above apply to all or any part of the Confidential Information disclosed hereunder except to the extent that:

(i) MARSHFIELD CLINIC, Licensee or its sublicensee(s) can show by written record that it possessed the information prior to its receipt from the other party;

(ii) the information was already available to the public or became so through no fault of MARSHFIELD CLINIC, Licensee or its sublicensee(s);

(iii) the information is subsequently disclosed to MARSHFIELD CLINIC, Licensee or its sublicensee(s) by a third party that has the right to disclose it free of any obligations of confidentiality; or

(iv) five (5) years have elapsed from the expiration of this Agreement.

Section 19: Authority.

The persons signing on behalf of MARSHFIELD CLINIC and Licensee hereby warrant and represent that they have authority to execute this Agreement on behalf of the party for whom they have signed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

MARSHFIELD CLINIC

By: /s/ Robert A. Carlson Date: Oct 20, 2007

Name and Office: /s/ Robert A. Carlson, MD – Director
Applied Sciences

OSMETECH MOLECULAR DIAGNOSTICS

By: /s/ James White Date: 23rd October, 2007

Name and Office: James White C.E.O.

Reviewed by Marshfield Clinic's Attorney:

/s/ illegible Oct. 22, 2007

(Marshfield Clinic's attorney shall not be deemed a signatory to this Agreement.)

Marshfield Clinic Ref: Caldwell - M07015US

APPENDIX A

A. “Licensed Patents” shall refer to and mean those patents and patent applications listed on Appendix B attached hereto in countries in the Licensed Territory and any subsequent patent application owned by MARSHFIELD CLINIC in a country in the Licensed Territory but only to the extent it claims priority to an invention claimed in a patent application listed on Appendix B. This includes but is not limited to continuation applications, continuation-in-part applications to the extent they relate back to a parent Licensed Patent, divisional applications, reissue applications, utility model applications or registrations,

B. “Products” shall refer to and mean any and all products that employ or are in any way produced by the practice of an invention claimed in the Licensed Patents or that would otherwise constitute infringement of any claims of the Licensed Patents.

C. “Selling Price” shall mean, in the case of Products that are sold or leased, the invoice price to the end user of Products (regardless of uncollectible accounts) less any shipping costs, allowances because of returned Products, or sales taxes. The “Selling Price” for a Product that is transferred to a third party for promotional purposes without charge or at a discount shall be the average invoice price to the end user of that type of Product during the applicable calendar quarter.

D. “Development Report” shall mean a written account of Licensee’s progress under the development plan having at least the information specified on Appendix D to this Agreement, and shall be sent to the address specified on Appendix D.

E. “Licensed Field” shall be limited to the field of human diagnostic and research applications, expressly excluding any pharmaceutical drug development and therapeutic uses.

F. “Licensed Territory” shall be Worldwide

G. “Non-Commercial Research Purposes” shall mean the use of the inventions of the Licensed Patents and/or Improvements for academic research purposes or other not-for-profit or scholarly purposes not involving the use of the inventions of the Licensed Patents or Improvements to perform services for a fee or for the production or manufacture of products for sale to third parties.

APPENDIX B

LICENSED PATENTS

REFERENCE NUMBER	COUNTRY	PATENT NUMBER	ISSUE DATE	APPLICATION SERIAL NUMBER

Technology Title (Inventors...)

M07015US "Test of rs2108622 in the gene CYP4F2 for predicting a patient's starting dose of warfarin and subsequent dose adjustments"

This invention provides a method for improving warfarin dosing and dose adjustment models by adding data from a genetic test about single nucleotide polymorphism rs2108622 in the gene CYP4F2 (Cytochrome P450 4F2.

M07015US UNITED STATES

A provisional US application will be filed by October 22, 2007. Licensee has instructed WiSys to file in US, Europe and Japan. US, Europe and Japan applications are included in the "Licensed Patents"

APPENDIX C

MARSHFIELD CLINIC ROYALTY REPORT

Licensee: _____ **Agreement No:** _____
Inventor: _____ **P#:**
Period Covered: From: ____/____/____ Through ____/____/____
Prepared By: _____ **Date:** _____
Approved By: _____ **Date:** _____

If license covers several major product lines, please prepare a separate report for each line. Then combine all product lines into a summary report.

Report Type: ☐ **Single Product Line Report:** _____
☐ **Multiproduct Summary Report.** Page 1 of _____ Pages
☐ **Product Line Detail. Line:** _____ Tradename: _____ Page: _____
Report Currency: ☐ **U.S. Dollars** ☐Other _____

Country	Gross Sales	* Less: Allowances	Net Sales	Royalty Rate	Period Royalty Amount This Year	Period Royalty Amount Last Year
U.S.A.						
Canada						
Europe:						
Japan						
Other:						
TOTAL:						

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: $ _____

The following royalty forecast is non-binding and for Marshfield Clinic's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____
Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.
Also note any unusual occurrences that affected royalty amounts during this period.
To assist Marshfield Clinic's forecasting, please comment on any significant expected trends in sales volume.

APPENDIX D

DEVELOPMENT REPORT

A. Date development plan initiated and time period covered by this report.

B. Development Report (4-8 paragraphs).

1. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.

2. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.

C. Future Development Activities (4-8 paragraphs).

1. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.

2. Estimated total development time remaining before a product will be commercialized.

D. Changes to initial development plan (2-4 paragraphs).

1. Reasons for change.

2. Variables that may cause additional changes.

E. Items to be provided if applicable:

1. Information relating to Product that has become publicly available, e.g., published articles, competing products, patents, etc.

2. Development work being performed by third parties other than Licensee to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.

3. Update of competitive information trends in industry, government compliance (if applicable) and market plan.

PLEASE SEND DEVELOPMENT REPORTS TO:

WiSys Technology Foundation
Attn: Contract Coordinator
614 Walnut Street
P.O. Box 7365
Madison, WI 53707-7365

APPENDIX E

DEVELOPMENT PLAN

4F2 Development Plan Activities	Timing	Status
1. XT-8 System Development		
a. Assay (2C9 *2 *3 / VKORC1)	Q3 ’07	Complete
b. Disposable	Q3 ’07	Complete
c. Instrument	Q3 ’07	Complete
d. Software	Q3 ’07	Complete
e. Manufacturing process	Q3 ’07	Complete
f. 4F2 assay development	Q3 ’07	Complete
2. Manufacturing certification (ISO 13485:2003)	Q4 ’07	Complete
3. Licensing		
a. VKORC1	Q2 ’07	Complete
b. 4F2	Q4 ’07	
4. Clinical Trials (US)		
a. Initiate	Q4 ’07	
b. Complete	Q1 ’08	
5. FDA 510K		
a. Submission	Q1 ’08	
b. Clearance	Q3 ’08	
6. Commercial launch		
a. US	Q3 ’08	
b. Europe	Q4 ’08	
c. Japan	TBD*	
7. Initiate 4F2 sublicense activities		
a. US	Q1 ’08	
b. x-US	Q2 ’08**	

Notes:

* Japan launch based on 2 years post submission for government approval

** Dependant on Marshfield Clinic filing dates for patent applications in Europe and Japan

EXHIBIT 10.10

NON-EXCLUSIVE PATENT LICENSE AGREEMENT

BETWEEN

OSMETECH

AND

THE UNIVERSITY OF WASHINGTON

UW REFERENCE: 7063-18921A

UW TECHTRANSFER, INVENTION LICENSING

NEGOTIATED BY CHRISTINE HAN, PH.D., M.P.H.

TABLE OF CONTENTS

NON-EXCLUSIVE PATENT LICENSE AGREEMENT

This Agreement ("Agreement") is dated and effective as of the date of last signature (the "Effective Date"), and is made by and between the University of Washington, a public institution of higher education and an agency of the state of Washington (the "University"), and Osmetech Molecular Diagnostics, an entity consisting solely of Clinical Micro Sensors, Inc. and Osmetech, Inc., both Delaware Corporations (the "Company"), (individually a "Party" or collectively the "Parties").

Purpose

The University owns the right to license to others certain rights to the Licensed Patents, as that term is defined and used in this Agreement. The Company desires that the University grant it a license to use, develop, and commercialize the inventions claimed in the Licensed Patents. The University is willing to grant such a license on the terms set forth below.

NOW, THEREFORE, the Parties agree that:

1. Definitions. For purposes of interpreting this Agreement, the following terms shall have the meanings ascribed to them below in this Article 1:

1.1 "Affiliate" means (i) a Third Party that owns fifty percent (50%) or more of the voting capital stock, or like equity security, of the Company, or (ii) a Third Party in which the Company owns fifty percent (50%) or more of the voting capital stock, or like equity security.

1.2 "Confidential Information" means any information or materials (biological, chemical, or otherwise) of the Parties not generally known to the public, including any information comprised by those materials and including without limitation, Licensed Technology.

1.3 "Field of Use" means the fields of use described in section Al of attached Exhibit A.

1.4 "Licensed Patent" means the patents and patent applications listed in section A2 of attached Exhibit A along with any further related patent issued during the term of this Agreement by the United States Patent and Trademark Office or any like foreign body with respect to patent applications. The term "Licensed Patent" also includes any divisionals, continuations, reissues, renewals, substitutions, re-examinations or extensions and foreign equivalents thereof or substitute therefore of a Licensed Patent.

1.5 "Licensed Product" means any product, good or service in the Field of Use that is used, made by, made for, sold, transferred, offered for sale, or otherwise disposed of by the Company during the term of this Agreement that, but for the granting of the rights set forth in this Agreement, would infringe (including under the doctrine of equivalents) one or more Valid Claims of a Licensed Patent in the country where such product, good or service is sold or provided, or any product or good that is made using a process or

machine that is covered by a Valid Claim of a Licensed Patent in the country where such product or good is sold or manufactured.

1.6 "Licensed Technology" means collectively the inventions claimed in each Licensed Patent.

1.7 "Net Sales Price" means the gross amount invoiced for sales, leases, services, and other dispositions of Licensed Products less (i) all trade, quantity, and cash discounts actually allowed, including (ii) all credits and allowances actually granted due to rejections, returns, billing errors, and retroactive price reductions, (iii) duties, and (iv) excise, sale and use taxes, and equivalent taxes. In the event the Company sells, leases, or disposes of a Licensed Product to an Affiliate, the "Net Sales Price" for that transaction for purposes of this Agreement shall be equal to the price the Company charges non-Affiliate Third Parties for the Licensed Product or if the Company does not offer to sell the Licensed Product to the public, the price charged by the Company for a product of similar kind, quality, and quantity.

1.8 "Payment" means a payment to be made by the Company to the University specified in section 6.1 of this Agreement and described in section A3 of attached Exhibit A.

1.9 "Territory" means worldwide.

1.10 "Third Party" means any individual or entity other than the University or the Company.

1.11 "Valid Claim" means (a) a claim in an issued and unexpired patent included in the Licensed Patents that: (i) has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, and not subject to appeal, (ii) has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise, (iii) has not been lost through an interference, reexamination or reissue proceeding; or (b) a claim of a pending patent application included in the Licensed Patents.

2. Term. The term of this Agreement shall commence on the Effective Date and, unless terminated earlier as provided below in Article 8, this Agreement shall expire on the date on which no Valid Claim in a Licensed Patent is pending or subsisting in any country in the Territory.

3. Grant of License.

3.1 The Company's Rights.

3.1.1. Grant. Subject to the terms and conditions of this Agreement, the University hereby grants to the Company, and the Company hereby accepts, a nonexclusive license to make, have made on its behalf, use, offer to sell or sell, offer to lease or lease, import, or otherwise offer to dispose or dispose of Licensed Products in the Territory. The Parties acknowledge and agree that the license granted in this Agreement

shall be limited to the inventions in the Field of Use that are expressly claimed in each Licensed Patent. No provision of this Agreement shall be construed to grant the Company, by implication, estoppel or otherwise, any rights other than the rights expressly granted it in this Agreement to the Licensed Technology, a Licensed Patent, or to any other University-owned technology, patent applications, or patents.

3.1.2. Sublicensing. Notwithstanding any term of this Agreement to the contrary, the Company shall not, and shall not have the right to, sublicense its rights under this Agreement.

3.2 The United States Government's Rights. The Parties acknowledge and agree that the federal government of the United States of America has certain rights in and to any government-funded Licensed Technology as those rights are described in Chapter 18, Title 35 of the United States Code and accompanying regulations, including Part 401, Chapter 37 of the Code of Federal Regulations, and that the Parties' rights and obligations under this Agreement to any government-funded Licensed Technology, including the grant of license set forth above in subsection 3.1.1, are subject to the applicable terms of the aforementioned United States laws.

3.3 The University's Rights. The University retains an irrevocable, nonexclusive license to make, have made, and use products, processes, and other subject matter covered by the Licensed Patents or the Licensed Technology for research, medical, instructional, or any other academic purpose, including publications.

4. Applications and Patents.

4.1 Cost Reimbursement. The Company shall pay, or shall reimburse the University for paying, reasonable and necessary costs (including attorneys' and application fees) incurred prior to, on, or after the Effective Date to apply for, prosecute, enforce, and maintain each Licensed Patent in those countries where the Company intends to commercialize Licensed Product, as provided for in section A3.6 of attached Exhibit A. For the avoidance of doubt, the Company shall pay, or shall reimburse the University for paying, costs related to Licensed Patents unless and until the Company notifies the University in writing of its decision to opt-out of patent protection for a specific country in the Territory. In this event, the Company shall not be responsible for reimbursing those costs and lose rights in that country.

4.2 Pre-Agreement Licensed Product Sales. The Company agrees to pay royalties in the amounts set forth in this Agreement for any Licensed Products it has sold in the Territory prior to the Effective Date.

4.3 Patent Application Filings during the Term of this Agreement.

4.3.1. The University retains the sole and exclusive right to file or otherwise prosecute patent applications with respect to the Licensed Technology. In no event shall

the Company file a patent application with respect to the Licensed Technology if a University employee is an inventor on the patent application.

4.3.2. The University shall determine in which countries the University will file, or cause to be filed, a patent application with respect to the Licensed Technology. The Company may request patent prosecution to be pursued in any given country. The Company will specify in writing which of these countries it wishes to receive license from and shall pay pro-rata share of patent costs as specified in section A3.6 of attached Exhibit A. For the avoidance of doubt, Company shall pay, or shall reimburse the University for paying costs related to Licensed Patents in all countries until the Company notifies the University in writing of its decision to opt-out of said cost reimbursement for any specific country.

4.3.3. For each patent application with respect to the Licensed Technology filed in a particular country, the University shall retain counsel of its choice to file and prosecute such patent application; the University shall take all commercially reasonable steps to cause a patent application to be filed and a patent to be issued in that country. The Company promptly shall reimburse the University for the University's out-of-pocket costs, including application and attorneys' fees, to file, prosecute and maintain such patent application and issued patent during the term of this Agreement as provided for in section A3.4 of attached Exhibit A.

4.3.4. No provision of this Agreement limits, conditions, or otherwise affects the University's right to prosecute a patent application with respect to the Licensed Technology in any country.

4.4 Maintenance of Licensed Patents. The University shall take all commercially reasonable steps to cause each Licensed Patent to remain or be valid and subsisting.

4.5 Ownership of the Licensed Patents. No provision of this Agreement grants the Company any rights, titles, or interests (except for the grant of license in subsection 3.1.1 of this Agreement) in the Licensed Patents, notwithstanding the Company's payment of all or any portion of the patent prosecution, maintenance, and related costs.

5. Commercialization.

5.1 Commercialization Efforts. The Company shall use its commercially reasonable efforts, consistent with sound and reasonable business practices and judgment, to commercialize the Licensed Technology and to manufacture and offer to make and sell Licensed Products as soon as practicable and to maximize sales thereof.

5.2 Covenants Regarding the Manufacture of Licensed Products. The Company hereby covenants and agrees that the manufacture, use, sale, or transfer of Licensed Products shall comply with all applicable federal and state laws, including all federal export laws and regulations. The Company hereby further covenants and agrees that, to the extent required by 35 United States Code Section 204, it shall substantially manufacture in the

United States of America all products embodying or produced through the use of an invention that is subject to the rights of the federal government of the United States of America.

5.3 Commercialization Reports. Throughout the term of this Agreement, the Company shall deliver to the University written reports of the Company's efforts and plans to commercialize the Licensed Technology and to manufacture, offer to sell, or sell Licensed Products, including a projected timeline of development and sales. Prior to product introduction, these reports will be delivered to the University every six (6) months from the first anniversary of the Effective Date, and then annually, within thirty (30) days of the anniversary of the Effective Date, after first product sale.

5.4 Use of the University's Name and Trademarks or the Names of University Faculty, Staff, or Students. No provision of this Agreement grants the Company any right or license to use the name or trademarks of the University or the names, or identities of any member of the faculty, staff, or student body of the University. The Company shall not use any such trademarks, names, or identities without the University's and, as the case may be, such member's prior written approval.

6. Payments, Reimbursements, Reports, and Records.

6.1 Payments. The Company shall deliver to the University the payment or payments specified in section A3 of attached Exhibit A. The Company shall make such payments by check, wire transfer, or any other mutually agreed-upon and generally accepted method of payment. All checks to the University shall be made payable to "University of Washington" and shall be mailed to the address specified in Article 21 of this Agreement and shall include the University agreement number l8921A. Upon request, the University shall deliver to the Company written wire transfer instructions.

6.2 Late Payments. Company agrees to pay a late fee for all amounts owed to the University that are overdue by thirty (30) days or more. The late fee shall be computed as the United States prime rate plus Two Percent (2%), compounded monthly, as set forth by *The Wall Street Journal* (Western edition) on the date on which such payment is due, of the outstanding, unpaid balance. The payment of such a late fee shall not foreclose or limit University from exercising any other rights it may have as a consequence of the lateness of any payment.

6.3 Sales Reports. Within thirty (30) days after the last day of a calendar quarter during the term of this Agreement, the Company shall deliver to the University a written sales report (a copy of the form of which is attached as Exhibit B) recounting the number and Net Sales Price amount (expressed in U.S. dollars) of all sales, leases, or other dispositions of Licensed Products made by the Company during such calendar quarter. The Company shall deliver such written report to the University even if the Company is not required hereunder to pay to the University a payment for sales, leases, or other dispositions of Licensed Products during the calendar quarter.

6.4 Records Retention and Audit Rights.

6.4.1. Throughout the term of this Agreement and for five (5) years thereafter, the Company, at its expense, shall keep and maintain complete and accurate records of all sales, leases, and other dispositions of Licensed Products during the term of this Agreement and all other records related to this Agreement.

