STOCKHOLDERS AGREEMENT

This Stockholders Agreement (this "*Agreement*") is between Drexel University, a Pennsylvania nonprofit corporation ("*Drexel*"), [INSERT: Full Company Name], a [INSERT: State of Incorporation] corporation ("*Company*"), the persons designated as Additional Investors in Schedule A (the "*Additional Investors*") and the individuals designated as Founding Stockholders in Schedule A (the "*Founding Stockholders*"). Drexel, the Additional Investors and the Founding Stockholders, together with any other person or entity which may become a stockholder of Company after the Effective Date (defined below), for so long as they are stockholders of Company, are collectively referred to in this Agreement as the "*Stockholders*" or individually as a "*Stockholder*." This Agreement will become effective on _____, 200_ (the "*Effective Date*").

BACKGROUND

A. Concurrently with the execution of this Agreement, Drexel is entering into a License Agreement with Company effective as of _____, 200_ (the "*License Agreement*"), under which Drexel is licensing to Company certain technology owned by Drexel.

B. In partial consideration for the execution and delivery by Drexel of the License Agreement, the parties have agreed to enter into this Agreement.

C. Concurrently with the execution of this Agreement, Drexel is entering into a Stock Purchase Agreement with Company effective as of _____, 200_ (the "*Stock Purchase Agreement*"), under which Company is agreeing to issue to Drexel shares of Company's capital stock.

D. The parties have determined that it is in the best interests of Company and the Stockholders to provide for rights and restrictions on the future disposition of the shares of Company's capital stock ("*Shares*") and various other matters set forth in this Agreement.

In consideration of the premises and mutual promises and covenants contained in this Agreement, and intending to be legally bound by this Agreement, the parties agree as follows:

1. RESTRICTIONS ON TRANSFER OF SHARES

1.1 Restrictions on Stockholders. Until Company's securities are the subject of a Qualified Initial Public Offering (as hereinafter defined), or unless expressly permitted under this Agreement, no Stockholder will (a) sell, assign, bequest, transfer, give, bequeath, devise, donate or otherwise dispose of or (b) pledge, deposit or otherwise encumber (each of the foregoing actions in (a) and (b) will be referred to as a "*Transfer*"), a legal or beneficial interest in any Shares now or hereafter owned by such Stockholder, whether of record or beneficially.

1.2 Permitted Transfers. The provisions of Article 2 of this Agreement will not apply to the following transfers of Shares by the Stockholders: (a) Transfers by a Stockholder to his or her spouse, parents, siblings, children, nieces, nephews, grandchildren (with respect to each Stockholder, collectively, "*Family Members*"), trusts for the benefit of one or more Family

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Members or entities controlled by such Stockholder or one or more Family Members; (b) Transfers from the estate of a deceased Stockholder to a Family Member or to a trust for the benefit of a Family Member; (c) Transfers by a Stockholder to an affiliate, which will include, as to a limited partnership, the general partners or limited partners of such partnership; (d) Transfers to employees or to employee stock ownership trusts; (e) Transfers by Drexel to an employee of or former employee of Drexel in connection with Drexel's internal patent policy, or to an institution that is a party to an inter-institutional agreement with Drexel in connection with the technology licensed in the License Agreement; and (f) Transfers by a Stockholder to Company in a transaction or under a contractual commitment that has been, in either case, approved by the Company's Board of Directors.

2. RIGHTS OF FIRST REFUSAL AND CO-SALE

2.1 Offer to Sell Shares. Except as otherwise provided in the Stock Purchase Agreement or in this Agreement, if a Stockholder desires to transfer any Shares to a third party (the "*Offeror*"), whether or not the Offeror is a Stockholder, such Stockholder (the "*First Selling Stockholder*") will deliver a written notice (the "*Primary Sale Notice*") to Company with respect to the proposed sale of such Shares (the "*Offered Shares*") stating in reasonable detail, the number of shares to be transferred, the identity of the prospective purchaser(s) and the terms and conditions of the proposed sale. Within five (5) days of Company's receipt of the Primary Sale Notice, Company will transmit a copy of the Primary Sale Notice to all Stockholders other than the First Selling Stockholder (collectively, the "*Offeree Stockholders*"). Transmittal of the Primary Sale Notice to Company will constitute an offer by the First Selling Stockholder to sell the Offered Shares to both Company and the Offeree Stockholders in accordance with this Article 2.

2.2 Option of Company. Within ten (10) days of Company's receipt of the Primary Sale Notice (the "*Company Option Period*"), Company may elect to purchase all but not less than all of the Offered Shares, upon the same terms and conditions set forth in the Primary Sale Notice. During the Company Option Period, Company will transmit notice of such election to the First Selling Stockholder (the "*Company Option Notice*"), with a copy to each of the Offeree Stockholders, specifying whether Company is accepting or rejecting the offer. If Company accepts the offer, then Company and the First Selling Stockholder will effect the sale in accordance with Article 4, and the remaining provisions of this Article 2 will not apply to such offer. If Company fails to submit a Company Option Notice within the Company Option Period, then Company will forfeit the option to purchase Shares in connection with the applicable Primary Sale Notice.

