

ASSET PURCHASE AND SALE AGREEMENT

This ASSET PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of the 14th day of May, 2018, by and among LIBERTY RESEARCH, INC, a New York Corporation (the "Seller" or "Sellers"), and MBR WAVERLY LLC, a New York limited liability company (the "Buyer").

RECITALS

NOW, THEREFORE, in consideration of the promises, representations, warranties, mutual covenants and agreements hereinafter set forth, and for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby covenant and agree as follows:

ARTICLE I. PURCHASE AND SALE OF ASSETS

Section 1.01 Purchase and Sale of Assets. At the Closing, Sellers shall sell, assign, convey and transfer to Buyer, and Buyer, to the extent Buyer consents to the same, shall acquire from Seller, all of Seller's rights, title and interest in and to the Seller's business, which consists of animal breeding and research (the "Business"), and all assets of the Business listed herein, as they exist as of the Closing (together, the "Purchased Assets"):

(a) Inventory. All inventory related to the Business, and any additional inventory purchased by the Seller through the Closing Date, but excluding sales in the ordinary course of business ("Inventory").

(b) Fixed Assets. All Fixed Assets related to the Business, including, but not limited to, all equipment, supplies (including but not limited to bedding, feed, medications, and vaccines), computer hardware, shelving, furniture, and fixtures ("Equipment").

(c) Intellectual Property. All rights, title, and interest to all patents, trademarks, trade names, technical processes, know-how or other intellectual property, whether registered or not.

(d) Contracts. All rights under any contracts (including but not limited to leases, employment agreements and non-competition agreements) relating to the Business to the extent that such contracts are lawfully assignable and are not fulfilled at the time of closing, including all unfilled customer orders.

(e) Governmental Authorizations. All licenses, permits and other authorizations issued to Seller by any federal, state or local governmental authority applicable to the Business..

(f) Computer Software and Files. All computer software and files (including but not limited to software source code and object code, passwords, operating systems and specifications, data, databases, documentation and other materials related thereto).

(g) Financial, Marketing, Product, Business and Circulation Data. All financial, marketing, product, business and circulation data, including, but not limited to, all pricing and cost information, business and marketing plans, customer inquiries and non-customer inquiries, mailing lists, customer lists and information, supplier and vendor lists and information, information, copies and tangible embodiments of all the foregoing, in whatever form or medium.

(h) Books and Records. All books, records and written materials (excluding corporate books and tax returns).

(i) Vehicles. All vehicles used in the operation of the business.

(j) Miscellaneous. All telephone numbers, P.O. boxes, fax numbers, e-mail addresses, websites and related content, internet domain names and corresponding addresses related to the Business; production records and data, including historical sales information, health monitoring data, and all goodwill relating to the Business.

Section 1.02 Liens and Encumbrances. The Purchased Assets will be transferred free and clear of all liens, security interests and other encumbrances of any kind.

Section 1.03 Excluded Assets. Seller will retain ownership of, and responsibility for, collecting any and all outstanding accounts receivable that are earned and on the books and records of the company as of the closing date.

Section 1.04 Assumed Liabilities. Buyer shall not assume any liabilities of the Seller, except as set forth in Subsection 1.04(a-b) below:

(a) Anti-Aging Study. Buyer shall accept and complete one anti-aging study which shall require the use of 30 cats over a 6-month period, and Buyer shall provide the report(s) of such study to Seller or Seller's designees. It is specifically agreed and understood that Buyer shall not receive additional compensation or consideration for performance of such study.

(b) Accrued Liabilities. Buyer shall assume accrued liabilities, up to a limit of \$70,000, for payroll expenses, wages, sick pay, vacation time, and/or similar accrued liabilities.

ARTICLE II. PURCHASE PRICE AND CLOSING

Section 2.01 Purchase Price. The Purchase Price shall be \$6,750,000.00.

(a) Allocation. Buyer is solely responsible for determining how Buyer decides to allocate the purchase price.

(b) Adjustment for Prepaids: If any Prepaid revenues have been collected by Seller prior to closing, they shall be handled as follows:

(i) Prepayments for Animal Sales: If, prior to closing, Seller has collected any prepayments for Animal Sales for which the subject animal has not yet

been delivered to the prepaying customer, such prepayments shall be credited back and returned to Buyer within ten (10) days after closing.

- (ii) Prepayments for Research Studies: If, prior to closing, Seller has collected any prepayments for Research Studies, the parties shall, in good faith, review each study and allocate revenues for each study as best as possible to account for the proportion of costs that each party incurs, including pre-study and post-study costs. Such prepayments shall be credited back and returned to Buyer within ten (10) days after closing

Section 2.02 Payment Terms. The Purchase Price shall be payable in cash, United States Dollars, at closing.