6.4.2. The University, at its expense except as set forth below in this subsection, shall have the right to inspect and audit the Company's records referred to in subsection 6.4.1 hereof at the Company's address as set forth in Article 21 of this Agreement or such other locations as the Parties shall mutually agree during the Company's normal business hours. The University shall have the right to determine the Company's compliance with the terms of this Agreement. The Company shall reimburse the University for all its out-of-pocket expenses to inspect and audit such records if the University, in accordance with the results of such inspection and audit, determines that the Company has underpaid amounts owed to the University by at least *** percent (***%), in a reporting period. In connection with, and prior to the commencement of, an audit, if the Company so requests in writing to the University, the Company, the University and the auditor shall enter into an agreement prohibiting the auditor and the University from disclosing the Company's nonpublic, proprietary information to any Third Party without the Company's prior written consent; provided, however, that consistent with generally accepted auditing standards and the auditor's professional judgment, the auditor may disclose such information to the University and its agents, counsel, or consultants. The Company acknowledges that such an agreement is adequate to protect its legitimate interests, and the Parties agree that there shall be no additional nondisclosure agreement demanded as a condition to the commencement of an audit and the University's exercising its rights under this subsection.

6.5 Currency and Checks. All computations and payments made under this Agreement shall be in United States dollars. The exchange rate for the currency into dollars as reported in the *Wall Street Journal* as the New York foreign exchange mid-range rate on the last business day of the month in which the transaction was entered into shall be used for determining the dollar value of transactions conducted in non-United States dollar currencies.

7. Third Party Infringement of Licensed Patent.

7.1 Notice of Third Party's Infringement. In the event the Company learns of substantial, credible evidence that a Third Party is making, using, or selling a product in a Field of Use in the Territory that infringes a Licensed Patent, the Company promptly thereafter shall deliver written notice of the possible infringement to the University, describing the information suggesting infringement of the Licensed Patent.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

7.2 Legal Action to Enforce a Licensed Patent. The University shall have no obligation under this Agreement to commence or maintain a suit against any alleged infringer of Licensed Patents. The University reserves the right to grant a license to the infringer to settle a University-initiated action. No provision of this Agreement shall limit, condition, or otherwise affect the University's statutory and common-law rights to commence an action to enforce a Licensed Patent.

8. Termination.

8.1 By the University.

8.1.1. If the Company breaches or fails to perform one or more of its duties under this Agreement, the University may deliver to the Company a written notice of default. The University may terminate this Agreement by delivering to the Company a written notice of termination if the default has not cured in full within sixty (60) days of the delivery to the Company of the notice of default.

8.1.2. The University may terminate this Agreement by delivering to the Company a written notice of termination at least ten (10) days prior to the date of termination if the Company (i) becomes insolvent; (ii) voluntarily files or has filed against it a petition under applicable bankruptcy or insolvency laws that the Company fails to have released within thirty (30) days after filing; (iii) proposes any dissolution, composition, or financial reorganization with creditors or if a receiver, trustee, custodian, or similar agent is appointed; or (iv) makes a general assignment for the benefit of creditors.

8.2 By the Company. The Company may terminate this Agreement at any time by delivering to the University a written notice of termination at least sixty (60) days prior to the effective date of termination.

8.3 Post-termination Period. The Company shall not use, or permit others to use, the Licensed Technology or manufacture or have manufactured Licensed Products after the termination of this Agreement under section 8.1 or 8.2. After the termination of this Agreement under section 8.1 or 8.2, the Company shall not offer to sell and sell, offer to lease and lease, and otherwise offer to dispose of or dispose of Licensed Products in the Territory that were manufactured prior to the of this Agreement.

9. Release, Indemnification, and Insurance.

9.1 The Company's Release. For itself and its employees, the Company hereby releases the University and its regents, employees, and agents forever from any and all suits, actions, claims, liabilities, demands, damages, losses, or expenses (including reasonable attorneys' and investigative expenses) relating to or arising out of (i) the manufacture, use, lease, sale, or other disposition of a Licensed Product; (ii) the assigning or licensing of the Company's rights under this Agreement; or (iii) with the exception of the

warranties set forth in section 10.1 of this Agreement, the University's performance of its obligations hereunder.

9.2 Indemnification. Throughout the term of this Agreement and thereafter, the Company shall indemnify, defend, and hold the University and its regents, employees, and agents harmless from all suits, actions, claims, liabilities, demands, damages, losses, or expenses (including reasonable attorneys' and investigative expenses), relating to or arising out of any default in the performance of any material term or provision herein. In addition, throughout the term of this Agreement and thereafter, the Company shall indemnify, defend, and hold the University and its regents, employees, and agents harmless from all suits, actions, claims, liabilities, demands, damages, losses, or expenses (including reasonable attorneys' and investigative expenses), relating to or arising out of the manufacture, use, lease, sale, or other disposition of a Licensed Product, including, without limitation, breach of contract and warranty and products-liability claims relating to a Licensed Product.

9.3 The Company's Insurance. Throughout the term of this Agreement, or during such period as the Parties shall agree in writing, the Company shall maintain in full force and effect comprehensive general liability (CGL) insurance, consistent with sound business practices. Such insurance policy shall include coverage for claims that may be asserted by the University against the Company under section 9.2 of this Agreement and for claims by a Third Party against the Company or the University arising out of the purchase or use of a Licensed Product. Such insurance policy shall name the University as an additional insured. Such insurance policy shall require the insurer to deliver written notice to the University at the address set forth in Article 21 of this Agreement, at least forty-five (45) days prior to the termination of the policy. The Company shall deliver to the University a copy of the certificate of insurance for such policy.

10. Warranties.

10.1 Authority. Each Party represents and warrants to the other Party that it has full corporate power and authority to execute, deliver, and perform this Agreement, and that no other corporate proceedings by such Party are necessary to authorize the Party's execution or delivery of this Agreement.

10.2 Disclaimers.

10.2.1. **EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTION 10.1 OF THIS AGREEMENT, THE UNIVERSITY DISCLAIMS AND EXCLUDES ALL WARRANTIES, EXPRESS AND IMPLIED, CONCERNING THE LICENSED TECHNOLOGY, EACH LICENSED PATENT, EACH PATENT APPLICATION, AND EACH LICENSED PRODUCT, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF NON-INFRINGEMENT, NONINTERFERENCE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

10.2.2. The University expressly disclaims any warranties concerning and makes no representations:

10.2.2.1. that the Licensed Patents will be approved or will issue;

10.2.2.2. concerning the validity or scope of any Licensed Patent; or

10.2.2.3. that the manufacture, use, sale, lease or other disposition of a Licensed Product will not infringe a Third Party's patent or violate its intellectual property rights.

10.2.3. The Company specifically acknowledges the existence of possibly interfering patent rights of Third Parties, including, without limitation, certain patent rights of University of North Carolina (Patent Application Number WO2005030039A2) and Academica Sinica (Patent Application Number WO2006069339A2).

11. Damages.

11.1 Remedy Limitation. **EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, IN NO EVENT SHALL THE UNIVERSITY BE LIABLE FOR (A) PERSONAL INJURY OR PROPERTY DAMAGES ARISING IN CONNECTION WITH THE ACTIVITIES CONTEMPLATED IN THIS AGREEMENT OR (B) LOST PROFITS, LOST BUSINESS OPPORTUNITY, INVENTORY LOSS, WORK STOPPAGE, LOST DATA OR ANY OTHER RELIANCE OR EXPECTANCY, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OF ANY KIND.**

11.2 Damage Cap. **IN NO EVENT SHALL THE UNIVERSITY'S TOTAL LIABILITY FOR THE BREACH OR NONPERFORMANCE OF THIS AGREEMENT EXCEED THE AMOUNT OF PAYMENTS PAID TO THE UNIVERSITY UNDER SECTION 6.1 OF THIS AGREEMENT. THIS LIMITATION SHALL APPLY TO CONTRACT, TORT, AND ANY OTHER CLAIM OF WHATEVER NATURE.**

12. Amendment and Waiver. This Agreement may be amended from time to time only by a written instrument signed by the Parties. No term or provision of this Agreement shall be waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. No waiver of a breach shall be deemed to be a waiver of a different or subsequent breach.

13. Assignment. The Company, without the prior approval of the University, may assign all, but no less than all, its rights and delegate all, but no less than all, its duties under this Agreement to another if (i) the Company or its successors delivers to the University written notice of the actual assignment at least ninety (90) days prior to the effective date of the event described below in part (ii) of this paragraph, and (ii) the assignment is made as a part of and in connection with (A) the sale by the Company of all or substantially all of its assets to a single purchaser, (B) the sale, transfer, or exchange by the shareholders, partners, or equity owners of the Company of

a majority interest in the Company to a single purchaser, or (C) the merger of the Company into another corporation or other business entity. Any assignment made in violation of this subsection shall be void and shall, without further act, cause the immediate termination of this Agreement.

This Agreement shall inure to the benefit of the Company and the University and trustees.

14. Applicable Law. The internal laws of the state of Washington shall govern the validity, construction, and enforceability of this Agreement, without giving effect to the conflict of laws principles thereof.

15. Confidentiality.

15.1 **Form of transfer**. Confidential Information may be conveyed in written, graphic, oral, physical, or electronic form. Confidential Information shall include, without limitation, Licensed Technology as well as Company's business plan or reports. Company and University must clearly mark its Confidential Information "confidential." If a disclosing Party communicates Confidential Information orally, the disclosing Party shall reduce such oral communications to writing of disclosure to the receiving Party and clearly mark it "confidential" and provide a copy to the receiving Party within thirty (30) days at the address in Article 21.

15.2 **Exceptions**. Confidential Information does not include: any information that: is required by law to be disclosed; is or becomes part of the public domain through no fault of recipient; is known to recipient prior to the disclosure by the disclosing Party, as evidenced by documentation; is publicly released as authorized under this Agreement by the University, its employees or agents; is subsequently obtained by a Party from a Third Party who is authorized to have such information; or is independently developed by a Party without reliance on any portion of the Confidential Information received from the disclosing Party and without any breach of this Agreement as evidenced by documentation.

15.3 **No Unauthorized Disclosure of Confidential Information**. Beginning on the Effective Date and continuing throughout the term of this Agreement and thereafter for a period of five (5) years ("Confidentiality Period"), neither Party shall disclose or otherwise make known or available to any Third Party or Affiliate any Confidential Information, without the express prior written consent of the other. In no event shall either Party incorporate or otherwise use Confidential Information in connection with any patent application filed by or on behalf of the other. Both Parties shall utilize reasonable procedures to safeguard the Confidential Information.

15.4 **Access to University Information**. The University is an agency of the State of Washington and is subject to the Washington Public Records Act, RCW 42.56 et seq., ("Act"), and no obligation assumed by the University under this Agreement shall be deemed to be inconsistent with the University's obligations as defined under the Act and as interpreted by the University in its sole discretion. In the event the University receives

a request for public records under the Act for documents containing Confidential Information, and if the University concludes that the documents are not otherwise exempt from public disclosure, the University will provide the Company notice of the request before releasing such documents. Such notice shall be provided in a timely manner to afford the Company sufficient time to review such documents and/or seek a protective order, at the Company's expense utilizing the procedures described in RCW 42.56.540. The University shall have no obligation to protect the Confidential Information from disclosure in response to a request for public records.

16. Consent and Approvals. Except as otherwise expressly provided, all consents or approvals required under the terms of this Agreement shall be in writing and shall not be unreasonably withheld or delayed.

17. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine, and neuter expressions shall be interchangeable.

18. Enforceability. If a court of competent jurisdiction adjudges a provision of this Agreement unenforceable, invalid, or void, such determination shall not impair the enforceability of any of the remaining provisions hereof and such provisions shall remain in full force and effect.

19. Entire Agreement; No Third-Party Beneficiaries. This Agreement (including all attachments, exhibits, and amendments hereto) is intended by the Parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement cancels, supersedes, and revokes all prior negotiations, representations and agreements among the Parties, whether oral or written, relating to the subject matter of this Agreement.

Company has evaluated the Licensed Technology under a Confidentiality Agreement ("Confidentiality Agreement") with University (UWIL # 18127A) with an effective date of August 2, 2006. Confidentiality Agreement is hereby supplanted entirely by this Agreement.

No provision of this Agreement, express or implied, is intended to confer upon any person other than the Parties to this Agreement any rights, remedies, obligations, or liabilities hereunder.

20. Language and Currency. Unless otherwise expressly provided in this Agreement, all notices, reports, and other documents and instruments that a Party hereto elects or is required by the terms of this Agreement to deliver to the other Party hereto shall be in English, and all notices, reports, and other documents and instruments detailing revenues and earned under this Agreement or expenses chargeable to a Party hereto shall be United States dollar denominated.

21. Notices. All notices, requests, and other communications that a Party is required or elects to deliver shall be in writing and shall be delivered personally, or by facsimile or

electronic mail (provided such delivery is confirmed), or by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, return receipt requested, to the other Party at its address set forth below or to such other address as such Party may designate by notice given pursuant to this article:

If to the University:	UW TechTransfer Invention Licensing ATTN: Director 4311 11th Avenue NE, Suite 500 Seattle, WA 98105-4608 Facsimile No.: 206-685-4767
For notices sent pursuant to Article 8, with a copy to:	University of Washington Office of the Attorney General 101 Gerberding Hall Seattle, WA 98105 Facsimile No: 206-543-0779
If to the Company:	Osmetech ATTN: Legal Department 757 S. Raymond Ave. Pasadena, CA 91105 Facsimile: 626 463 2012

22. Publicity. Nothing contained in this Agreement shall be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trade name, trademark, or other designation of the University without the express written permission of the University, unless such listing is required under local laws or regulations, provided that the Company may state the existence of this Agreement and the fact that both Parties entered into it. For any use other than the foregoing, the Company hereby expressly agrees not to use the name "University of Washington" or any contraction, abbreviation, or simulation thereof without prior written approval from an authorized representative of the University. The University shall have the right to report in its customary publications and presentations that the University and the Company have entered into a license agreement for the Licensed Technology and the University may use the Company logos in such publications and presentations provided that the University does not modify the Company's logos and does not through such use imply any endorsement by the Company of the University.

23. Relationship of Parties. In entering into, and performing their duties under, this Agreement, the Parties are acting as independent contractors and independent employers. No provision of this Agreement shall create or be construed as creating a partnership, joint venture, or agency relationship between the Parties. No Party shall have the authority to act for or bind the other Party in any respect.

24. Security Interest. In no event shall the Company grant, or permit any person to assert or perfect, a security interest in the Company's rights under this Agreement.

25. Survival. Immediately upon the termination or expiration of this Agreement, all the Company's rights under this Agreement shall terminate; provided, however, the Company's obligations that have accrued prior to the effective date of termination or expiration of this Agreement (*e.g*., the obligation to report and make payments on sales, leases, or dispositions of Licensed Products and to reimburse the University for costs) and the obligations specified in sections 6.1, 6.2, and A3.1 of the Agreement shall survive. The obligations and rights set forth in sections 6.4 and 8.3 and articles 9, 10, and 11 of this Agreement shall survive the termination or expiration of this Agreement.

26. Collection Costs and Attorneys' Fees. If a Party shall fail to perform an obligation or otherwise breaches one or more of the terms of this Agreement, the other Party may recover from the non-performing breaching Party all its costs (including actual attorneys' and investigative fees) to enforce the terms of this Agreement.

27. Forum Selection. A suit, claim, or other action to enforce the terms of this Agreement shall be brought exclusively in the state courts of King County, Washington. The Company hereby submits to the jurisdiction of that court and waives any objections it may have to that court asserting jurisdiction over the Company or its assets and property.

28. Patent Marking. Company shall mark any and all material forms of Licensed Product or packaging pertaining thereto made and sold by Company in the Territory with patent marking confirming to 35 U.S.C. §287(a), as amended from time to time. Such marking shall further identify the pendency of any U.S. patent application and/or any issued U.S. or foreign patent forming any part of the University rights. All Licensed Product shipped to or sold in other countries shall be marked in such a manner as to provide notice to potential infringers pursuant to the patent law and practice of the country of manufacture or sale.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized representatives.

University of Washington		**Osmetech Molecular Diagnostics**	
By:	/s/ Fiona Wills	By:	/s/ Edward O. Kreusser
Name:	Fiona Wills	Name:	Edward O. Kreusser, Esq.
Title:	Interim Director	Title:	VP, IP and Legal Affairs
Date:	February 22, 2007	Date:	2/28/2007

Exhibit A
Non-Exclusive Patent License Schedule

A1. Fields of Use (sections 1.2 and 3.1.1):

Fields of Use: Human clinical diagnostics field, including Research Use Only (RUO), Investigational Use Only, (IUO), Analyte Specific Reagents (ASR), and In Vitro Diagnostic (IVD) fields of use for anticoagulant dosing. IVD field of use expressly excludes market for tests performed in the home. Any reagents or kits sold under this Agreement are not for remanufacture, re-kitting, or resale to any Third Party, in whole or part.

A2. Licensed Patents (section 1.4):

Patent Application No.:	UW Reference #	Inventors	Assignee	Application Date
US 10/967,879	7063P.1US	Mark Rieder Allan Rettie	University of Washington	10/18/2004
PCT/US2005/037058	7063P.IPCT	Mark Rieder Allan Rettie	University of Washington	10/17/2005
US 11/141,288	7063P.1USCIP1	Mark Rieder Allan Rettie	University of Washington	05/31/2005

A3. Payments (section 6.1):

A3.1 Up-front Payment. The Company shall pay to the University *** dollars ($***) as an up-front payment. This up-front payment shall be due as of the Effective Date and payable in *** dollars ($***). The first installment shall be payable within thirty (30) days of the Effective Date. The next installment shall be payable within thirty (30) days of the first anniversary of the Effective Date and the last installment shall be payable within thirty (30) days of the second anniversary of the Effective Date. This up-front payment shall be non-refundable and not creditable against future royalty obligations and shall survive termination or expiration of this Agreement.

A3.2 Running Royalty Payments. The Company shall pay to the University within thirty (30) days after the last day of each calendar quarter during the term of this Agreement an amount equal to *** percent (***%) of the Net Sales Price of all sales, leases, or dispositions of Licensed Products made by the Company during such quarter as a running royalty payment. In the event that Company is required to pay royalties to one or more Third Parties as necessary to avoid infringement thereof by the manufacture, use, or sale of any Licensed Products, or to avoid infringement-related litigation with respect to such patents, then the running royalty rate specified shall be reduced by an amount equal to one-half of the royalties actually paid to the Third Party, provided that in no event shall the royalties otherwise due to the University be less than *** percent (***%) of the royalties that

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

would be payable to the University were the University the sole licensor with respect to such Licensed Products. For the avoidance of doubt, under no circumstance shall the royalty to the University be less than *** percent (***%) of Net Sales Price following such reduction.