2.3 Option of Offeree Stockholders. If Company does not elect to purchase the Offered Shares, then within twenty-five (25) days of an Offeree Stockholder's receipt of the Primary Sale Notice (the "*Offeree Option Period*"), such Offeree Stockholder may request either to purchase Shares in an amount not to exceed the number of Offered Shares (the "*Offered Amount*") or to sell Shares in an amount not to exceed the Offered Amount. The Offeree Stockholders desiring to purchase the Offered Shares (collectively, the "*Purchasing Stockholders*") will each submit, within the Offeree Option Period, written notice to Company disclosing the number of Shares proposed to be purchased by such Purchasing Stockholder (each, a "*Purchase Notice*"). The Offeree Stockholders desiring to sell Shares (collectively, with

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the First Selling Stockholder, the "*Selling Stockholders*") will each submit, within the Offeree Option Period, written notice to Company disclosing the number of Shares owned by and proposed to be sold by such Selling Stockholder (each, a "*Secondary Sale Notice*"). A Purchasing Stockholder or Selling Stockholder shall also indicate on the Purchase Notice or Secondary Sale Notice the total number of Shares owned by such Purchasing Stockholder or Selling Stockholder. If an Offeree Stockholder fails to submit a Purchase Notice or a Secondary Sale Notice, then such Stockholder will forfeit the option to purchase or sell Shares in connection with the applicable Primary Sale Notice.

2.4 Purchase Pool. If the aggregate number of Shares requested to be purchased by all Purchasing Stockholders (the "*Purchase Pool*") is less than or equal to the Offered Amount, then each Purchasing Stockholder will purchase the number of Shares indicated on such Purchasing Stockholder's Purchase Notice, and the First Selling Stockholder will sell such number of Shares to each such Purchasing Stockholder. If the Purchase Pool is greater than the Offered Amount, then each Purchasing Stockholder will purchase Shares as follows, unless an alternate allocation of shares is agreed upon in writing by all of the Purchasing Stockholders: first, (i) each Purchasing Stockholder will purchase from the First Selling Stockholder such number of Shares equal to the Offered Amount multiplied by a fraction, the numerator of which is the number of Shares owned by such Purchasing Stockholder and the denominator of which is the aggregate number of Shares owned by all Purchasing Stockholders; provided that the aggregate number of Shares that each Purchasing Stockholder will purchase will not exceed the number of Shares indicated on the Purchase Notice of such Purchasing Stockholder; and second, (ii) if there are any remaining shares in the Purchase Pool, then each remaining Purchasing Stockholder will, in addition, purchase from the First Selling Stockholder that proportionate part of the then remaining Purchase Pool that the number of Shares owned by such Purchasing Stockholder bears to the aggregate number of Shares owned by all remaining Purchasing Stockholders.

2.5 Sale Pool. If the aggregate number of Shares requested to be sold by all Selling Stockholders, including, as to the First Selling Stockholder, only those Offered Shares of the First Selling Stockholder that are not committed to be sold under Section 2.4 (the "*Sale Pool*"), is less than or equal to the Offered Amount, then each such Selling Stockholder will sell the number of Shares indicated on such Selling Stockholder's Secondary Sale Notice, and the Offeror will be entitled to purchase such number of Shares from such Selling Stockholder. If the Sale Pool is greater than the Offered Amount, then each Selling Stockholder will sell Shares (including, as to the First Selling Stockholder, only those Offered Shares of the First Selling Stockholder that are not committed to be sold under Section 2.4) as follows, unless an alternate allocation of Shares is agreed upon in writing by all of the Selling Stockholders: first, (i) each Selling Stockholder will sell to the Offeror such number of Shares equal to the Offered Amount multiplied by a fraction, the numerator of which is the number of Shares owned by such Selling Stockholder and the denominator of which is the aggregate number of Shares owned by all Selling Stockholders; provided that the aggregate number of Shares that each Selling Stockholder is entitled to sell shall not exceed the number of Shares indicated on the Secondary Sale Notice of such Selling Stockholder (or, in the case of the First Selling Stockholder, the Offered Shares that are not committed to be sold under Section 2.4); and second, (ii) if there are any remaining Shares in the Sale Pool, then each remaining Selling Stockholder will, in addition, sell to the Offeror that proportionate part of the then remaining Sale Pool that the number of

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Shares owned by such Selling Stockholder bears to the aggregate number of Shares owned by all remaining Selling Stockholders.