(a) Service Fee. 10% of the funds received by Seller at closing under this Agreement shall be paid to Nisivoccia & Co. for advisory services related to this transaction. Seller accepts sole responsibility for directing the disbursement of Closing funds to effectuate the purpose of this provision.

Section 2.03 Closing Date and Due Diligence Period. The Closing Date shall be no later than May 31, 2018 The Closing Date is subject to (a) simultaneous closing on the real property transactions contemplated in the Real Estate Purchase and Sale Contracts by and among Seller, Liberty Properties At Waverly, LLC, and Waverly Evergreen LLC (the "Real Estate Contracts"), and (b) the Buyer satisfying or waiving the Buyer's contingencies set forth in Section 2.06 below. The Closing Date may not be modified unless mutually agreed in writing by the parties. The "Due Diligence Period" shall be the period between the full execution of this Agreement and the closing.

Section 2.04 Permitted Scope of Due Diligence. The Buyer may perform Due Diligence limited to the following scope:

(a) Scott Marshall, on behalf of the Buyer, may only contact, interview, and meet with Bill Waring, President of the Seller, and Joe Wortley, Chairman of the Seller. Such contact, interview, or meeting, may include an onsite visit and tour of the Seller's facilities accompanied by Bill Waring.

(b) The Buyer's veterinarians may contact, interview, and meet with the Seller's veterinarians after notice is given to Bill Waring of their intent to do so.

(c) The Buyer's attorneys and accountants may contact the Seller's attorneys and accountants.

(d) The Seller will provide a data room to Buyer's agents and the Buyer will make available for review, but not copying, all documents that are kept in the normal course of business pertaining to the Business, including but not limited to income statements, sales data (units and revenue), animal inventory records, genetic and breeding records, employee payroll and benefits information, employee handbook, asset listings, organizational charts, copies of

regulatory licenses and inspection reports for the past 5 years, and colony health monitoring reports. Additionally, Seller shall timely deliver to Buyer's attorney all documents that are in its possession including but not limited to searches, certificates of occupancy, zoning compliance letters and drafts of transfer documents.

Section 2.05 Impermissible Scope of Due Diligence. The Buyer is expressly forbidden, without further written consent of the Seller, from engaging in the following Due Diligence:

(a) Any contact with Seller's employees or agents, other than the contacts described in Section 2.04(a)-(c) above.

(b) The Buyer may not have any contact whatsoever with Seller's customers and vendors.

Section 2.06 Contingencies to Closing. The closing shall be contingent and subject to:

(a) Completion of the Buyer's due diligence examination of the Seller to its satisfaction in regards to the following items:

i. The financial reports provided by Seller to Buyer on April 12, 2018 are substantiated; however, Buyer will notify Seller no later than May 18, 2018, in writing, that Buyer is satisfied with any financial reports provided to Buyer. *gusm*

ii. Buyer determining, through review of financial information and regulatory report findings (especially from USDA and NYS Health Department) that there is nothing that, in Buyer's reasonable discretion, may result in a material and detrimental financial or legal impact on the Business.

iii. Buyer determining, through review of Buyer's colony health monitoring reports, and interviews with Buyer's veterinarians, that the health status of animal colonies are sufficient to not pose a material adverse change in the financial or business condition of the Business.

(b) The use of funds received by the Seller at closing to obtain the release or termination of all liens, security interests and encumbrances on all of the Purchased Assets.

(c) Buyer shall hire all employees of the Seller, as listed on Schedule 2.06(c), at their current rates of pay. These employees are exclusively based in Waverly, New York (i.e. excludes any employees based elsewhere).

(d) The simultaneous closing on the real property transactions contemplated in the Real Estate Contracts.

Section 2.07 Covenant Not-to Solicit and Covenant Not-to Compete. After closing under the terms of this Agreement, Seller, its shareholders, and any of their affiliates or subsidiaries shall not (a) solicit any employee or customer of Buyer for a period five (5) years after the Closing, and

(b) compete with the business of Buyer as such exists (including territorial limitations) immediately after the closing on the Purchased Assets. Seller agrees that the remedy at law for any breach of any of the foregoing provisions of this Section 2.07 shall be inadequate, and that the Buyer shall be entitled to injunctive relief, and Seller expressly consents to the granting thereof. The parties agree and acknowledge that the foregoing territorial, time and other limitations, are reasonable and properly required for the adequate protection of the Business and affairs of Buyer and in the event that any one or more of such territorial, time or other limitations are found to be unreasonable by a Court of competent jurisdiction, the parties agree and submit to the reduction of the said territorial, time or other limitations to such an area, period or otherwise as the Court may determine to be reasonable. The Seller further acknowledges and agrees that without the foregoing limitations, Buyer would not have entered into the transaction contemplated in this Agreement and that the Purchase Price reflects consideration for such limitations.