A3.3 Combination Products. If a Licensed Product is sold in combination with one or more other products or components that is not a Licensed Product, Net Sales Price shall be calculated by multiplying Net Sales Price for such combination product by the fraction *** where A is the invoice price if the Licensed Product is sold separately, and B is the aggregate invoice price of any other active component or components, or devices, in the combination if sold separately, or if either of the products are not sold separately, than the allocation shall be commercially reasonable and determined by good faith negotiation between the University and the Company. Notwithstanding the foregoing, in no event shall the royalties due the University be less than *** percent (***%) of what would otherwise be due if the Licensed Product was sold as an individual product.

A3.4 Annual Minimum Royalty Payments. The Company shall pay to the University within thirty (30) days after each anniversary of the Effective Date, annual minimum royalties, to be creditable against running royalties for the preceding year on a non-cumulative basis, as set forth in the following table:

Due on Anniversary Date of Year #:	$ Amount in USD
1	***
2	***
3	***
4	***
5 and each year thereafter	***

A3.6 Patent Prosecution Reimbursements: The Company shall pay to the University within thirty (30) days after the Effective Date, *** dollars ($***) in full satisfaction of costs (including attorneys' and application fees) incurred prior to the Effective Date to apply for, prosecute, enforce, and maintain each Licensed Patent in those countries where Company intends to commercialize Licensed Product pursuant to section 4.1 of this Agreement. This payment shall be non-refundable and not creditable against the Company's other patent prosecution payment obligations. The Company shall be responsible for its pro-rata share of ongoing patent costs, determined by the number of other licensees at the time such fees and costs were incurred, for such patent or patent application. Pro-rata share shall be calculated for each country the Company requests a license.

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Exhibit B
Royalty Report Form

Date

Company Name & Address

License Number _____

Reporting Period: **Report Due Date:**

This report must be submitted regardless of whether royalties are owed. Please do not leave any column blank. State all information requested below.

Product Description	Royalty Rate	Quantity/ Net Sales	Royalty Due

Report Completed by: _____ **Total Royalties Due:** _____

Telephone Number: _____

If you have questions please contact:

Please make check payable to: University of Washington

AMENDED AND RESTATED CHEMICALLY MODIFIED ENZYMES KIT PATENT LICENSE AGREEMENT

This License Agreement ("Agreement") is made by and between Roche Molecular Systems, Inc., a Delaware corporation having an office at 4300 Hacienda Drive, Pleasanton, California 94588, USA and F. Hoffmann-La Roche Ltd., Grenzacherstrasse 124, CH-4070 Basel, Switzerland (hereinafter jointly referred to as "ROCHE") and Osmetech Molecular Diagnostics, 757 S. Raymond Avenue, Pasadena, CA 91105 (hereinafter referred to as "LCE") hereafter collectively referred to as "The Parties".

PREAMBLE

A. ROCHE owns or controls certain Licensed Patents relating to chemically modified thermostable DNA polymerases, also known as "Hot Start Enzymes," for use in polymerase chain reaction ("PCR") technology.

B. LCE wants to incorporate Licensed Products into LCE's Complete Diagnostic Kits for sale into the Licensed Field.

C. LCE wants to convey to End Users with the sale of LCE's Complete Diagnostic Kits the right to use the Complete Diagnostic Kits in the Licensed Field.

D. ROCHE is willing to grant to LCE a non-exclusive, world-wide license under its Licensed Patents in order to allow LCE to incorporate Licensed Products into LCE's Complete Diagnostic Kits for the Licensed Field, and to convey with the sale of such Complete Diagnostic Kits the right to use the Complete Diagnostic Kits in the Licensed Field.

E. ROCHE and LCE previously entered into two Roche Chemically Modified Enzymes Patent License Agreements effective as of May 14 and June 1, 2007 (the "Prior Agreements") which Prior Agreements are each hereby amended, restated and superseded in their entirety by this Agreement.

1. Definitions

For the purpose of this Agreement, and solely for that purpose, the terms set forth herein shall be defined as follows:

1.1. "**Affiliate**" means with respect to a Party: (i) an organization, which directly or indirectly controls such Party; or (ii) an organization, which is directly or indirectly controlled by such Party; or (iii) an organization, which is controlled, directly or indirectly, by the ultimate parent company of such Party. For purposes of this Section, control is defined as owning fifty percent (50%) or more of the voting stock of a company or having otherwise the power to govern the financial and the operating policies or to appoint the management of an organization. The term "Affiliate" of ROCHE shall not include Genentech, Inc., 1 DNA Way, South San Francisco, California 94080-4990, U.S.A. or Chugai Pharmaceutical Co., Ltd, 1-1, Nihonbasshi-Muromachi 2-chome, Chuo-ku Tokyo, 103- 8324, Japan, or the respective subsidiaries of said companies.

The term "Affiliate" includes organizations that meet any of the above criteria at any time during the term of this Agreement and excludes organizations that cease to meet any of the above criteria at any time during the term of this Agreement.

1.2. "**Complete Diagnostic Kit**" means a LCE manufactured and trademarked kit covered by one or more Valid Claims of the Licensed Patents, not covered by any ROCHE patents (including, but not limited to, U.S. Patent Nos. 5,210,015; 5,487,972; 5,804,375; 6,214,979; 5,994,056; 6,171,785 and their foreign counterparts) other than the Licensed Patents and dedicated for use for PCR in the Licensed Field, and which LCE manufactured and trademarked kit is comprised of, at a minimum, the essential active reagents used in the practice of PCR for nucleic acid testing in the Licensed Field. For the avoidance of doubt and for the sake of clarification, ASRs (Analyte Specific Reagents) are not Complete Diagnostic Kits.

1.3. "**Effective Date**" means the date on which the last signatory to this Agreement executes the Agreement.

1.4. "**End User**" means the customers, such as but not limited to doctors, hospitals, testing and research institutions, clinical or other testing laboratories which perform diagnostic services or diagnostic testing using a Complete Diagnostic Kit.

1.5. "**Licensed Field**" means the field of use consisting of products or processes for the measurement, observation or determination of a disease, disease state or genetic predisposition to a disease, by detecting, quantitating, distinguishing and/or monitoring nucleic acids in samples of material originating from a human being for the medical management for that human being, but excluding (i) human identity testing, and (ii) the following human disease targets: Hepatitis A Virus, Hepatitis B Virus, Hepatitis C Virus, Human Immunodeficiency Virus, Human Papilloma Virus and Parvovirus B19; provided, however, that the said exclusions for the Human Papilloma Virus and Parvovirus B19 disease targets shall be limited to three (3) years from the Effective Date after which time the Human Papilloma Virus and Parvovirus B19 disease targets shall be included within the Licensed Field subject to the royalty and other terms and conditions of this Agreement.

1.6. "**Licensed Patents**" means only the United States patents listed in Schedule A to this Agreement, and any patent issuing from any divisional, continuation, or continuation-in- part application (but specifically excluding any patent issuing from any continuation-in- part application that has claims directed to subject matter patentably distinct from that disclosed or claimed in the parent patent or application) of a listed patent; and any reissue, re-examination, extension, and corresponding foreign patents of any of the foregoing.

1.7. "**Licensed Product**" means a chemically modified thermostable DNA polymerase, the manufacture, use or sale of which is covered by one or more Valid Claims of the Licensed Patents, sold by ROCHE (directly or through its distributor) or made and sold by a supplier licensed to make and sell the same.

1.8. "**Net Sales**" means the gross invoice price for sales or transfers by LCE or its Affiliates to End Users of all Complete Diagnostic Kits less deductions for returns (including withdrawals and recalls), sales rebates (i.e. price reduction), volume (i.e. quantity) discounts, sales taxes and other taxes directly linked to the sales in the countries concerned. In addition to this above computed adjusted gross invoice price, all other expenses which may occur like custom duties, transportation costs and other direct expenses shall be covered by a lump deduction of *** percent (***%) of the above computed adjusted gross invoice price.

In the event LCE or its Affiliates are unable to account for the gross invoice price for sales or transfers of Complete Diagnostic Kits to End Users, the Net Sales shall be calculated as the gross invoice price for sales or transfers by LCE or its Affiliates to distributors, agents or wholesalers multiplied by 1.35.

In the event that (i) a Complete Diagnostic Kit is sold or transferred by LCE in such a way that the gross invoice price for the sale or transfer of such Complete Diagnostic Kit is less than fair market value or does not fairly represent an actual independent arm's- length transaction price for such Complete Diagnostic Kit, (ii) LCE transfers any Complete Diagnostic Kit to an Affiliate which becomes an End User, or (iii) LCE uses any Complete Diagnostic Kit as an End User, then Net Sales shall be determined by reference to the gross invoice price for the Complete Diagnostic Kit sold or transferred which would be applicable in an arm's-length transaction with an unrelated third party by applying the average transaction price for Complete Diagnostic Kits in arms-length transactions for the previous twelve (12) month period or, if no average transaction price of such Complete Diagnostic Kit is available for such period, at a reasonable value based upon the average transaction prices of other products available in the marketplace similar to such Complete Diagnostic Kit.

1.9. "**Territory**" means world-wide.

1.10. "**Valid Claim**" means, in any country, the claim of an issued patent which (a) has not expired, (b) has not been disclaimed, or (c) has not been revoked, held invalid or otherwise declared unenforceable by a tribunal of competent jurisdiction over such claim in such country from which no further appeal has or may be taken. Whether a patent claim is a Valid Claim shall be determined on a country-by-country basis.

2. License

2.1. Subject to the terms and conditions of this Agreement, ROCHE hereby grants to LCE and its Affiliates a non-exclusive and non-transferable royalty bearing license, without the right to sublicense, under the Licensed Patents in the Territory with the rights to: a) incorporate Licensed Products into LCE's Complete Diagnostic Kits, b) make, offer to sell and sell such Complete Diagnostic Kits in the Licensed Field, and c) convey with the sale of such Complete Diagnostic Kits the right to use the Complete Diagnostic Kits under the Licensed Patents in the Licensed Field. LCE and its Affiliate's right to use

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Complete Diagnostic Kits includes the right to perform evaluations and validations of Complete Diagnostic Kits, but specifically does not include the right to use Complete Diagnostic Kits for the performance of diagnostic services or testing, except that LCE and its Affiliates may use Complete Diagnostic Kits as End Users provided that royalties are paid thereon in accordance with Section 3.2.

2.2. The license granted by ROCHE herein to LCE and its Affiliates may be used solely for the purposes expressed above in Section 2.1. Except for such grants, no further licenses or rights under the Licensed Patents or other patents owned or controlled by ROCHE are granted or given to LCE, its Affiliates or an End User in or under this Agreement, either expressly or by implication.

3. Fees & Royalties

3.1. In consideration of the license granted in Article 2 of this Agreement, LCE has paid to ROCHE a non-creditable, non-refundable license issuance fee of US dollars *** (USD ***), which fee was paid pursuant to the Prior Agreements, the receipt of which is hereby acknowledged.

The payment required above was made to ROCHE pursuant to the Prior Agreements to the following account:

UBS AG, Zürich, Switzerland
SWIFT Code: ***
IBAN No. ***
Account No. ***
For the account of F. Hoffmann-La Roche Ltd. with the reference: Contract No. 16536, license issuance fee

3.2. As additional consideration for the rights and license granted herein, LCE shall pay to ROCHE royalties equal to *** percent (***%) of its Net Sales during the term of this Agreement commencing as of the Effective Date of this Agreement.

No royalties shall be paid on sales of Complete Diagnostic Kits between LCE and its Affiliates, when the Affiliate is not the End User of such Complete Diagnostic Kit, but acts as LCE's distributor. In such event royalties shall be due and payable on the Net Sales of such Complete Diagnostic Kit by such Affiliates to third parties.

4. Reports, Payments, and Taxes

4.1. LCE shall, within sixty (60) days after December 31 and June 30 of each year, provide to the trustee mentioned in Schedule B or another trustee as provided to LCE by ROCHE, a true and accurate royalty report. This report shall be in accordance with the royalty report form attached hereto as Attachment I. This report shall be on a U.S./ex-U.S. basis and shall give such particulars of the business conducted by LCE during the preceding six (6) calendar months as are pertinent to an accounting for any royalty due under this Agreement, and shall include at least the following:

a) Separately itemized quantities of Complete Diagnostic Kits sold or otherwise transferred by LCE and its Affiliates during those six (6) months;

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b) the cumulative gross invoice price of sales of each Complete Diagnostic Kit;

c) the Net Sales of each Complete Diagnostic Kit; and

d) the calculation of royalties due to ROCHE. If no royalties are due, it shall be so reported.

The correctness and completeness of each such report shall be attested to in writing by a responsible financial officer of LCE.

Simultaneously with the delivery of each such royalty report to the trustee, LCE shall pay to the trustee the royalty due for the period covered by such a report. Royalties due to ROCHE shall be paid on or before the due date to the address stated in Schedule B or to any address that ROCHE may advise LCE in writing. Each royalty report of LCE will be released by the trustee to ROCHE after one (1) calendar year following the royalty reporting period.

4.2. Royalties payable hereunder shall be made without any deductions, except for withholding tax or any other fiscal deductions from time to time required by the government of any country. All such payments shall be made in US Dollars, or in such other currency as ROCHE may from time to time direct (so far as legally permissible). Any necessary currency conversion shall be at the rate for buying funds as quoted by the Wall Street Journal for the last business day of the period to which such payments relate.

4.3. Withholding tax, if any, levied by a government of any country of the Territory on payments made by LCE to ROCHE hereunder shall be borne by ROCHE. LCE will pay such withholding tax to the respective taxing authorities and will deduct such amount from the royalty due to ROCHE. LCE shall use its best efforts to enable ROCHE to claim exception therefrom under any double taxation or similar agreement in force and shall produce to ROCHE proper evidence of payments of all withholding taxes.

4.4. LCE shall keep a complete and accurate set of books and records relating to the quantity of Complete Diagnostic Kits shipped by or for LCE and its Affiliates and the sales of Complete Diagnostic Kits by LCE and its Affiliates. Such books and records shall contain sufficient detail to substantiate the computation of the Net Sales of Complete Diagnostic Kits and the amount of royalties payable under this Article 4 as well as all other information in the statement of account provided for herein, and shall be maintained by LCE for a period of not less than three (3) years from the date of such sales.

4.5. ROCHE shall be entitled, upon reasonable notice to LCE, to have such books and records inspected by an independent certified public accounting firm retained by ROCHE and reasonably acceptable to LCE (which acceptance shall not be unreasonably withheld), provided that any such inspection occurs during LCE's normal business hours not more than once in any calendar year. ROCHE also shall be entitled to have the books and records of each of LCE's Affiliates relating to the quantity of Complete Diagnostic Kits

shipped by or for such Affiliate and such Affiliate's sales of Complete Diagnostic Kits inspected, upon reasonable notice to such Affiliate, by an independent certified public accounting firm retained by ROCHE and reasonably acceptable to such Affiliate, provided that any such inspection occurs during such Affiliate's normal business hours not more than once in any calendar year. ROCHE agrees that all inspected information shall be confidential to LCE and LCE's Affiliates.

4.6. Any person conducting an inspection on behalf of ROCHE will be required to protect the confidentiality of such information and shall provide to ROCHE a report only of the ultimate conclusions resulting from such inspection. Except as provided below, LCE shall pay promptly to ROCHE the amount of any royalties determined by such an inspection to be outstanding, along with interest accrued up to and including the date of payment as provided in this Article 4. The costs of such an inspection shall be borne by ROCHE; provided, however, that, if such inspection determines that the royalties paid by LCE for any period were at least *** percent (***%) less than the royalties otherwise due and payable, then LCE shall reimburse ROCHE for the costs of such inspection. If such inspection determines that LCE has overpaid the amount of royalties otherwise due and payable for the inspected period, then ROCHE shall credit the amount of such overpayment to LCE against future royalties payable by LCE.

4.7. If LCE fails to pay any amount specified under this Agreement after the due date thereof, the amount owed shall bear interest of *** percent (***%) per month from the due date until paid, provided, however, that if this interest rate is held to be unenforceable for any reason, the interest rate shall be the maximum rate allowed by law at the time the payment is due.

5. Term and Termination

5.1. Upon the execution of this Agreement by The Parties, the license under this Agreement shall commence on the Effective Date and, unless terminated sooner as provided herein below or by mutual agreement, shall remain in effect until the last Licensed Patent having a Valid Claim will have expired.

5.2. Failure by either Party to this Agreement to comply with any of its obligations and conditions contained herein shall entitle the other Party to give the Party in default written notice requiring it to cure such default. If the default is not cured within sixty (60) days after receipt of such notice, the notifying Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, to terminate the entire Agreement by giving notice to take effect immediately.

5.3. Either Party may terminate this Agreement upon thirty (30) days written notice if, at any time, the other Party shall file a petition in bankruptcy or insolvency before the courts or apply for an arrangement or for the appointment of a receiver or trustee for all of its assets or any part thereof, or if the other Party proposes a written agreement of composition or extension of its debts or if the other Party shall be served with an

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after its filing, or if the other Party shall propose or be a Party to any dissolution or liquidation, or if the other Party shall make an assignment for the benefit of creditors.

5.4. LCE shall have the right to terminate this Agreement at any time for any reason upon ninety (90) days prior written notice.

5.5. Termination of this Agreement for any reason shall be without prejudice to any other remedies to which either Party is or thereafter becomes entitled hereunder and shall not affect any obligations or rights accrued before termination hereunder, provided however, that LCE shall be obligated to make all payments required by Section 3.1 regardless of the date of any such termination.

5.6. Upon early termination of this Agreement, LCE shall notify ROCHE of the stock of Complete Diagnostic Kits LCE and its Affiliates have on hand at the date of any such termination and LCE shall pay the royalty thereon, upon which LCE shall be entitled to sell the said stock in a period of three (3) months and in accordance with the requirements of Articles 4 and 6.

5.7. The following provisions shall survive the expiration or termination of this Agreement: Article 3, Article 4, Section 5.5, and Articles 7, 8, 10, 11 and 12.