2.6 Allocation Notice and Closing. Within five (5) days after the expiration of the Offeree Option Period, Company will transmit notice (the "*Allocation Notice*") to each Purchasing Stockholder and Selling Stockholder who has elected to buy or sell Shares and to the Offeror specifying the allocation of Shares determined in accordance with this Article 2. Each participating Purchasing Stockholder and Selling Stockholder and the Offeror will effect the sale in accordance with Article 4.

2.7 Conversion Assumed. In calculating the number of Shares owned by a Purchasing Stockholder or by a Selling Stockholder, a conversion will be assumed for all stock that is convertible into the class of stock being purchased or sold, without regard for any options, warrants or convertible debt.

3. MANDATORY SALE

3.1 Drag-Along Right. Notwithstanding anything to the contrary contained in this Agreement, if at any time, and from time to time, a bona fide written offer to acquire the Company, whether by merger, stock sale or sale of assets (the "*Drag-Along Offer*"), is made by a third party to Company or to the holders of at least eighty percent (80%) of the then outstanding Shares (the "*Majority Stockholders*") and Company or the Majority Stockholders wish to accept the Drag-Along Offer, then Company or the Majority Stockholders, as the case may be, will have the right (the "*Drag-Along Right*") to require the other Stockholders (including Drexel, the "*Minority Stockholders*") to sell their Shares to the third-party proposed purchaser(s) at the same price per share and upon the same terms and conditions as set forth in the Drag-Along Offer. Each Stockholder will take all reasonable actions requested by the Majority Stockholders to facilitate the exercise of the Drag-Along Right, including, but not limited to, voting to approve the transaction.

3.2 Notice of Exercise. To exercise a Drag-Along Right, Company or the Majority Stockholders will deliver to each Minority Stockholder a written notice (a "*Drag-Along Notice*") containing (a) the name and address of the third-party proposed purchaser(s), (b) the proposed price per share, terms of payment and other material terms and conditions of the Drag-Along Offer and (c) all such other documents, instruments and information as may be required to enable the Stockholders to effectuate the transfer of their Shares. Within thirty (30) days from their receipt of the Drag-Along Notice, the Minority Stockholders will take such actions as are necessary to transfer their Shares to the third-party proposed purchaser(s).

4. PURCHASE PRICE, TERMS AND SETTLEMENT

4.1 Purchase Price. For each closing pursuant to Articles 2 or 3, the purchase price per Share and the terms of payment will be as set forth in the Primary Sale Notice or the Drag-Along Offer, as applicable.

4.2 Time, Date and Location. Settlement for the purchase of Shares by Company and by Stockholders (including Drexel) under Article 2 and by the Offeror or third-party proposed

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purchaser(s) under Articles 2 and 3 will be made within thirty (30) days following the later of (i) exercise of the last option exercised or (ii) expiration of any Notice applicable under such Articles. All settlements for the purchase and sale of Shares, unless otherwise agreed to by all of the purchasers and sellers, will be held at the principal executive offices of Company during regular business hours. The precise date and hour of settlement will be fixed within the time limits prescribed in this Agreement by the purchaser or purchasers giving written notice to each seller, or if the purchasers fail to agree, by the President of Company giving written notice to the purchasers and each seller. Notice by the purchaser or purchasers, or by the President of Company, as the case may be, must be given at least five (5) days in advance of the settlement date specified.

4.3 Certificates. At settlement, each seller will deliver to the applicable purchaser(s) the stock certificate or certificates representing the Shares being sold, duly endorsed for transfer or with executed stock powers attached, free and clear of all liens, claims, restrictions and encumbrances, except for the terms of this Stockholders Agreement.

5. ADDITIONAL PROVISIONS

5.1 Stock Certificates to Be Marked with Legend. After the Effective Date, Company will mark all certificates representing its common stock with the following legend:

> THIS CERTIFICATE AND THE SECURITIES REPRESENTED HEREBY ARE HELD SUBJECT TO THE TERMS, COVENANTS AND CONDITIONS OF A STOCKHOLDERS AGREEMENT DATED AS OF _____, 200_ BY AND AMONG THE COMPANY AND ITS THEN STOCKHOLDERS, AS IT MAY BE AMENDED FROM TIME TO TIME, AND MAY NOT BE TRANSFERRED OR DISPOSED OF EXCEPT IN ACCORDANCE WITH THE TERMS AND PROVISIONS THEREOF. A COPY OF SAID AGREEMENT AND ALL AMENDMENTS THERETO IS ON FILE AND MAY BE INSPECTED AT THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY.

5.2 Term of Agreement. Unless terminated sooner in accordance with the provisions of Section 5.5, this Agreement will terminate upon the closing of an underwritten, firm commitment initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale by Company of its common stock in which the aggregate net proceeds to Company equal or exceed Ten Million Dollars ($10,000,000) (a "*Qualified Initial Public Offering*").