6. Labeling

LCE agrees that it shall mark conspicuously all Complete Diagnostic Kits made by or for it, and shall cause each of its Affiliates to mark or have marked conspicuously all Complete Diagnostic Kits with the following legend or such alternative legend as shall be mutually agreed to by The Parties. LCE shall include the following notices or labels on all Complete Diagnostic Kits:

THE PURCHASE OF THIS PRODUCT GRANTS THE PURCHASER RIGHTS UNDER CERTAIN ROCHE PATENTS TO USE IT SOLELY FOR PROVIDING HUMAN IN VITRO DIAGNOSTIC SERVICES. NO GENERAL PATENT OR OTHER LICENSE OF ANY KIND OTHER THAN THIS SPECIFIC RIGHT OF USE FROM PURCHASE IS GRANTED HEREBY.

7. Negation of Warranties and Indemnity

Nothing in this Agreement shall be construed as:

a) a warranty or representation by ROCHE as to the validity or scope of any Licensed Patent;

b) a warranty or representation that the sale of Complete Diagnostic Kits by LCE or its Affiliates and/or the use of such Complete Diagnostic Kits (including Licensed Products) by LCE's or its Affiliate's customers is or will be free from infringement of patents not licensed hereunder;

c) an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents; or

d) conferring by implication or otherwise any license or rights under any patents, know-how or other industrial property rights of ROCHE other than expressly granted hereunder.

8. Confidentiality-Publicity

8.1. Information disclosed in the royalty reports to ROCHE by LCE in connection with this Agreement shall be considered confidential and proprietary and ROCHE shall not disclose the same to any third party, and shall hold them in confidence for a period of five (5) years and will not use them other than as permitted under this Agreement, provided, however, that any information which is orally disclosed to ROCHE shall not be considered confidential and proprietary.

8.2. The above obligations of confidentiality shall not be applicable to the extent:

a) such information is general public knowledge or, after disclosure hereunder, becomes general or public knowledge through no fault of ROCHE;

b) such information can be shown by ROCHE by its written records to have been in its possession prior to receipt thereof hereunder;

c) such information is received by ROCHE from any third party for use or disclosure by ROCHE without any obligation to LCE, provided, however, that information received by ROCHE from any third party funded by LCE (e.g. consultants, subcontractors, etc.) shall not be released from confidentiality under this exception; or

d) the disclosure of such information is required or desirable to comply with or fulfill governmental requirements, submissions to governmental bodies, or the securing of regulatory approvals.

9. Most Favored Licensee

If after the Effective Date of this Agreement, ROCHE grants to any unrelated third party, a license of substantially the same scope as granted to LCE herein but under more favorable royalty rates than those given to LCE under this Agreement, ROCHE shall promptly notify LCE of said more favorable royalty rates, and LCE shall have the right and option to substitute such more favorable royalty rates for the royalty rates contained herein. LCE's right to elect said more favorable royalty rates shall extend only for so long as and shall be conditioned on LCE's acceptance of all the same conditions, favorable or unfavorable, under which such more favorable royalty rates shall be available to such other third party. Upon LCE's acceptance of all such terms of said third-party agreement, the more favorable royalty rates shall be effective as to LCE on the effective date of such other third party license agreement. Notwithstanding the foregoing, in the event that ROCHE shall receive substantial other nonmonetary consideration, for example, such as intellectual property rights, as a part of the consideration for its granting of

such license to a third party, then such consideration shall be taken into account for determining whether or not the third party has been granted more favorable royalty rates.

10. Miscellaneous

10.1. This Agreement and the license herein granted are personal to LCE and shall not be assignable or transferable by LCE unless LCE assigns or transfers its rights or delegates its duties and obligations (in whole and not in part) under this Agreement to any third person which acquires all, or substantially all, of its assets and/or business relating to molecular diagnostics, provided that such assignee or transferee duly and effectively assumes all of the obligations of LCE by an instrument reasonably satisfactory to ROCHE, and provided further, that in the case of LCE's assignee or transferee, such assignee or transferee shall be approved in writing by ROCHE prior to such assignment or transfer, which approval shall not be unreasonably withheld or delayed. Any assignment or transfer in violation of the provisions of this section shall be void and shall constitute a material breach of this Agreement.

10.2. Effective as of the Effective Date, this Agreement amends, restates and supersedes the Prior Agreements in their entirety, provided however, that any royalties that may have accrued under the Prior Agreements prior to the Effective Date shall be paid by LCE to ROCHE as provided in the Prior Agreements. This Agreement contains the entire agreement of the parties concerning its subject matter and supersedes all previous agreements or understandings, whether written or oral, with respect to such subject matter.

10.3. No amendments or alterations of this Agreement shall be binding upon either Party unless in writing and duly signed by The Parties.

10.4. All titles and captions in this Agreement are for convenience only and shall not be interpreted as having any substantive meaning.

10.5. If any provision of this Agreement is held to be illegal, invalid or unenforceable in a final, unappealable order or judgment or under any present or future law (such provision to be hereinafter referred to as an "**Invalid Provision**"), then such Invalid Provision shall be severed from this Agreement and shall be rendered inoperative. The Parties shall promptly negotiate in good faith a lawful, valid and enforceable provision that is as similar in terms to such Invalid Provision as may be possible while giving effect to the future benefits and burdens accruing to The Parties hereunder; and the remaining provisions of this Agreement shall remain binding on The Parties hereto. In the event that The Parties cannot agree on a provision to replace an Invalid Provision, then The Parties shall submit such disagreement for resolution in accordance with the procedures set forth in Article 12 below. It is expressly agreed by The Parties that amounts previously paid by one Party to the other Party under this Agreement shall not be recoverable to the paying Party as part of the replacement of an Invalid Provision unless this Agreement is invalidated within one (1) year from the Effective Date.

10.6. No failure or delay on the part of either Party in the exercise of any power or right hereunder shall operate as a waiver thereof. No single or partial exercise of any right or power hereunder shall operate as a waiver of such right or of any other right or power.

The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder.

10.7. Wherever any provision of this Agreement uses the term "including" (or "includes"), such term shall be deemed to mean "including without limitation" and "including but not limited to" (or "includes without limitation" and "includes but is not limited to") regardless of whether the words "without limitation" or "but not limited to" actually follow the term "including" (or "includes").

10.8. Except where the context otherwise requires, wherever used, the singular shall include the plural and the word "or" is used in the inclusive sense.

11. Notices

11.1. Any notice required or permitted to be given under this Agreement shall be considered properly given, upon receipt, if sent by registered mail or personal courier delivery to the respective address of each Party as follows:

If to LCE:
Osmetech Molecular Diagnostics
757 S. Raymond Avenue
Pasadena, California 91105
USA
Attention: General Counsel

If to ROCHE:
F. Hoffman-La Roche Ltd
Grenzacherstrasse 124
CH-4070 Basel
Switzerland
Attention: Diagnostic Division Licensing

With a copy to:
Roche Molecular Systems, Inc.
4300 Hacienda Drive
Pleasanton, California 94588
USA
Attention: Legal Department

And a copy to:
Roche Molecular Systems, Inc.
4300 Hacienda Drive
Pleasanton, California 94588
USA
Attention: Licensing Department

12. Arbitration and Governing Law

12.1. This Agreement shall be governed by and enforced in accordance with the laws of Switzerland.

12.2. In the event of any controversy or claim arising out of or relating to any provision of this Agreement or the breach thereof, The Parties shall try to settle those conflicts amicably between themselves.

12.3. Should The Parties fail to agree, any controversy, dispute or claim which may arise out of or in connection with this Agreement or the breach, termination or validity thereof shall be settled by final and binding arbitration pursuant to the Rules of Conciliation and Arbitration of the International Chamber of Commerce (Paris) as hereinafter provided:

a) The arbitration tribunal shall consist of one (1) or three (3) arbitrators. If The Parties cannot agree on one arbitrator each Party shall nominate in the request for arbitration and the answer thereto one arbitrator, and the two (2) arbitrators so named will then jointly appoint a third arbitrator as chairman of the arbitration tribunal. If one Party fails to nominate an arbitrator or, if The Parties' arbitrators cannot agree on the person to be named as chairman within sixty (60) days, the court of arbitration of the International Chamber of Commerce shall make the necessary appointments for arbitrator or chairman;

b) The arbitration proceedings shall be held in the English language. The place of arbitration shall be Zürich (Switzerland).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers as of the Effective Date.

F. HOFFMAN-LA ROCHE LTD

By: /s/ illegible
Title: Licensing Manager
Date: 02/26/08

By: /s/ illegible
Title: Legal Counsel
Date: 02/27/08

ROCHE MOLECULAR SYSTEMS, INC.

By: /s/ illegible
Title: S.V.P. Business
Date: 2/20/08

OSMETECH MOLECULAR DIAGNOSTICS

By: /s/ Bruce A. Huebner
Title: President
Date: 2/18/08

Apprv'd As To Form
RMS LAW DEPT.

/s/ LG

SCHEDULE A

U.S. Patent No. 5,677,152 — Issued October 14, 1997 (**process and kit claims only**) Nucleic Acid Amplification Using a Reversibly Inactivated Thermostable Enzyme

U.S. Patent No. 5,773,258 — Issued June 30, 1998 (**process and kit claims only**) Nucleic Acid Amplification Using a Reversibly Inactivated Thermostable Enzyme

U.S. Patent No. 6,127,155—Issued: October 3, 2000 (**reaction mixture claims only**) Stabilized Thermostable Nucleic Acid Polymerase Compositions Containing Non-Ionic Polymeric Detergents

SCHEDULE B

At present Treureva AG, Zürich, Switzerland is the appointed trustee. All **royalty reports** due are to be sent either via mail or fax to the following address:

Treureva AG
Mühlebachstrasse 25
P.O. Box 131
CH-8024 Zürich
Switzerland
To the attention of: Mr. Reto Kuhl
Tel: +41 44 267 1717
Fax: +41 44 267 1711
E-mail: rkuhl@treureva.ch

All **royalty payments** due to ROCHE shall be wire transferred to the bank account as shown below:

Credit Suisse
Bahnhofstrasse 53
8070 Zürich
Switzerland
Account No. ***
SWIFT Code: ***
IBAN No. ***
For the account of: Treureva AG
With the reference: Contract No. 17852, payment period

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

EXHIBIT 10.12

FINAL

NON-EXCLUSIVE LICENSE AGREEMENT

BETWEEN

THE JOHNS HOPKINS UNIVERSITY

&

CLINICAL MICRO SENSORS

DBA OSMETECH MOLECULAR DIAGNOSTICS

JHU Ref: 9328

LAP-JHU Ref. 9328 **12/20/2006**

NON-EXCLUSIVE LICENSE AGREEMENT

This Non-exclusive License Agreement (hereinafter referred to as the "Agreement") is by and between The Johns Hopkins University (hereinafter referred to as "JHU"), a corporation of the State of Maryland, having a principal place of business at 3400 N. Charles Street, Baltimore, Maryland 21218-2695, and Clinical Micro Sensors (hereinafter referred to as "Company"), Doing Business As Osmetech Molecular Diagnostics, a corporation incorporated in the State of California, located at 757 South Raymond Avenue., Pasadena, CA 91105.

1. BACKGROUND

1.1 In the course of a fundamental research program at JHU, a valuable invention entitled "CF Mutations in the CFTR Gene" (JHU Ref. 9328) was developed by Drs. Haig H. Kazazian, Stylianos E. Antonarakis and Garry R. Cutting (hereinafter referred to as "Inventors").

1.2 JHU has acquired all right, title and interest, with the exception of certain retained rights by the United States Government, in said invention but is without the capacity to commercially develop, manufacture and distribute products and methods which embody the invention.

1.3 Company is interested in providing such commercial products and methods to third parties on a non-exclusive basis and agrees to comply with the terms and conditions in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

2. DEFINITIONS

All references to particular Exhibits and Paragraphs shall mean the Exhibits to, and Paragraphs of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

2.1 "**EFFECTIVE DATE**" of this License Agreement shall mean April 11, 2006.

2.2 "**EXECUTION DATE**" of this License Agreement shall mean the date the last party has executed this Agreement.

2.3 "**JHU MARKER(S)**" shall mean as used herein in either singular or plural form, cystic fibrosis genetic markers covered by PATENT RIGHT(S).

2.4 "**LICENSED FIELD**" shall mean bio-electric-microfluidic instrumentation/biochip cartridge for cystic fibrosis molecular diagnostic market.

2.5 "**LICENSED PRODUCT(S)**" as used herein in either singular or plural shall mean any material, composition, JHU MARKER(S), nucleic acid sequence, nucleic acid probe, nucleic acid primer, in vitro diagnostic test, and kit containing any or all of the above, or any other product, process or method, the manufacture, use or sale of which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHT(S) (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

2.6 "**LICENSED SERVICE(S)**" as used herein in either singular or plural shall mean the performance on behalf of a third party of any method or the manufacture of any product or the use of any product or composition which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHT(S) (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

2.7 "**NET SALES**" shall mean gross sales revenues and fees billed by Company from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, and sales taxes In the event that Company sells a LICENSED PRODUCT(S) in combination with OTHER MARKER(S), the royalty rate for purposes of royalty payments on the combination shall be calculated by multiplying the royalty rate as defined in Paragraph 4.3 by the fraction A/A+B where A is the number of JHU MARKER(S) and B is the number of OTHER MARKERS. In no event shall the royalty rate used to calculate royalty payments on the combination fall below ***%. In the event that Company sells a LICENSED PRODUCT(S) that does not combine OTHER MARKER(S) with JHU MARKER(S), the royalty rate for purposes of royalty payments under Paragraph 4.3 is as provided in Exhibit A.

2.8 "**OTHER MARKER(S)**" shall mean patented cystic fibrosis genetic markers licensed by Company from THIRD PARTY or THIRD PARTIES, and on which Company must pay a royalty.

2.9 "**NET SERVICE REVENUES**" shall mean gross service revenues and fees billed by Company for the performance of LICENSED SERVICE(S) less sales and/or use taxes imposed upon and with specific reference to the LICENSED SERVICE(S) in combination with OTHER MARKER(S). In the event that Company sells a LICENSED SERVICE(S) in combination with OTHER MARKERS, the royalty rate for purposes of royalty payments on the combination shall be calculated by multiplying the royalty rate as defined in Paragraph 4.3 by *** . In no event shall the royalty rate used to calculate the royalty payment on the combination fall below ***%. In the event that Company sells a LICENSED SERVICE that does not combine OTHER MARKER(S) with JHU MARKER(S), the royalty rate for purposes of royalty payments under Paragraph 4.3 is as provided in Exhibit A

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

2.10 "**PATENT RIGHT(S)**" shall mean the U.S. Patent No. 5,407,796, issued April 18, 1995 for Cystic Fibrosis Mutation Cluster to Cutting et al. and any reissues based thereof.

2.11 "**NON-EXCLUSIVE LICENSE**" shall mean a grant by JHU to Company of its entire right and interest in the PATENT RIGHT(S) subject to rights retained by the United States Government, if any, in accordance with the Bayh-Dole Act of 1980 (established by P.L. 96-517 and amended by P.L. 98-620, codified at 35 USC § 200 et. seq. and implemented according to 37 CFR Part 401), and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' purposes LICENSED PRODUCT(S) and LICENSED SERVICE(S), including the ability to distribute any biological material disclosed and/or claimed in PATENT RIGHT(S) for nonprofit academic research use to non-commercial entities as is customary in the scientific community.

3. GRANT

3.1 License Granted: Subject to the terms and conditions of this Agreement, JHU hereby grants to Company a non-transferable NON-EXCLUSIVE LICENSE to make, have made, use, import, offer for sale and sell the LICENSED PRODUCT(S) and the LICENSED SERVICE(S) in the United States under the PATENT RIGHT(S) in the LICENSED FIELD from the EFFECTIVE DATE of this Agreement. Nothing in this Agreement is intended to preclude the export or the sale for export of LICENSED PRODUCT(S) to be made, used and sold in countries where no subsisting and unexpired claims of PATENT RIGHT(S) exist, and on which royalties shall be paid as provided in Paragraph 4.3 of this Agreement due to the manufacture of LICENSED PRODUCT(S) under any subsisting and unexpired claims of PATENT RIGHT(S).

3.2 No Sublicensing: Company shall not sublicense to others under this Agreement, nor extend the rights granted hereunder to any affiliated company.

3.3 Bulk Sales: Company may make bulk sales of LICENSED PRODUCT(S) only upon written authorization of JHU. Company may not transfer the LICENSED PRODUCT(S) to third parties, except to a contract party making LICENSED PRODUCT(S) solely for Company's benefit.

4. PAYMENTS, ROYALTY AND REPORTING

4.1 Licensing Fee: Company shall pay JHU within thirty (30) days of the EXECUTION DATE a license fee as set forth in Exhibit A. JHU shall not submit an invoice for the license fee, which is non-refundable and shall not be credited against royalties or other fees.

4.2 Minimum Annual Royalties: Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the

EFFECTIVE DATE beginning with the first anniversary. Running royalties accrued under Paragraph 4.3 and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

4.3 Initial Running Royalties: Company shall pay to JHU initial running royalties accrued for each LICENSED PRODUCT(S) sold and each LICENSED SERVICE(S) provided based on NET SALES and NET SERVICE REVENUES respectively, on and after the EFFECTIVE DATE by Company to the EXECUTION DATE, as set forth in Exhibit A. These initial running royalties shall be due within thirty (30) days of the EXECUTION DATE and will represent sales of LICENSED PRODUCT(S) or LICENSED SERVICE(S) occurring between the EFFECTIVE DATE to the EXECUTION DATE. All non-US taxes related to LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

4.4 Royalties: Company shall pay to JHU, a running royalty as set forth in Exhibit A, for each LICENSED PRODUCT(S) manufactured or sold under any subsisting or unexpired claims of PATENT RIGHT(S) on EXECUTION DATE if not previously paid by Company to JHU under Paragraph 4.3 and subsequent to the EXECUTION DATE, such royalty that is based upon NET SALES for the term of this Agreement and for each LICENSED SERVICE(S) provided by Company based on LICENSED PRODUCT(S) manufactured or sold under any subsisting or unexpired claims of PATENT RIGHT(S), such royalty that is based upon NET-SERVICE REVENUES for the term of this Agreement. Such payments shall be made quarterly. All non-US taxes related to LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

4.5 Reporting and Payments: Company shall provide to JHU within thirty (30) days of the EXECUTION DATE of this Agreement, an initial written report of the amount of LICENSED PRODUCT(S) sold and LICENSED SERVICE(S) provided, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company after the EFFECTIVE DATE and on and before the EXECUTION DATE of this Agreement. Thereafter, Company shall provide to JHU within thirty (30) days of the end of each calendar quarter after the EFFECTIVE DATE of this Agreement, a written report to JHU of the amount of LICENSED PRODUCT(S) sold and LICENSED SERVICE(S) provided, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company. Payment of any such royalties due shall accompany such report. The report of sales and royalties due shall be substantially in the format of the sales and royalty report form given in Exhibit B.

4.6 Late Payments: In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth (10th) day following the due date thereof, calculated at the annual rate of the sum of (a)*** percent (***%) plus (b) the prime interest rate quoted by The Wall Street Journal on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided, however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Each such royalty payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of JHU to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment.

4.7 Records: The Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 4.5, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 4.5. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. The Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to the Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to *** percent (***%) or more of such payment, such costs shall be borne by the Company.

4.8 Non-Arms Length Transactions: In order to insure JHU the full royalty payments contemplated hereunder, the Company agrees that in the event any LICENSED PRODUCT(S) shall be sold to an affiliated company or to a corporation, firm or association with which Company shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) the royalties to be paid hereunder for such LICENSED PRODUCT(S) shall be based upon the greater of: 1) the net selling price at which the purchaser of LICENSED PRODUCT(S) resells such product to the end user, 2) the NET SERVICE REVENUES received from using the LICENSED PRODUCT(S) in providing a service, 3) the fair market value of the LICENSED PRODUCT(S) or 4) the net selling price of LICENSED PRODUCT(S) paid by the purchaser.

4.9 Method of Payment: All payments under this Agreement shall be made in U.S. Dollars by either check or wire transfer.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

4.10 Payment Information: All payments from Company to JHU shall be sent to:

Director
Johns Hopkins Technology Transfer
The Johns Hopkins University
100 N. Charles Street
5th Floor Baltimore, MD 21201
Attn: Agreement #3491

or such other addressee which JHU may designate in writing from time to time. Checks are to be made payable to "The Johns Hopkins University". Wire transfers may be made through:

Bank of America
NY, NY

Wire info:

Johns Hopkins University Central Lockbox
Transit/Routing/ABA number: ***
Account number: ***
Type of account: Depository
Reference: JHU Tech Transfer
(JHU Ref. 9328)
Attn: Financial Manager

If needed for international wires:

SWIFT code: ***
CHIPS ABA number: None

Company shall be responsible for any and all costs associated with wire transfers.

5. PATENT MATTERS

5.1 Prosecution & Maintenance: JHU, at its sole option and discretion, shall file, prosecute and maintain all patents specified under PATENT RIGHT(S). Title to all such patents and patent applications shall reside in JHU. JHU shall have full and complete control over all patent matters in connection therewith under the PATENT RIGHT(S).

6. TERM AND TERMINATION

6.1 Expiration: The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue until the date of expiration of the last to expire patent within PATENT RIGHT(S).

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

6.2 Termination by Company: Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU ninety (90) days written notice.

6.3 Termination by JHU: JHU, at its option, may terminate this Agreement and the license granted herein if Company 1) has not advertised LICENSED PRODUCT(S) or LICENSED SERVICE(S) by catalog or on its website as part of a nationwide sales effort in any period of four consecutive quarters or 2) has not made any sales of LICENSED PRODUCT(S) or provided a LICENSED SERVICE in any period of four consecutive quarters.

6.4 Unpaid Royalty/Reversion of Rights: Termination or expiration shall not affect JHU's right to recover unpaid royalties prior to termination or expiration. Upon termination or expiration, all rights in and to the licensed technology shall revert to JHU at no cost to JHU.

6.5 Survival: All applicable provisions, including but not limited to Paragraphs 4.1 (Licensing Fee), 6.4 (Unpaid Royalty/Reversion of Rights), 9.3 (Severability), 9.4 (Use of Name), 9.5 (Disclaimer of Warranties), 9.6 (Indemnification), 9.7 (Product Liability), 9.12 (Binding Effect) and 9.13 (Governing Law) shall survive termination or expiration of this Agreement.

7. DEFAULT

7.1 Default & Termination: Upon breach or default of any term or condition of this Agreement by either party, the defaulting party shall be given written notice of such default in writing by the party not in default. The defaulting party shall have a period of sixty (60) days after receipt of such notice to correct the default or breach. If the default or breach is not corrected within said sixty (60) day period, the party not in default shall have the right to terminate this Agreement.

8. NOTICES

8.1 Notice Information: All notices and/or other communications pertaining to this Agreement shall be in writing and sent certified mail, return receipt requested, to the parties at the following addresses or such other address as such party shall have furnished in writing to the other party in accordance with this Paragraph 8.1:

FOR JHU:
Director
Johns Hopkins Technology Transfer
The Johns Hopkins University
100 N. Charles Street
5th Floor
Baltimore, MD 21201

Attn: JHU Ref.: 9328

FOR Company:

Edward O. Kreusser, Esq.
VP, Intellectual Property and Legal Affairs
Osmetech Molecular Diagnostics
757 South Raymond Avenue,
Pasadena, CA 91105
Phone: (626) 463-2000 ext. 8017
Email: ed.kreusser@osmetech.com

9. MISCELLANEOUS

9.1 Audit: JHU shall have the right to audit any Company records related to this Agreement.

9.2 Assignment: This Agreement is binding upon and shall inure to the benefit of JHU, its successors and assignees and shall not be assignable to another party, except that the Company shall have the right to assign this Agreement to another party in the case of the sale or transfer by the Company of all, or substantially all, of its assets relating to the LICENSED PRODUCT(S), LICENSED SERVICE(S) or PATENT RIGHT(S), to that party.

9.3 Severability: In the event that any one or more of the provisions of this Agreement should for any reason be held by any court or authority having jurisdiction over this Agreement, or over any of the parties hereto to be invalid, illegal or unenforceable, such provision or provisions shall be reformed to approximate as nearly as possible the intent of the parties, and if unreformable, shall be divisible and deleted in such jurisdictions; elsewhere, this Agreement shall not be affected.

9.4 Use of Name: The Company shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

9.5 Disclaimer of Warranties: JHU does not warrant the validity of any patents or that the practice under such patents, or the manufacture, use, sale or import of LICENSED PRODUCT(S) or LICENSED SERVICE(S), shall be free from patent infringement. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 9.5, COMPANY AGREES THAT THE PATENT RIGHT(S) IS PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) OR LICENSED SERVICE(S) INCLUDING THEIR SAFETY,

EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO LICENSED PRODUCT(S) AND LICENSED SERVICE(S) UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE LICENSED PRODUCT(S) AND LICENSED SERVICE(S) UNDER THIS AGREEMENT. COMPANY ASSUMES ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY ANY PRODUCT MANUFACTURED, USED, OR SOLD BY COMPANY WHICH IS A LICENSED PRODUCT OR LICENSED SERVICE AS DEFINED IN THIS AGREEMENT.

9.6 Indemnification: JHU and the Inventors will not, under the provisions of this Agreement or otherwise, have control over the manner in which Company or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICE(S) from any of the foregoing entities, practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICE(S). The Company shall indemnify, defend with counsel reasonably acceptable to JHU, and hold JHU, The Johns Hopkins Health Systems, their representatives including but not limited to present and former regents, trustees, officers, Inventors, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities, whether or not JHU or said Inventors, either jointly or severally, is/are named as a party defendant in any such lawsuit. Practice of the inventions covered by LICENSED PRODUCT(S) or LICENSED SERVICE(S) by an agent or a third party on behalf of or for the account of the Company, or by a third party who purchases LICENSED PRODUCT(S) or LICENSED SERVICE(S) from the Company, shall be considered the Company's practice of said inventions for purposes of this Paragraph 9.6. The obligation of the Company to defend and indemnify as set out in this Paragraph 9.6 shall survive the termination of this Agreement and shall not be limited by any other limitation of liability elsewhere in the Agreement.

9.7 Product Liability: Prior to first commercial sale of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) as the case may be in any particular country, Company shall establish and maintain, in each country in which Company shall sell LICENSED PRODUCT(S) or LICENSED SERVICE(S),

product liability or other appropriate insurance coverage appropriate to the risks involved in marketing LICENSED PRODUCT(S) and/or LICENSED SERVICE(S) and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained. JHU shall be listed as an additional insured in Company's said insurance policies. If such Product Liability insurance is underwritten on a 'claims made' basis, Company agrees that any change in underwriters during the term of this Agreement will require the purchase of 'prior acts' coverage to ensure that coverage will be continuous throughout the term of this Agreement.

9.8 Compliance: The LICENSED PRODUCT(S) shall not be used in humans and will be stored, used, and disposed of in accordance with applicable law and regulations.

9.9 Marking: Company agrees that all package inserts for LICENSED PRODUCT(S) and packaging containing individual or combination LICENSED PRODUCT(S) sold for the research reagent market by Company will be marked (a) FOR RESEARCH USE ONLY; NOT FOR USE IN DIAGNOSTIC APPLICATIONS and (b) with the number of the applicable patent licensed hereunder in accordance with United States patent law. Company further agrees that all package inserts for LICENSED PRODUCT(S) and packaging containing individual or combination LICENSED PRODUCT(S) sold for the diagnostic market as analyte specific reagants by Company will be marked in compliance with applicable regulations for analyte specific reagents (as defined in 21 CFR § 864.4020) and with the number of the applicable patent licensed hereunder in accordance with United States patent law. In the event of FDA approval of LICENSED PRODUCT(S), Company further agrees that all product labels and package inserts for FDA-approved LICENSED PRODUCT(S) and packaging containing individual or combination LICENSED PRODUCT(S) sold for the diagnostic market by Company will be marked (a) "FOR IN VITRO DIAGNOSTIC USE" and (b) with the number of the applicable patent licensed hereunder in accordance with United States patent law.

9.10 Entire Agreement: This Agreement constitutes the entire understanding between the parties with respect to the obligations of the parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements, understandings, writings, and discussions between the parties relating to said subject matter.

9.11 Amendment & Waiver: This Agreement may be amended and any of its terms or conditions may be waived only by a written instrument executed by the authorized officials of the parties or, in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by either party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of any other condition or term.

9.12 Binding Effect: This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

9.13 Governing Law: This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of the State of Maryland applicable to contracts solely executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the Agreement shall be brought in the state or federal courts of Maryland. Both parties agree to waive their right to a jury trial.

9.14 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHT(S) or LICENSED PRODUCT(S) or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHT(S), its freedom to operate, and the value of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) or other rights granted.

9.15 Headings. Article headings are for convenient reference and are not a part of this Agreement. All Exhibits of this Agreement are herein incorporated by reference into this Agreement.

9.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

IN WITNESS WHEREOF the respective parties hereto have executed this Agreement by their duly authorized officers on the date appearing below their signatures.

THE JOHNS HOPKINS UNIVERSITY

By /s/ Wesley D. Blakeslee
Wesley D. Blakeslee
Acting Director
Johns Hopkins Technology Transfer

Date: 12/29/2006

CLINICAL MICRO SENSORS
DBA OSMETECH MOLECULAR
DIAGNOSTICS

By /s/ Bruce A. Huebner
Name: Bruce A. Huebner
Title: President

Date 12/20/06

EXHIBIT A.

LICENSE FEES and ROYALTY

1. The licensing fee due under Paragraph 4.1 is *** dollars ($***).

2. The minimum annual royalty payment due under Paragraph 4.2 is *** dollars ($***).

3. The royalty rate payable under Paragraph 4.3 is:

   *** percent (***%) of ***
   *** percent (***%) of ***

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

EXHIBIT B.

QUARTERLY SALES & ROYALTY REPORT

FOR LICENSE AGREEMENT BETWEEN

OSMETECH AND THE JOHNS HOPKINS UNIVERSITY

DATED

APRIL 11, 2006

FOR PERIOD OF _____ TO _____

TOTAL ROYALTIES DUE FOR THIS PERIOD $_____

PRODUCT ID NO.	PRODUCT NAME	*JHU REF. NO.	1ST COMMERCIAL SALE DATE	TOTAL NET SALES/ SERVICES	ROYALTY RATE	AMOUNT DUE

* Please provide the JHU Reference Number 9328

This report format is to be used to report quarterly royalty statements to JHU. It should be placed on Company letterhead and accompany any royalty payments due for the reporting period. This report shall be submitted even if no sales are reported.

LICENSE AGREEMENT
MICHIGAN FILE 492p2 TECHNOLOGY
DIAGNOSTIC PRODUCT DISTRIBUTION LICENSE

This License Agreement, effective as of the 15th day of March, 2006 (the "Effective Date"), entered into by Clinical Micro Sensors, DBA Osmetech Molecular Diagnostics, a corporation incorporated in the State of California located at 757 South Raymond Avenue, Pasadena, California 91105, USA ("LICENSEE"), the Regents of the University of Michigan, a constitutional corporation of the State of Michigan ("MICHIGAN"), and HSC Research and Development Limited Partnership, a partnership organized and subsisting under the laws of the Province of Ontario, Canada ("RDLP"). LICENSEE, MICHIGAN and RDLP agree as follows:

1. BACKGROUND.

1.1 Michigan (in part in the Howard Hughes Medical Institute ("HHMI") laboratories at MICHIGAN) and the Research Institute of the Hospital for Sick Children of Toronto, Ontario, Canada, ("HSC") have conducted research relating to cystic fibrosis. As a result of that research, MICHIGAN arid RDLP have developed rights in the "Licensed Patent(s)" defined below.

1.2 LICENSEE desires to obtain, and MICHIGAN and RDLP, consistent with their missions of education and research, desire to grant a license of the "Licensed Patent(s)" on the terms and conditions listed below.

1.3 MICHIGAN and RDLP have entered into a Memorandum of Agreement covering the Licensed Patent(s), consistent with which MICHIGAN and RDLP are entering into this License Agreement jointly as the licensor of the Licensed Patent(s).

2. DEFINITIONS.

2.1 "TECHNOLOGY", as used in this Agreement, shall mean the information, manufacturing techniques, data, designs or concepts developed by MICHIGAN and HSC, covering the gene for cystic fibrosis and uses thereof as covered by the claims of U.S. Patent Nos. 5,776,677 and 6,984,487 entitled "Cystic Fibrosis Gene."

2.2 "Parties", in singular or plural usage as required by the context, shall mean LICENSEE, MICHIGAN and/or RDLP.

2.3 "Affiliate(s)" shall mean any individual, corporation, partnership, proprietorship or other entity controlled by, controlling, or under common control with LICENSEE through equity ownership, ability to elect directors, or by virtue of a majority of overlapping directors, and shall include any individual, corporation, partnership, proprietorship or other entity directly or indirectly owning, owned by or under common ownership with LICENSEE to the extent of fifty percent (50%) or more of the voting shares, including shares owned beneficially by such party.

2.4 "Licensed Patent(s)" shall mean U.S. Patent Nos. 5,776,677 and 6,984,487, entitled "Cystic Fibrosis Gene" and all foreign equivalent patent applications and Patent Cooperation Treaty filings, and all patents issuing therefrom in which Michigan and/or RDLP has or acquires a property interest (currently including the applications listed in the Appendix I attached to this Agreement). "Licensed Patent(s)" shall also include any divisional, continuation (excluding continuations-in-part), reissue, reexamination or extension of the above-described patent applications and resulting patents, along with any extended or restored term, and any confirmation patent, registration patent or patent of addition.

2.5 "Valid Claim(s)" means any claim(s) in an unexpired patent or pending in a patent application included within the Licensed Patent(s) which has not been held unenforceable, unpatentable, or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer. If in any country there should be two or more such decisions conflicting with respect to the validity of the same claim, the decision of the higher or highest tribunal shall thereafter control; however, should the tribunals be of equal rank, then the decision or decisions upholding the claim shall prevail when the conflicting decisions are equal in number, and the majority of decisions shall prevail When the conflicting decisions are unequal in number.

2.6 "Product(s)" shall mean any product(s) whose manufacture, use or sale in any country would, but for this Agreement, comprise an infringement, including contributory infringement, of one or more Valid Claims.

2.7 "Field of Use" shall refer to the field for which Product(s) may be designed, manufactured, used and/or marketed under this Agreement, and shall mean solely Product(s) to be used for the research of, diagnosis of and screening for the disease cystic fibrosis.

2.8 "Net Sales" shall mean the sum, over the term of this Agreement, of all amounts received and all other consideration received (or, when in a form other than cash or its equivalent, the fair market value thereof when received) by LICENSEE and its Affiliates from persons or entities due to or by reason of the sale or other distribution of Product(s), or the use of Product(s), including any use by LICENSEE and Affiliates in the performance of services for their customers; less the following deductions and offsets, but only to the extent such sums are otherwise included in the computation of Net Sales, or are paid-by LICENSEE and not otherwise reimbursed: refunds, rebates, replacements or credits actually allowed and taken by purchasers for return of Product(s); customary trade, quantity and cash discounts actually allowed and taken; excise, value-added, and sales taxes actually paid by LICENSEE for Product(s); and shipping and handling charges actually paid by LICENSEE for Product(s).

2.9 "Royalty Quarter(s)" shall mean the three month periods ending on the last day of March, June, September and December of each year.

2.10 "Territory" means all countries of the world.

2.11 "First Diagnostic Sale" shall mean the first sale of any Product (including any sale of a service using a Product in the Field of Use) by LICENSEE or an Affiliate, other than for use in clinical trials being conducted to obtain FDA or other governmental approvals to market Product(s).

3. GRANT OF LICENSE.

3.1 MICHIGAN and RDLP hereby grant to LICENSEE a non-exclusive license under the Licensed Patent(s) and TECHNOLOGY to make, have made, use (including use in the performance of services for, by or on behalf of its customers), have used, import, market and/or sell, in the Territory, Product(s) designed and marketed solely for use in the Field of Use.

3.2 MICHIGAN and RDLP reserve the right to license and use all aspects of the TECHNOLOGY and the Licensed Patent(s) for any use or purpose, including the right to develop and produce Product(s).

3.3 The license granted to LICENSEE herein shall be without the right to sublicense, except that LICENSEE may sublicense Affiliate(s) who agree to be and are bound in writing to the terms and conditions of this Agreement to the same extent as LICENSEE. LICENSEE agrees to strictly monitor and enforce compliance with the terms and conditions of this Agreement by all Affiliate sublicensees.

4. CONSIDERATION.

4.1 LICENSEE shall pay to MICHIGAN a one-time, non-creditable license issue fee of U.S. $*** , forthwith following the Effective Date. Notwithstanding any other terms of this Agreement, this Agreement and the license granted hereunder shall not become effective until such issue fee is received by MICHIGAN.

4.2 LICENSEE shall also pay MICHIGAN, with respect to each Royalty Quarter, a royalty equal to *** percent (***%) of the Net Sales of Product(s) of LICENSEE and Affiliates during such Royalty Quarter.