5.3 Rights, Obligations and Remedies. The rights and obligations under, and the remedies to enforce, this Agreement are joint and several as to Company and each Stockholder, with each being completely free to enforce any or all of the rights or obligations under this Agreement against any of the others. Each of the parties to this Agreement will be entitled to enforce its rights under, and to recover damages by reason of a breach of, the provisions of this Agreement. The parties to this Agreement agree and acknowledge that money damages may not be an adequate remedy for a breach of the provisions of this Agreement and that any party, in its

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sole discretion, may apply to a court of law or equity of competent jurisdiction for specific performance and injunctive relief, without being required to prove damages, in order to enforce, or prevent violations of, the provisions of this Agreement.

5.4 Subsequent Stockholders to Become Bound. A person or entity who becomes a Stockholder of Company (including holders of options or warrants to acquire shares of Company's common stock upon the exercise of such option or warrant, as the case may be) will be bound by all of the terms and provisions, and will be entitled to all the benefits and privileges, of this Agreement. Before a person or entity not a party to this Agreement may become a Stockholder, such person or entity will first execute and deliver to Company an agreement pursuant to which such person or entity agrees to be bound by all of the terms and conditions of this Agreement. The failure of such person or entity to execute such agreement will preclude such person or entity from becoming a Stockholder of Company.

5.5 Amendment, Modification and Termination. This Agreement may be amended, modified or terminated, and a provision or requirement of this Agreement may be waived, at any time by a written agreement among Company and the holders of at least eighty percent (80%) of the outstanding Shares on a fully diluted basis. Company will promptly notify all Stockholders (that are not a party to such agreement) of such amendment, modification, termination or waiver. Such amendment, modification, termination or waiver will be effective with respect to all parties to this Agreement.

5.6 No Waiver. No waiver of any breach or condition of this Agreement will be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

5.7 Dispute Resolution and Governing Law. This Agreement will be governed by and interpreted under the laws of the State of Pennsylvania, without giving effect to the principles of conflicts of law of any jurisdiction. The parties will use reasonable efforts to resolve amicably any disputes that may relate to or arise under this Agreement. If the parties are unable to resolve amicably a dispute, then the parties hereby submit to the exclusive jurisdiction of and venue in the state and federal courts located in the Eastern District of the Commonwealth of Pennsylvania with respect to any and all disputes concerning the subject, or arising out, of this Agreement.

5.8 Notices. All notices, requests, consents and other communications to be provided under this Agreement must be in writing and be delivered in person or sent overnight delivery by a nationally recognized courier or by certified or registered mail, postage prepaid return receipt requested to the addresses provided below, or by facsimile in the case of non-US residents, and will be deemed to have been received on the date of delivery when hand delivered, one (1) day after mailing when mailed by overnight courier or five (5) days after mailing when mailed by registered or certified mail:

If to Drexel, to:	If to Company, to:
Drexel University Entrepreneurship and Technology	_____ _____

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Commercialization Office
3160 Chestnut Street, Suite
Philadelphia, PA 19104
Attention: Executive Director

With a required copy to:

Drexel University
Office of General Counsel
3201 Arch Street, Suite 310
Philadelphia, PA 19104
Attention: General Counsel

If to other Stockholders, to:

or to such other names or addresses as a party to this Agreement, as the case may be, will designate by notice to each other person entitled to receive notices in the manner specified in this Section 5.8.

5.9 Binding Nature of Agreement and No Assignment. This Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, personal representatives, successors and permitted assigns. No party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other parties, except by means of transfers permitted by Articles 1 through 3.

5.10 Counterparts, Headings and Exhibits. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. The headings used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement. All schedules and exhibits to this Agreement are hereby incorporated in and made a part of this Agreement.

5.11 Integration. This Agreement, the Stock Purchase Agreement and the License Agreement supersede all prior agreements and understandings relating to the subject matter of this Agreement or of those agreements and set forth the entire understanding among the parties with respect to such subject matter.

5.12 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, then the remaining provisions if this Agreement will remain in full force and effect. An illegal, invalid or unenforceable provision will be automatically revised to be a valid or enforceable provision that comes as close as permitted by law to the original intent of the parties.

5.13 Number of Days. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and holidays. However, if the final day of any time period falls on a Saturday, Sunday or holiday on which Federal banks are or may elect to be closed, then the final day will be deemed to be the next day which is not a Saturday, Sunday or such holiday.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Stockholders Agreement as of the Effective Date.

THE STOCKHOLDERS:

[INSERT: COMPANY]

By:_____
Name: _____
Title:_____

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By:_____
Name: _____
Title:_____

[INSERT: STOCKHOLDERS]

By:_____
Name:_____
Title:_____

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