4.3 The obligation to pay MICHIGAN a royalty under this Article 4 is imposed only once with respect to the same unit of Product regardless of the number of Valid Claims or Licensed Patent(s) covering the same; however, for purposes of determination of payments due hereunder, whenever the term "Product" may apply to a property during various stages of manufacture, use or sale, Net Sales, as otherwise defined, shall be derived from the sale, distribution or use of such Product by LICENSEE or Affiliates at the stage of its highest invoiced value to unrelated third parties.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

4.4 LICENSEE shall pay to MICHIGAN an annual license maintenance fee. This annual fee shall accrue in the Royalty Quarter ending in March of the years specified below, and shall be due and payable and included with the report for that quarter.

If LICENSEE defaults in the payment of any annual license maintenance fee, and fails to remedy that default within sixty (60) days after written notice of it by MICHIGAN, then this Agreement and the license rights conveyed herein shall terminate.

The annual license maintenance fees shall be as follows:

(1) In 2006 and in each year thereafter during the term of this Agreement up to and including the year in which LICENSEE first obtains FDA approval or other governmental approval to distribute or use Product(s) in the Field of Use: U.S. $*** .

Also, notwithstanding (1) above (and in place of the amount therein listed, when applicable):

(2) In the first calendar year following the year in which LICENSEE obtains the approval described in (1) above, and in each year thereafter during the term of this Agreement up to and including the year in which the First Diagnostic Sale occurs: U.S. $ *** ;

Also, notwithstanding (1-2) above (and in place of the amounts therein listed, when applicable):

(3) In the first calendar year following the First Diagnostic Sale: U.S. $ *** ;

(4) In the second year following the First Diagnostic Sale: U.S. $ *** ;

(5) In the third year following the First Diagnostic Sale: U.S. $ *** ; and

(6) In the fourth year following the First Diagnostic Sale, and in each year thereafter during the term of this Agreement; *** .

Each annual fee paid under (3-6) above may be credited by LICENSEE in full against all earned royalties otherwise to be paid to MICHIGAN under Paragraph 4.2 for the calendar year in which the specific annual fee is paid. The year for which such credits against royalties may be taken includes the Royalty Quarter in which the annual fee accrues and the next three Royalty Quarters.

Each annual fee paid under (1-2) above may be credited by LICENSEE in full against all earned royalties otherwise to be paid to MICHIGAN under Paragraph 4.2 after such annual fee is paid.

4.5 If LICENSEE takes any license(s), in a given country, under valid third party patents (i.e., those held by a licensor that is not an Affiliate of LICENSEE) which would be

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

infringed by the manufacture, use or sale of Product(s) in that country, then LICENSEE can deduct up to *** percent (***%) of the royalties otherwise due and payable in each Royalty Quarter under Paragraph 4.2 above for Net Sales in that country, until such time as LICENSEE has recovered an amount equal to *** percent (***%) of the royalty paid to such third parties; provided that in no event shall such deducted amounts be applied to reduce or require reimbursement of the annual fees required under Paragraph 4.4. This Paragraph is not intended to imply an obligation upon MICHIGAN or RDLP to reimburse LICENSEE'S above-described third-party royalties; the rights granted to LICENSEE in this Paragraph shall not exceed the ability of the above-described mechanism (i.e., a deduction of ***% of royalties due upon Net Sales in the country in question) to reimburse such expenses. LICENSEE shall make an accounting to MICHIGAN of all such third-party royalties, and all resulting deductions from royalties otherwise due and payable to MICHIGAN, as part of its reporting obligations under Article 5 below.

4.6 If MICHIGAN and RDLP grant a license under the Licensed Patent(s) and in the Field of Use to any third party which is substantially the same as the license granted to LICENSEE under Article 3 above, for all or any part of the Territory, but which requires a royalty rate or license maintenance fees lower than those required of LICENSEE under this Agreement, then MICHIGAN and RDLP shall offer those terms to LICENSEE for that part of the Territory, to be effective as of the effective date of the license to that third party.

5. REPORTS.

5.1 Within sixty (60) days after the close of (i) any Royalty Quarter in which a fee under Paragraph 4.4 accrues, and (ii) each Royalty Quarter following the First Diagnostic Sale during the term of this Agreement (including the close of any Royalty Quarter immediately following any termination of this Agreement), LICENSEE shall report to MICHIGAN all royalties accruing to MICHIGAN during such Royalty Quarter. Such quarterly reports shall indicate for each Royalty Quarter the gross sales and Net Sales of Product(s) by LICENSEE and Affiliates, and any other revenues with respect to which payments are due, and the amount of such payments, as well as the various calculations used to arrive at said amounts, including the quantity, description (nomenclature and type designation), country of manufacture and country of sale of Product(s). In case no payment is due for any such period, LICENSEE shall so report.

5.2 LICENSEE covenants that it will promptly establish and consistently employ a system of specific nomenclature and type designations for Product(s) so that various types can be identified and segregated, where necessary; LICENSEE and Affiliates shall consistently employ such system when rendering invoices thereon and henceforth agree to inform MICHIGAN, or its auditors, when requested as to the details concerning such nomenclature system as well as to all additions thereto and changes therein.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

5.3 LICENSEE shall keep, and shall require its Affiliates to keep, true and accurate records and books of account containing data reasonably required for the computation and verification of payments to be made as provided by this Agreement, which records and books shall be open for inspection upon reasonable notice during business hours by an independent certified accountant selected by MICHIGAN, for the purpose of verifying the amount of payments due and payable. Said right of inspection will exist for six (6) years from the date of origination of any such record, and this requirement and right of inspection shall survive any expiration or termination of this Agreement MICHIGAN shall be responsible for all expenses of such inspection, except that if such inspection reveals an underpayment of royalties to MICHIGAN in excess of *** percent (***%) for any year, then said inspection shall be at LICENSEE'S expense and such underpayment shall become immediately due and payable to MICHIGAN.

5.4 The reports provided for hereunder shall be certified by an authorized representative of LICENSEE to be correct to the best of LICENSEE'S knowledge and information.

6. TIMES AND CURRENCIES OF PAYMENTS.

6.1 Payments accrued during each Royalty Quarter shall be due and payable in Ann Arbor, Michigan on the date each quarterly report is due (as provided in Paragraph 5.1). LICENSEE will send the report and notice of payment by prepaid, certified or registered mail, return receipt requested, to the address for notices set forth in Article 19 herein. PAYMENTS shall be paid in United States dollars. LICENSEE shall be responsible for the payment of charges imposed by any bank with respect to payments made to MICHIGAN under this agreement by direct deposit. LICENSEE agrees to make all payments due hereunder to MICHIGAN by direct deposit to account:

ABA/Routing number: ***
Beneficiary Account Number: ***
SWIFT Code: ***
Beneficiary Name: The Regents of the University of Michigan EFT
Depository Account
Bank Name: LaSalle Bank
Bank Address: Troy, MI 48084
reference: Office of Technology Transfer

6.2 On all undisputed amounts outstanding and payable to MICHIGAN, interest shall accrue from the date such amounts are due and payable at *** percentage *** above the prime lending rate as established by the Chase Manhattan Bank, N.A., in New York City, New York, or at such lower rate as may be required by law.

6.3 Where Net Sales are generated in foreign currency, such foreign currency shall be converted into its equivalent in United States dollars at the exchange rate of such currency as reported (or if erroneously reported, as subsequently corrected) in the Wall Street Journal on the day that the sale is made by LICENSEE or Affiliates (or if not reported on that date, as quoted by the Chase Manhattan Bank, N.A., in New York City, New York).

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6.4 Except as provided in the definition of Net Sales, all royalty payments to MICHIGAN under this Agreement shall be without deduction for sales, use, excise, personal property or other similar taxes or other duties imposed on such payments by the government of any country or any political subdivision thereof; and any and all such taxes or duties shall be assumed by and paid by LICENSEE.

7. COMMERCIALIZATION.

7.1 It is understood that LICENSEE has the responsibility to do all that is necessary for any governmental approvals to manufacture and/or sell Product(s).

7.2 LICENSEE agrees to use reasonable efforts to develop Product(s), obtain any government approvals necessary, and manufacture and sell Product(s) at the earliest possible date; and to effectively exploit, market and manufacture in sufficient quantities to meet anticipated customer demand and to make the benefits of the Product(s) reasonably available to the public.

7.3 Within thirty (30) days of the First Diagnostic Sale, LICENSEE shall report by written letter to MICHIGAN the date of that sale.

8. PATENT APPLICATIONS AND MAINTENANCE.

8.1 MICHIGAN and RDLP shall control all aspects of filing, prosecuting, and maintaining Licensed Patent(s), including foreign filings and Patent Cooperation Treaty filings. MICHIGAN and RDLP may in their sole discretion decide to refrain from or to cease prosecuting or maintaining any of the Licensed Patent(s), including any foreign filing or any Patent Cooperation Treaty filing.

8.2 MICHIGAN shall notify LICENSEE of any issuance of any Licensed Patent(s) and the Valid Claims included therein, and any lapse, revocation, surrender, invalidation or abandonment of any Licensed Patent or Valid Claim.

9. INFRINGEMENT.

9.1 If LICENSEE becomes aware of or reasonably suspects infringement of Licensed Patent(s) by third parties, LICENSEE agrees to promptly notify MICHIGAN of such alleged infringement.

9.2 MICHIGAN and RDLP, at their sole discretion and at their own expense, may initiate proceedings in response to alleged infringement of Licensed Patent(s), but are under no obligation to do so.

10. NO WARRANTIES: LIMITATION ON MICHIGAN'S AND RDLP'S LIABILITY.

10.1 MICHIGAN and RDLP, including their fellows, directors, officers, employees and agents, make no representations or warranties that any Licensed Patent is or will be held valid, or that the manufacture, use, sale or other distribution of any Product(s) will not infringe upon any patent or other rights not vested in MICHIGAN or RDLP.

10.2 **MICHIGAN**, **HSC** AND **RDLP**, INCLUDING THEIR FELLOWS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, MAKE NO REPRESENTATIONS, EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ASSUME NO RESPONSIBILITIES WHATEVER WITH RESPECT TO DESIGN, DEVELOPMENT, MANUFACTURE, USE, SALE OR OTHER DISPOSITION BY **LICENSEE** OR **AFFILIATES** OF **PRODUCT(S)**.

10.3 THE ENTIRE RISK AS TO THE DESIGN, DEVELOPMENT, MANUFACTURE, OFFERING FOR SALE, SALE OR OTHER DISPOSITION, AND PERFORMANCE OF **PRODUCT(S)** IS ASSUMED BY **LICENSEE** AND **AFFILIATES**. In no event shall MICHIGAN, RDLP or HSC, including their fellows, directors, officers, employees and agents, be responsible or liable for any direct, indirect, special, incidental, or consequential damages or lost profits to LICENSEE, Affiliates or any other individual or entity regardless of legal theory. The above limitations on liability apply even though MICHIGAN, HHMI, RDLP, or HSC, including their fellows, directors, officers, employees or agents, may have been advised of the possibility of such damage.

10.4 LICENSEE shall not, and shall require that its Affiliates do not, make any statements, representations or warranties or accept any liabilities or responsibilities whatsoever to or with regard to any person or entity which are inconsistent with any disclaimer or limitation included in this Article 10.

10.5 Regardless of any research or testing that may have been done at HSC or MICHIGAN (including HHMI laboratories), HSC, MICHIGAN, and RDLP make no representations regarding how Product(s) can or should be used in the diagnosis of and screening for the disease cystic fibrosis.

10.6 IT IS UNDERSTOOD THAT THE **TECHNOLOGY** AND THE **LICENSED PATENT(S)** DO NOT IDENTIFY THE PRESENCE OF THE CYSTIC FIBROSIS DISEASE IN ALL CASES.

11. INDEMNITY; INSURANCE.

11.1 LICENSEE shall defend, indemnity and hold harmless and shall require its Affiliates licensed hereunder to defend, indemnify and hold harmless MICHIGAN, RDLP and HSC, as well as their fellows, officers, trustees, directors, employees and agents, from and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses), resulting from, but not limited to, death, personal injury, illness, property damage, economic loss or products liability arising from or in connection with, any of the following:

(1) Any manufacture, use, sale or other disposition by LICENSEE, Affiliates or transferees of Product(s);

(2) The direct or indirect use by any person of Product(s) made, used, sold or otherwise distributed by LICENSEE or Affiliates;

(3) The use by LICENSEE or Affiliates of any invention included in the TECHNOLOGY or the Licensed Patent(s).

11.2 MICHIGAN and RDLP shall be entitled to participate at their option and expense through counsel of their own selection, and may join in any legal actions related to any such claims, demands, damages, losses and expenses under Paragraph 11.1 above, provided that LICENSEE will retain control over such legal actions, including any settlement discussions.

11.3 HHMI and its trustees, officers, employees, and agents (collectively, "HHMI Indemnitees"), will be indemnified, defended by counsel reasonably acceptable to HHMI, and held harmless by the Licensee from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "Claims"), based upon, arising out of, or otherwise relating to this License Agreement, including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Claim that is determined with finality by a court of competent jurisdiction to result from the gross negligence or willful misconduct of an HHMI Indemnitee.

11.4 LICENSEE shall purchase and maintain in effect a policy of product liability insurance covering all claims with respect to diagnostic testing for cystic fibrosis using a Product and any Product(s) manufactured, sold, licensed or otherwise distributed by LICENSEE and Affiliates. Such insurance policy must specify MICHIGAN, HHMI, RDLP and HSC, including their fellows, officers, trustees, directors, Regents, agents and employees, as an additional insureds. LICENSEE shall furnish certificate(s) of such insurance to MICHIGAN, upon request.

12. TERM AND TERMINATION.

12.1 Upon any termination of this Agreement, and except as provided herein to the contrary, all rights and obligations of the Parties hereunder shall cease, except as follows:

(1) Obligations to pay royalties and other sums accruing hereunder up to the day of such termination;

(2) MICHIGAN's rights to inspect books and records as described in Article 5, and LICENSEE's obligations to keep such records for the required time;

(3) Obligations of defense and indemnity under Article 11;

(4) Any cause of action or claim of LICENSEE or MICHIGAN or RDLP accrued or to accrue because of any breach of default by another Party hereunder;

(5) The general rights, obligations, and understandings of Articles 2, 10, 15, 17, 26, 27, and 28;

(6) All other terms, provisions, representations, rights and obligations contained in this Agreement that by their sense and context are intended to survive until performance thereof.

12.2 This Agreement will become effective on its Effective Date and, unless terminated under another, specific provision of this Agreement, will remain in effect until and terminate upon the last to expire of Licensed Patent(s).

12.3 If LICENSEE shall at any time default in the payment of any royalty or the making of any report hereunder, or shall make any false report, or shall commit any material breach of any covenant or promise herein contained, and shall fail to remedy any such default, breach or report within sixty (60) days after written notice thereof by MICHIGAN specifying such default, then MICHIGAN and RDLP may, at their option, terminate this Agreement and the license rights granted herein by notice in writing to such effect. Any such termination shall be without prejudice to any Party's other legal rights for breach of this Agreement.

12.4 LICENSEE may terminate this Agreement by giving MICHIGAN a notice of termination, which shall include a statement of the reasons, whatever they may be, for such termination and the termination date established by LICENSEE, which date shall not be sooner than ninety (90) days after the date of the notice. Such notice shall be deemed by the Parties to be final.

12.5 In the event LICENSEE shall at any time during the term of this Agreement deal with the TECHNOLOGY or Product(s) in any manner which violates the laws, regulations or similar legal authority of any jurisdiction including, but not limited to, the public health requirements relating to the TECHNOLOGY or Product(s) or the design, development, manufacture, offering for sale, sale or other disposition of Product(s), the license granted herein shall terminate immediately with respect to such Product(s) within the territory encompassed by such jurisdiction provided that LICENSEE has failed to take steps to cure such violation within sixty (60) days after receiving written notice from the applicable legal authority.

13. ASSIGNMENT.

Due to the unique relationship between the Parties, this Agreement shall not be assignable by LICENSEE without the prior written consent of MICHIGAN and RDLP, which consent shall not be unreasonably withheld. Any attempt to assign this Agreement without such consent shall be void from the beginning. MICHIGAN and RDLP shall not unreasonably withhold consent for LICENSEE to assign this Agreement to a purchaser of all or substantially all of LICENSEE'S business. No assignment shall be effective unless and until the intended assignee agrees in writing with RDLP and MICHIGAN to accept all of the terms and conditions of this Agreement. Further, LICENSEE shall refrain from pledging any of the license rights granted in this Agreement as security for any creditor.

14. REGISTRATION AND RECORDATION.

14.1 If the terms of this Agreement, or any assignment or license under this Agreement are or become such as to require that the Agreement or license or any part thereof be registered with or reported to a national or supranational agency of any area in which LICENSEE or Affiliates would do business, LICENSEE will, at its expense, undertake such registration or report. Prompt notice and appropriate verification of the act of registration or report or any agency ruling resulting from it will be supplied by LICENSEE to MICHIGAN.

14.2 Any formal recordation of this Agreement or any license herein granted which is required by the law of any country, as a prerequisite to enforceability of the Agreement or license in the courts of any such country or for other reasons, shall also be carried out by LICENSEE at its expense, and appropriately verified proof of recordation shall be promptly furnished to MICHIGAN.

15. LAWS AND REGULATIONS OF THE UNITED STATES AND CANADA; EXPORT.

15.1 Activities under this Agreement shall be subject to all appropriate United States and Canadian laws and regulations now or hereafter applicable.

15.2 LICENSEE shall comply, and shall require its Affiliates to comply, with all provisions of any applicable laws, regulations, rules and orders relating to the license herein granted and to the testing, production, transportation, export, packaging, labeling, sale or use of Product(s), or otherwise applicable to LICENSEE'S or its Affiliates' activities hereunder.

15.3 LICENSEE shall obtain, and shall require its Affiliates to obtain, such written assurances regarding export and re-export of technical data (including Product(s) made by use of technical data) as may be required by the United States Office of Export Administration Regulations, and LICENSEE hereby gives such written assurances as may be required under those Regulations to MICHIGAN.

15.4 LICENSEE shall obtain, and shall require its Affiliates to obtain, such authorization regarding export and re-export of technical data (including Product(s) made by use of technical data) as may be required by the Department of External Affairs, Export Controls Division, or any authorization necessary for export from or import into Canada, and LICENSEE hereby gives written assurances as may be required under those regulations to RDLP.

16. BANKRUPTCY.

If during the term of this Agreement, LICENSEE shall make an assignment for the benefit of creditors, or if proceedings in voluntary or involuntary bankruptcy shall be instituted on behalf of or against LICENSEE, or if a receiver or trustee shall be appointed for the property of LICENSEE, MICHIGAN and RDLP may, at their option, apply to the bankruptcy court to terminate this Agreement or revoke the license herein granted.

17. PUBLICITY.

LICENSEE agrees to refrain from using and to require Affiliates to refrain from using the name of MICHIGAN, HHMI, RDLP and HSC in publicity or advertising without the prior written approval of that entity. MICHIGAN, HHMI, RDLP and HSC agree to refrain from using the name of LICENSEE and AFFILIATES in publicity or advertising without the prior written approval of LICENSEE.

18. PRODUCT MARKING.

LICENSEE agrees to mark, and to require Affiliates to mark, Products with the appropriate patent notice as approved by MICHIGAN or RDLP (when appropriate), such approval not to be unreasonably withheld. By way of example: "[Product Name] is produced and sold under license from the University of Michigan and HSC Research and Development Limited Partnership and its use is permitted for diagnostic purposes only (U.S. Pat. Nos. 5,776,677 and 6,984,487). Any other use requires a license from the University of Michigan, Office of Technology Transfer, 3003 S. State St., Suite 2071, Ann Arbor, MI 48190-1280 and HSC Research Development Limited Partnership, 555 University Avenue, Toronto, Ontario, Canada, M5G 1X8."

19. NOTICES.

Any notice, request, report or payment required or permitted to be given or made under this Agreement by a Party shall be given by sending such notice by certified or registered mail, return receipt requested, to the address set forth below or such other address as such Party shall have specified by written notice given in conformity herewith. Any notice not so given shall not be valid unless and until actually received, and any notice given in accordance with the provisions of this Paragraph shall be effective when mailed.

To LICENSEE:	Clinical Micro Sensors DBA Osmetech Molecular Diagnostics 757 South Raymond Avenue Pasadena, CA 91105 USA Attn: President
To MICHIGAN:	The University of Michigan Technology Management Office Wolverine Tower, Room 2071 3003 South State Street Ann Arbor, MI 48109-1280 U.S.A. Attn.: File No. 492p2

with a copy to:

HSC Research and Development
Limited Partnership
555 University Avenue
Suite 5270
Toronto, Ontario M5G 1X8
CANADA

Attn.: President

20. INVALIDITY.

In the event that any term, provision, or covenant of this Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that term will be curtailed, limited or deleted, but only to the extent necessary to remove such invalidity, illegality or unenforceability, and the remaining terms, provisions and covenants shall not in any way be affected or impaired thereby.

21. ENTIRE AGREEMENT AND AMENDMENTS.

This Agreement contains the entire understanding of the Parties with respect to the matter contained herein. The Parties may, from time to time during the continuance of this Agreement, modify, vary or alter any of the provisions of this Agreement, but only by an instrument duly executed by authorized officials of LICENSEE, MICHIGAN, and RDLP.

22. WAIVER.

No waiver by a Party of any breach of this Agreement, no matter how long continuing or how often repeated, shall be deemed a waiver of any subsequent breach thereof, nor shall any delay or omission on the part of a Party to exercise any right, power, or privilege hereunder be deemed a waiver of such right, power or privilege.

23. ARTICLE HEADINGS.

The Article headings herein are for purposes of convenient reference only and shall not be used to construe or modify the terms written in the text of this Agreement.

24. NO AGENCY RELATIONSHIP.

The relationship between the Parties is that of independent contractor and contractees. LICENSEE shall not be deemed to be an agent of MICHIGAN or RDLP in connection with the exercise of any rights hereunder, and shall not have any right or authority to assume or create any obligation or responsibility on behalf of MICHIGAN or RDLP.

25. FORCE MAJEURE.

No Party hereto shall be deemed to be in default of any provision of this Agreement, or for any failure in performance, resulting from acts or events beyond the reasonable

control of such Party, such as Acts of God, acts of civil or military authority, civil disturbance, war, strikes, fires, power failures, natural catastrophes or other "force majeure" events.

26. GOVERNING LAW.

This Agreement and the relationship of LICENSEE to the other Parties shall be governed in all respects by the law of the State of Michigan or the Province of Ontario (notwithstanding any provisions governing conflict of laws under such law to the contrary), depending upon the jurisdiction in which any action relating to the Agreement is brought; except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent has been granted.

27. JURISDICTION AND FORUM.

LICENSEE hereby consents to the jurisdiction of the courts of the State of Michigan over any dispute concerning this Agreement or the relationship of the Parties. Should LICENSEE bring any claim, demand or other action against MICHIGAN or RDLP, including their fellows, officers, employees or agents, arising out of this Agreement or the relationship between the Parties, LICENSEE agrees to bring said action only in an appropriate court of the State or Province of that Party.

28. HHMI THIRD PARTY BENEFICIARY STATUS

HHMI is not a party to this Agreement and has no liability to any licensee, sublicensee, or user of anything covered by this License Agreement, but HHMI is an intended third-party beneficiary of this License Agreement and certain its provisions are for the benefit of HHMI and are enforceable by HHMI in it own name.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in triplicate originals by their duly authorized officers or representatives.

FOR LICENSEE

By /s/ Bruce A. Huebner
(authorized representative)

Typed Name Bruce A. Huebner

Title President

Date 3/22/06

FOR HSC RESEARCH AND DEVELOPMENT THE LIMITED PARTNERSHIP

By: /s/ Stuart D. Howe
(authorized representative)

Typed Name Stuart D. Howe, Ph.D.
President
HSC Research and Development Limited Partnership
555 University Avenue
Title Toronto, Ontario, M5G 1XB

Date Mar 28, 06

FOR THE REGENTS OF

UNIVERSITY OF MICHIGAN

By /s/ Kenneth J. Nisbet
(authorized representative)

Typed Name Kenneth J. Nisbet
Executive Director
Title UM Technology Transfer

Date 3/24/06

Appendix I: Patents and Fending Patent Applications

January 16, 2006

Title: Cystic Fibrosis Gene

Inventors: Tsui, Riordan, Collins, Rommens, Iannuzzi, Kerem, Drumm, Buchwald,

Abstract: The cystic fibrosis gene and its gene product are described for both the normal and mutant forms. The genetic and protein information is used in developing DNA diagnosis, protein diagnosis, carrier and patient screening, drug and gene therapy, cloning of the gene and manufacture of the protein, and development of cystic fibrosis affected animals.

Patent Applications Pending:

Country	Number	Date Filed
United States	07/396,894	abandoned
United States	07/399,945	abandoned
United States	07/401,609	31/08/89
US Continuation (6)	08/123,864	20/09/93
US Divisional (7)	08/252,778	2/06/94
US Divisional (3)	08/446,866	6/06/95
US Divisional	08/471,654	abandoned
US Divisional	08/466,897	abandoned
US Divisional (5)	08/469,630	6/06/95
US Divisional (4)	08/469,617	6/06/95
Ireland (2)	3024/90	21/08/90
PCT	CA90/00267	20/08/90
	WO 91/02796	7/03/91
EPO (1)	90912428.1	20/08/90
Japan	511424/90	20/08/90
Japan Divisional	029998/04	5/03/04
Canada	2066204-2	20/08/90
Australia (2)	61616/90	20/08/90
		Date Issued
(1) EPO *	0489058	5/11/03
(2) Australia granted	647,408	25/01/94
(3) US issued	5,776,677	7/07/98
(4) US issued	6,201,107	13/03/01
(5) US issued	6,730,777	4/05/04
(6) US issued	6,984,487	10/01/06
(7) US issued	6,902,907	7/06/05
(8) Ireland granted	83911	6/05/05

* Designated States include the following countries: Austria, Belgium, Switzerland and Liechtenstein, Germany, Denmark, Spain, France, United Kingdom, Italy, Luxembourg, Netherlands, Sweden

FINAL – March 1, 2006

LICENSE AGREEMENT:
INTRONS AND EXONS OF THE CYSTIC FIBROSIS GENE
AND MUTATIONS AT VARIOUS POSITIONS OF THE GENE

This is an Agreement, effective as of the 15th day of March, 2006 (the "Effective Date"), entered into by Clinical Micro Sensors, Inc., DBA Osmetech Molecular Diagnostics, a corporation incorporated in California, located at 757 S. Raymond Avenue, Pasadena, CA 91105 (including all affiliates licensed hereunder, hereinafter collectively referred to as "LICENSEE"), and HSC RESEARCH AND DEVELOPMENT LIMITED PARTNERSHIP, a partnership organized and subsisting under the laws of the Province of Ontario, Canada ("RDLP"). LICENSEE and RDLP agree as follows:

1. BACKGROUND.

1.1 The Research Institute of The Hospital for Sick Children, Toronto, Ontario, Canada, ("HSC") has conducted research relating to cystic fibrosis. As a result of that research, RDLP has developed rights, including potential patent rights, in the "Licensed Patent(s)" that are defined below.

1.2 LICENSEE desires to obtain, and RDLP, consistent with its mission of education and research, desires to grant a license of the "Licensed Patent(s)" on the terms and conditions listed below.

2. DEFINITIONS.

2.1 "TECHNOLOGY", as used in this Agreement, shall mean the information, manufacturing techniques, data, designs or concepts developed by HSC, covering mutations in the gene for cystic fibrosis and uses thereof as encompassed by the claims of U.S. Patent No. 5,981,178 and U.S. Patent No. 6,001,588 entitled "Introns and Exons of the Cystic Fibrosis Gene and Mutations at Various Positions of the Gene".

2.2 "Parties", in singular or plural usage as required by the context, shall mean LICENSEE and/or RDLP.

2.3 "Affiliate(s)" shall mean any individual, corporation, partnership, proprietorship or other entity controlled by, controlling, or under common control with LICENSEE through equity ownership, ability to elect directors, or by virtue of a majority of overlapping directors, and shall include any individual, corporation, partnership, proprietorship or other entity directly or indirectly owning, owned by or under common ownership with LICENSEE to the extent of fifty percent (50%) or more of the voting shares, including shares owned beneficially by such party.

2.4 "Licensed Patent(s)" shall mean U.S. Patent No. 5,981,178, U.S. Patent No. 6,001,588 and PCT Patent Application No. PCT/CA91/00009 entitled "Introns and Exons of the Cystic Fibrosis Gene and Mutations at Various

Positions of the Gene" and all foreign equivalent patent applications and Patent Cooperation Treaty filings, and all patents issuing therefrom, in which RDLP has or acquires a property interest, the current list of such applications is attached herewith as Appendix I. "Licensed Patent(s)" shall also include any divisional, continuation, reissue, reexamination or extension of the above-described patent applications and resulting patents, along with any extended or restored term, and any confirmation patent, registration patent, or patent of addition.

2.5 "Valid Claim(s)" means any claim(s) in an unexpired patent or pending in a patent application included within the Licensed Patents which has not been held unenforceable, unpatentable, or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer. If in any country there should be two or more such decisions conflicting with respect to the validity of the same claim, the decision of the higher or highest tribunal shall thereafter control; however, should the tribunals be of equal rank, then the decision or decisions upholding the claim shall prevail when the conflicting decisions are equal in number, and the majority of decisions shall prevail when the conflicting decisions are unequal in number.

2.6 "Product(s)" shall mean any product(s) whose manufacture, use or sale in any country would, but for this Agreement, comprise an infringement, including contributory infringement, of one or more Valid Claims.

2.7 "Field of Use" shall refer to the field for which Products may be designed, manufactured, used and/or marketed under this Agreement, and shall mean solely Products to be used for the research of, diagnosis of and screening for the disease cystic fibrosis.

2.8 "Net Sales" shall mean the sum, over the term of this Agreement, of all amounts received and all other consideration received (or, when in a form other than cash or its equivalent, the fair market value thereof when received) by LICENSEE and its Affiliates from persons or entities due to or by reason of the sale or other distribution of Products, or the use of Products, including any use by LICENSEE and Affiliates in the performance of services for their customers; less the following deductions and offsets, but only to the extent such sums are otherwise included in the computation of Net Sales, or are paid by LICENSEE and not otherwise reimbursed: refunds, rebates, replacements or credits actually allowed and taken by purchasers for return of Products; customary trade, quantity and cash discounts actually allowed and taken; excise, value-added, and sales taxes actually paid by LICENSEE for Products; and shipping and handling charges actually paid by LICENSEE for Products.

If a Product is intended for the identification of more than one mutation associated with the disease cystic fibrosis, then the Net Sales of the Product shall

be multiplied with the factor [a:b] where "a" is number of mutations that are identified by the Product and that are covered by a Valid Claim of the Licensed Patents and "b" is the total number of mutations that are identified by the Product provided, however, that the maximum reduction in the calculation of Net Sales resulting from the above described multiplication factor shall be *** percent (***%).

2.9 "Royalty Quarter(s)" shall mean the three-month periods ending on the last day of March, June, September and December of each year.

2.10 "Territory" means all countries of the world.

2.11 "First Diagnostic Sale" shall mean the first sale of any Product (including any sale of a service using a Product in the Field of Use) by LICENSEE or an Affiliate, other than for use in clinical trials being conducted to obtain FDA approval or other government approvals to market Products in accordance with the statutes of any other country, or subdivision thereof, in the Territory.

3. GRANT OF LICENSE.

3.1 RDLP hereby grants to LICENSEE a non-exclusive license under the Licensed Patents and TECHNOLOGY to make, have made, use (including use in the performance of services for, by or on behalf of its customers), have used, import, market, and/or sell in the Territory, Products designed and marketed solely for use in the Field of Use.

3.2 RDLP reserves the right to license and use all aspects of the TECHNOLOGY and the Licensed Patents for any use or purpose, including the right to develop and produce Products.

3.3 The license granted to LICENSEE herein shall be without the right to sublicense, except that LICENSEE may sublicense Affiliate(s) who agree to be and are bound in writing to the terms and conditions *of* this Agreement to the same extent as LICENSEE. LICENSEE agrees to strictly monitor and enforce compliance with the terms and conditions of this Agreement by all Affiliate sublicensees.

4. CONSIDERATION.

4.1 LICENSEE shall pay to RDLP a one-time, non-creditable, license issue fee of *** United States Dollars (U.S. $***) forthwith following the Effective Date. Notwithstanding any other terms of this Agreement, this Agreement and the license granted hereunder shall not become effective until such issue fee is received by RDLP.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

4.2 LICENSEE shall also pay RDLP, with respect to each Royalty Quarter, a royalty equal to ***percent (***%) of the Net Sales of Products of LICENSEE and Affiliates during such Royalty Quarter.

4.3 The obligation to pay RDLP a royalty under this Article 4 is imposed only once with respect to the same unit of Product regardless of the number of Valid Claims or Licensed Patents covering the same; however, for purposes of determination of payments due hereunder, whenever the term "Product" may apply to a property during various stages of manufacture, use or sale, Net Sales, as otherwise defined, shall be derived from the sale, distribution or use of such Product by LICENSEE or Affiliates at the stage of its highest invoiced value to unrelated third parties.

4.4 LICENSEE shall pay to RDLP an annual minimum royalty commencing in the calendar year 2006 as follows:

(1) In 2006: US$*** ; and

(2) In 2007 and each year thereafter during the term of this Agreement: US$*** .

This annual minimum royalty shall accrue in the Royalty Quarter ending in March of each calendar year of the years specified above and shall be due and payable and included in the report for that quarter. Notwithstanding the foregoing, for the year 2006, such annual minimum royalty shall be due and payable on June 30, 2006. If LICENSEE defaults in the payment of any annual minimum royalty, and fails to remedy that default within thirty (30) days after written notice of it by RDLP, then this Agreement and the license rights conveyed herein shall terminate.

Each annual minimum royalty paid under 4.4 (1) to (2) above may be credited by LICENSEE in full against all earned royalties otherwise to be paid to RDLP under Paragraph 4.2 for the calendar year in which the specific annual minimum royalty is paid. The year for which such credits under 4.1 (1) to (2) against earned royalties may be taken includes the Royalty Quarter in which the annual minimum royalty accrues and the next three Royalty Quarters.

4.5 If RDLP grants a license under the Licensed Patent(s) and in the Field of Use to any third party which is substantially the same as the license granted to LICENSEE under Article 3 above, for all or any part of the Territory, but which requires a royalty rate or annual minimum royalty lower than those required of LICENSEE under this Agreement, then RDLP shall offer those terms to LICENSEE for that part of the Territory, to be effective as of the effective date of the license to that third party.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

5. REPORTS.

5.1 Within sixty (60) days after the close of (i) any Royalty Quarter in which the annual minimum royalty under Paragraph 4.4 accrues, and (ii) each Royalty Quarter following the first Diagnostic Sale during the term of this Agreement (including the close of any Royalty Quarter immediately following any termination of this Agreement), LICENSEE shall report to RDLP all royalties accruing to RDLP during such Royalty Quarter. Such quarterly reports shall indicate for each Royalty Quarter the gross sales and Net Sales of Products by LICENSEE and Affiliates, and any other revenues with respect to which payments are due, and the amount of such payments, as well as the various calculations used to arrive at said amounts, including the quantity, description (nomenclature and type designation), country of manufacture and country of sale of Products. In case no payment is due for any such period, LICENSEE shall so report.

5.2 LICENSEE will promptly establish and consistently employ a system of specific nomenclature and type designations for Products so that various types can be identified and segregated, where necessary, LICENSEE and Affiliates shall consistently employ such system when rendering invoices thereon and henceforth agree to inform RDLP, or its auditors, when requested as to the details concerning such nomenclature system as well as to all additions thereto and changes therein.

5.3 LICENSEE shall keep, and shall require its Affiliates to keep, true and accurate records and books of account containing data reasonably required for the computation and verification of payments to be made as provided by this Agreement, which records and books shall be open for inspection upon reasonable notice during business hours by an independent certified accountant selected by RDLP. Said right of inspection will exist for six (6) years from the date of origination of any such record, and this requirement and right of inspection shall survive any expiration or termination of this Agreement for one (1) year. The independent certified accountant shall provide to RDLP only such information from LICENSEE's books and records as is necessary to verify the accuracy or degree of inaccuracy of the payments made under this Agreement. RDLP shall be responsible for all expenses of such inspection, except that if such inspection reveals an underpayment of royalties to RDLP in excess of *** percent (***%) for any year, then said inspection shall be at LICENSEE's expense and such underpayment shall become immediately due and payable to RDLP.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

6. TIMES AND CURRENCIES OF PAYMENTS.

6.1 Payments accrued during each Royalty Quarter shall be due and payable in Toronto, Canada on the date each quarterly report is due (as provided in Paragraph 5.1), shall be included with such report and shall be paid in United States dollars. LICENSEE agrees to make all payments due hereunder to RDLP by direct deposit to account:

Remit To: Bank of America, New York
FEDWIRE: ABA

Fields **BBK** and **BNF** must be completed as follows:

BBK: ***
(Fedwire tag 4100) Canadian Imperial Bank of Commerce
460 University Avenue
Toronto, Ontario, Canada MSG 1V1

BNF: Beneficiary's 7 digit account number: ***
Name of Beneficiary:
HSG RESEARCH DEVELOP LTD PART
(Fedwire tag 4200)

6.2 On all undisputed amounts outstanding and payable to RDLP, interest shall accrue from the date such amounts are due and payable at two percentage points above the prime lending rate as established by the Chase Manhattan Bank, N. A., in New York City, New York, or at such lower rate as may be required by law.

6.3 Where Net Sales are generated in foreign currency, such foreign currency shall be converted into its equivalent in United States dollars at the exchange rate of such currency as reported (or if erroneously reported, as subsequently corrected) in the Wall Street Journal on the day that the sale is made by LICENSEE or Affiliates (or if not reported on that date, as quoted by the Chase Manhattan Bank, N.A., in New York City, New York).

6.4 Except as provided in the definition of Net Sales, all royalty payments to RDLP under this Agreement shall be without deduction for sales, use, excise, personal property or other similar taxes or other duties imposed on such payments by the government of any country or any political subdivision thereof; and any and all such taxes or duties shall be assumed by and paid by LICENSEE.

6.5 Notwithstanding Article 6.4 of this Agreement, LICENSEE shall be entitled to withhold from payments and royalties due to RDLP under this Agreement nonresident withholding taxes to the extent that LICENSEE is obliged by law to withhold in respect of such amounts payable to RDLP, provided that the minimum allowable tax rate as specified by agreement under any applicable international tax convention is applied to such withholding taxes. The amount of all such taxes withheld shall be included in reports to RDLP under Article 5.1.

7. COMMERCIALIZATION.

7.1 It is understood that LICENSEE has the responsibility to do all that is necessary for any governmental approvals to manufacture and/or sell Products.

*** Portions of this page have been omitted pursuant to a request for Confidential Treatment filed separately with the Commission.

7.2 LICENSEE agrees to use reasonable efforts to develop Products, obtain any government approvals necessary, and manufacture and sell Products at the earliest possible date; and to effectively exploit, market and manufacture in sufficient quantities to meet anticipated customer demand and to make the benefits of the Products reasonably available to the public.

7.3 Within forty-five (45) days of the First Diagnostic Sale, LICENSEE shall report by written letter to RDLP the date of that sale.

7.4 LICENSEE shall promptly inform RDLP of any patent applications or similar applications which cover any invention intended to be practiced through coincident practice of Licensed Patent(s), filed by or on behalf of LICENSEE or Affiliates anywhere in the world.

7.5 It is understood that a separate license agreement from RDLP (and its joint owner) for the technology encompassed by U.S. Patent No. 5,776,677, divisional of U.S. Patent Application No. 08/123,864 which is a continuation of U.S. patent Application No. 08/401,609 entitled "Cystic Fibrosis Gene", including all foreign equivalent patent applications and Patent Cooperation Treaty filings, and all patents issuing therefrom, and any divisional, continuation, (excluding continuations-in-part), reissue, reexamination or extension of the above described patent applications and resulting patents, along with any extended or restored term and any confirmation patent, or registration patent, may be required to manufacture, use (including use in the performance of services) and/or sell Product(s).

The parties acknowledge and agree that the definitions of TECHNOLOGY and Licensed Patent(s) in this Agreement are not intended to encompass the information, manufacturing techniques, data, designs or concepts covering the gene for cystic fibrosis and uses thereof as described by U.S. Patent No. 5,776,677 and all other related patent applications and patents as described herein. LICENSEE acknowledges that it has thorough familiarity with the specifications and claims of U.S. Patent No. 5,776,677 and all other related patent applications and patents as described herein. The terms and conditions of this Article 7.5 shall take precedence over all potentially conflicting or inconsistent terms and conditions of this Agreement.

8. PATENT APPLICATIONS AND MAINTENANCE.

8.1 RDLP shall control all aspects of filing, prosecuting, and maintaining Licensed Patents, including foreign filings and Patent Cooperation Treaty filings. RDLP may in its sole discretion decide to refrain from or to cease prosecuting or maintaining any of the Licensed Patents, including any foreign filing or any Patent Cooperation Treaty filing.

8.2 RDLP shall notify LICENSEE of any issuance of any Licensed Patent(s) and the Valid Claims included therein, and any lapse, revocation, surrender, invalidation or abandonment of any Licensed Patent or Valid Claim.

9. INFRINGEMENT.

9.1 If LICENSEE becomes aware of or reasonably suspects infringement of Licensed Patents by third parties, LICENSEE agrees to promptly notify RDLP of such alleged infringement.

9.2 RDLP, at its sole discretion and at its own expense, may initiate proceedings in response to alleged infringement of the Licensed Patent(s) but is under no obligation to do so. On request by the LICENSEE, RDLP shall inform LICENSEE of any measures being taken in response to any particular event or allegation of infringement.

10. NO WARRANTIES; LIMITATION ON RDLP'S LIABILITY.

10.1 RDLP, including its fellows, directors, officers, employees and agents, makes no representations or warranties that any Licensed Patent is or will be held valid, or that the manufacture, use, sale or other distribution of any Products will not infringe upon any patent or other rights not vested in RDLP.

10.2 RDLP AND HSC, INCLUDING THEIR FELLOWS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, MAKE NO REPRESENTATIONS, EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ASSUME NO RESPONSIBILITIES WHATEVER WITH RESPECT TO DESIGN, DEVELOPMENT, MANUFACTURE, USE, SALE OR OTHER DISPOSITION BY LICENSEE OR AFFILIATES OF PRODUCTS.

10.3 THE ENTIRE RISK AS TO THE DESIGN, DEVELOPMENT, MANUFACTURE, OFFERING FOR SALE, SALE, OR OTHER DISPOSITION AND PERFORMANCE OF PRODUCTS IS ASSUMED BY LICENSEE AND AFFILIATES. In no event shall RDLP or HSC, including their fellows, directors, officers, employees and agents, be responsible or liable for any direct, indirect, special, incidental, or consequential damages or lost profits to LICENSEE, Affiliates or any other individual or entity regardless of legal theory. The above limitations on liability apply even though RDLP or HSC, including their fellows, directors, officers, employees or agents, may have been advised of the possibility of such damage.

10.4 LICENSEE shall not, and shall require that its Affiliates do not, make any statements, representations or warranties or accept any liabilities or

responsibilities whatsoever to or with regard to any person or entity which are inconsistent with any disclaimer or limitation included in this Article 10.

10.5 REGARDLESS OF ANY RESEARCH OR TESTING THAT MAY HAVE BEEN DONE AT HSC, HSC AND RDLP MAKE NO REPRESENTATIONS REGARDING HOW PRODUCES) CAN OR SHOULD BE USED IN THE DIAGNOSIS OF AND SCREENING FOR THE DISEASE CYSTIC FIBROSIS.

10.6 IT IS UNDERSTOOD THAT THE TECHNOLOGY AND THE LICENSED PATENT(S) DO NOT IDENTIFY THE PRESENCE OF THE CYSTIC FIBROSIS DISEASE IN ALL CASES.

11. INDEMNITY; INSURANCE.

11.1 LICENSEE shall defend, indemnify and hold harmless and shall require its Affiliates licensed hereunder to defend, indemnify and hold harmless RDLP and HSC, as well as their fellows, directors, officers, trustees, employees and agents, from and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses), resulting from, but not limited to, death, personal injury, illness, property damage, economic loss or products liability arising from or in connection with, any of the following:

(1) Any manufacture, use, sale or other disposition by LICENSEE, Affiliates or their transferees of Products;

(2) The direct or indirect use by any person of Products made, used, sold or otherwise distributed by LICENSEE or Affiliates;

(3) The use by LICENSEE or Affiliates of any invention included in the TECHNOLOGY or the Licensed Patents.

11.2 RDLP shall be entitled to participate at its option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, damages, losses and expenses under Paragraph 11.1 above; provided that LICENSEE will retain control over such legal actions, including any settlement discussions.

11.3 LICENSEE shall purchase and maintain in effect a policy of product liability insurance covering all claims with respect to diagnostic testing for cystic fibrosis using a Product and any Products manufactured, used, sold, licensed or otherwise distributed by LICENSEE and Affiliates. Such insurance policy must specifically enumerate and cover the obligations of Licensee in this Agreement to defend, indemnify and hold RDLP and HSC, including their fellows, directors, officers, trustees, employees and agents harmless (in the policy or by written acknowledgement of the insurer). LICENSEE shall furnish certificate(s) of such insurance to RDLP upon request.

12. TERM AND TERMINATION.

12.1 This Agreement will become effective on its Effective Date and, unless terminated under another, specific provision of this Agreement, will remain in effect until and terminate upon the last to expire of Licensed Patents.

12.2 Upon any termination of this Agreement, and except as provided herein to the contrary, all rights and obligations of the Parties hereunder shall cease, except as follows:

(1) Obligations to pay royalties and other sums accruing hereunder up to the day of such termination;

(2) RDLP's rights to inspect books and records as described in Article 5, and LICENSEE's obligations to keep such records for the required time;

(3) Obligations of defense and indemnity under Article 11;

(4) Any cause of action or claim of LICENSEE or RDLP accrued or to accrue because of any breach or default by another Party hereunder;

(5) The general rights, obligations, and understandings of Articles 2, 10, 15, 17, 26 and 27; and

(6) All other terms, provisions, representations, rights and obligations contained in this Agreement that by their sense and context are intended to survive until performance thereof.

12.3 If LICENSEE shall at any time default in the payment of any royalty or the making of any report hereunder, or shall make any false report, or shall commit any material breach of any covenant or promise herein contained, and shall fail to remedy any such default, breach or report within sixty (60) days after written notice thereof by RDLP specifying such default, then RDLP may, at its option, terminate this Agreement and the license rights granted herein by notice in writing to such effect. Any such termination shall be without prejudice to any Party's other legal rights for breach of this Agreement.

12.4 LICENSEE may terminate this Agreement by giving RDLP a notice of termination, which shall include a statement of the reasons, whatever they may be, for such termination and the termination date established by LICENSEE, which date shall not be sooner than ninety (90) days after the date of the notice. Such notice shall be deemed by the Parties to be final.

12.5 In the event LICENSEE shall at any time during the term of this Agreement deal with the TECHNOLOGY or Products in any manner which violates the laws, regulations or similar legal authority of any jurisdiction including, but not limited to, the public health requirements relating to the TECHNOLOGY or Products or the design, development, manufacture, offering for sale, sale or other disposition of Products, the license granted herein shall terminate immediately with respect to such Products within the territory encompassed by such jurisdiction; provided that

LICENSEE has failed to take steps to cure such violation within sixty (60) days after receiving written notice from the applicable legal authority.

13. ASSIGNMENT.

Due to the unique relationship between the Parties, this Agreement shall not be assignable by LICENSEE without the prior written consent of RDLP, which consent shall not be unreasonably withheld. Any attempt to assign this Agreement without such consent shall be void from the beginning. RDLP shall not unreasonably withhold consent for LICENSEE to assign this Agreement to a purchaser of all or substantially all of LICENSEE's business. No assignment shall be effective unless and until the intended assignee agrees in writing with RDLP to accept all of the terms and conditions of this Agreement. Further, LICENSEE shall refrain from pledging any of the license rights granted in this Agreement as security for any creditor.

14. REGISTRATION AND RECORDATION.

14.1 If the terms of this Agreement, or any assignment or license under this Agreement are or become such as to require that the Agreement or license or any part thereof be registered with or reported to a national or supranational agency of any area in which LICENSEE or Affiliates would do business, LICENSEE will, at its expense, undertake such registration or report. Prompt notice and appropriate verification of the act of registration or report or any agency ruling resulting from it will be supplied by LICENSEE to RDLP.

14.2 Any formal recordation of this Agreement or any license herein granted which is required by the law of any country, as a prerequisite to enforceability of the Agreement or license in the courts of any such country or for other reasons, shall also be carried out by LICENSEE at its expense, and appropriately verified proof of recordation shall be promptly famished to RDLP.

15. LAWS AND REGULATIONS OF CANADA; EXPORT

15.1 Activities under this Agreement shall be subject to all appropriate Canadian laws and regulations now or hereafter applicable.

15.2 LICENSEE shall comply, and shall require its Affiliates to comply, with all provisions of any applicable laws, regulations, rules and orders relating to the license herein granted and to the testing, production, transportation, export, packaging, labeling, sale or use of Product(s) in Canada, and in all other countries where LICENSEE shall make, have made, use, market or sell Produces), or otherwise applicable to LICENSEE'S or its Affiliates' activities hereunder.

15.3 LICENSEE shall obtain, and shall require its Affiliates to obtain, such authorization regarding export and re-export of technical data (including Product(s) made by use of technical data) as may be required by the Department

of External Affairs, Export Controls Division, and LICENSEE hereby gives written assurances as may be required under those Regulations to RDLP.

16. BANKRUPTCY.

If during the term of this Agreement, LICENSEE shall make an assignment for the benefit of creditors, or if proceedings in voluntary or involuntary bankruptcy shall be instituted on behalf of or against LICENSEE, or if a receiver or trustee shall be appointed for the property of LICENSEE, RDLP may, at its option, apply to the bankruptcy court to terminate this Agreement or revoke the license herein granted.

17. PUBLICITY.

LICENSEE agrees to refrain from using and to require Affiliates to refrain from using the name of RDLP and HSC in publicity or advertising without the prior written approval of that entity. RDLP and HSC agree to refrain from using the name of LICENSEE and AFFILIATES in publicity or advertising without the prior written approval of LICENSEE.

18. PRODUCT MARKING.

LICENSEE agrees to mark, and to require Affiliates to mark, Products with the appropriate U.S. patent notice as listed in Appendix 1.

19. NOTICES.

Any notice, request, report or payment required or permitted to be given or made under this Agreement by a Party shall be given by sending such notice by certified or registered mail, return receipt requested, or by facsimile transmission confirmed by mail, to the address set forth below or such other address as such Party shall have specified by written notice given in conformity herewith. Any notice not so given shall not be valid unless and until actually received, and any notice given in accordance with the provisions of this Paragraph shall be effective when mailed.

To LICENSEE: Clinical Micro Sensors, Inc.
DBA Osmetech Molecular Diagnostics
757 South Raymond Avenue
Pasadena, CA 91105 USA

Attn: President

To RDLP: HSC RESEARCH AND DEVELOPMENT
LIMITED PARTNERSHIP
555 University Avenue, Suite 5270
Toronto, Ontario M5G 1X8
CANADA
Attn: President
Tel: 416-813-5982
Fax: 416-813-5085

20. INVALIDITY.

In the event that any term, provision, or covenant of this Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that term will be curtailed, limited or deleted, but only to the extent necessary to remove such invalidity, illegality or unenforceability, and the remaining terms, provisions and covenants shall not in any way be affected or impaired thereby.

21. ENTIRE AGREEMENT AND AMENDMENTS.

This Agreement contains the entire understanding of the Parties with respect to the matter contained herein. The Parties may, from time to time during the continuance of this Agreement, modify, vary or alter any of the provisions of this Agreement, but only by an instrument duly executed by authorized officials of LICENSEE and RDLP.

22. WAIVER.

No waiver by a Party of any breach of this Agreement, no matter how long continuing or how often repeated, shall be deemed a waiver of any subsequent breach thereof, nor shall any delay or omission on the part of a Party to exercise any right, power, or privilege hereunder be deemed a waiver of such right, power or privilege.

23. ARTICLE HEADINGS.

The Article headings herein are for purposes of convenient reference only and shall not be used to construe or modify the terms written in the text of this Agreement.

24. NO AGENCY RELATIONSHIP.

The relationship between the Parties is that of independent contractor and contractees. LICENSEE shall not be deemed to be an agent of RDLP in connection with the exercise of any rights hereunder, and shall not have any right or authority to assume or create any obligation or responsibility on behalf of RDLP.

25. FORCE MAJEURE.

No Party hereto shall be deemed to be in default of any provision of this Agreement, or for any failure in performance, resulting from acts or events beyond the reasonable control of such Party, such as but not limited to, Acts of God, acts of civil or military authority, civil disturbance, war, strikes, fires, power failures, natural catastrophes or other "force majeure" events.

26. GOVERNING LAW.

This Agreement and the relationship of the Parties shall be governed in all respects by and construed in accordance with the law of the Province of Ontario, Canada (notwithstanding any provisions governing conflict of laws under such law to the contrary); except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the Licensed Patent has been granted.

27. JURISDICTION AND FORUM.

LICENSEE hereby consents to the jurisdiction of the courts of the Province of Ontario, Canada over any dispute concerning this Agreement or the relationship of the Parties. Should LICENSEE bring any claim, demand or other action against RDLP, its fellows, directors, officers, employees or agents, arising out of this Agreement or the relationship between the Parties, LICENSEE agrees to bring said action only in the courts of the Province of Ontario.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in triplicate originals by their duly authorized officers or representatives.

FOR LICENSEE

By: /s/ Bruce A. Huebner
(authorized representative)

Typed Name Bruce A. Huebner

Title President

Date 3/16/06

FOR HSC RESEARCH AND DEVELOPMENT
LIMITED PARTNERSHIP

By: /s/ Stuart D. Howe
(authorized representative)

Typed Name Stuart D. Howe, Ph.D.

President
HSC Research and Development
Limited Partnership
555 University Avenue
Title Toronto, Ontario, M5G 1XB

Date Mar 28, 06

FOR HSC RESEARCH AND DEVELOPMENT
LIMITED PARTNERSHIP

Second Signature
not required

By: _____
(authorized representative)

/s/ SDH

Typed Name _____

Title _____

Date _____

Appendix I: Patents and Pending Patent Applications

January 1, 2003

Title: Introns and Exons of the Cystic Fibrosis Gene and Mutations at Various Positions of the Gene

Inventors: Tsui, Rommens, Kerem,

Patents Issued:

Country	Number	Date Issued
U.S.	5,981,178	Nov. 9, 1999
U.S.	6,001,588	Dec. 14, 1999
EPO*	0667900	May 23, 2001

* includes United Kingdom, Germany and France

Patent Applications Pending:

Country	Number	Date Issued
CDN #1	2007699-2	12/01/90
CDN #2	2011253-1	01/03/90
CDN #3	2020817-1	10/07/90
PCT	CA9100009	11/01/91
WO	91/10734	25/07/91
CDN	2073441-8	11/01/91