Section 2.08 Confidentiality. All information and documentation provided by the Parties to this Agreement shall be kept strictly confidential by the other Parties and their employees, agents and representatives and will not be used or disclosed by such other Party. Except for the use of such information and documents in connection with this Agreement or as otherwise required by law or regulations, each Party shall keep confidential any information obtained by it from the other Party in connection with its investigations or otherwise in connection with this Agreement, and, if the transaction contemplated under this Agreement is not consummated, to return to the other Party any documents and copies thereof received or obtained by it in connection with this Agreement.

Section 2.09 Consulting. For a period of one (1) year after Closing, William Waring (“Waring”) shall assist Buyer with the transition of Seller’s clients to Buyer, to assist with training, and otherwise consult with and assist Buyer with the operation of the Business. Waring will make himself available to Buyer, either by phone or in person, upon reasonable prior notice from Buyer and at Buyer’s expense.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations and Warranties of Seller. Seller represents and warrants that:

(a) Organization and Standing. Seller is a corporation duly organized and in good standing under the laws of the state of New York and has full power and authority to own, lease, operate and carry on the Business where and as it is now being conducted, to enter into this Agreement and to perform all of its obligations under this Agreement.

(b) Authority; No Conflicts. Seller has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Seller and, assuming the due execution and delivery hereof by Buyer, constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms and conditions, except as enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors’ rights generally or by general principles of equity. The execution, delivery and performance of this Agreement by Seller does not and shall not result in, and the consummation

of the transactions contemplated hereby and thereby shall not result in, (i) a violation of any provision of Seller's Certificate of Incorporation or By-laws or similar organizational document, (ii) a default (or event which with notice or lapse of time or both would constitute a default) under, or the acceleration of any obligation under, any material indenture, trust deed, loan agreement or other instrument relating to or evidencing indebtedness for monies borrowed by or credit available to Seller, (iii) a violation of any provision of any material lease, contract, agreement, instrument, court order, arbitration award, judgment or decree to which Seller is a party or by which Seller or its property is bound, (iv) a default (or event which with notice or lapse of time or both would constitute a default) under, or the acceleration of any obligation under, any material contract, agreement, instrument or obligation to which Seller is a party, (v) a violation of any law to which the Seller or the Purchased Assets is subject, or (vi) a violation of any other material restriction of any kind or character to which Seller or its property is subject.

(c) Title; Encumbrances. The Purchased Assets constitute all assets necessary and useful in the operation of the Business. Seller has and will convey good and marketable title to all of its owned assets included in the Purchased Assets and valid and subsisting leasehold interests in all of its leased assets included in the Purchased Assets, free and clear of any Encumbrances except for (i) liens for current taxes and assessments not yet due, (ii) normal utility easements that do not interfere with the use or operation of the Business (collectively, "Permitted Encumbrances"). Encumbrances of a monetary nature, other than Permitted Encumbrances, will be satisfied with funds received at Closing.

(d) Finder's Fees. Neither Seller nor any affiliate of Seller has employed or retained any investment banker, broker, agent, finder or other party, or incurred any obligation for brokerage fees, finder's fees or commissions, with respect to the sale of any of the Purchased Assets or with respect to the transactions contemplated by this Agreement, or otherwise dealt with anyone purporting to act in the capacity of a finder or broker with respect thereto whereby any party hereto may be obligated to pay such a fee or commission.

(e) Financial Statements. The financial statements provided to Buyer on April 12, 2018, which are attached as Exhibit A hereto, and which are made available to Buyer during the Due Diligence Period are based on and consistent with the books and records of Seller, and fairly present, in all material respects, the assets, liabilities and the financial condition of Seller as of the respective dates they were prepared and the results of the operations of Seller for the periods indicated.

(f) No Undisclosed Liability. To Seller's Knowledge, Seller does not have any liabilities, other than liabilities incurred in the ordinary course of the Business consistent with past practice, that would be required to be disclosed in a balance, and Seller does not have any liability that has not been disclosed in or pursuant to this Agreement which has had or is reasonably likely to have a Material Adverse Effect. "Material Adverse Effect" shall mean any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to the Business, results of operations, conditions (financial or otherwise) or assets.

(g) Consents. The execution, delivery, and performance by Seller and/or its shareholders, of this Agreement and any other agreement executed in connection with the transactions contemplated under this Agreement (the "Ancillary Documents"), do not require the consent or approval of or notice to or filing of a document with a third party, court or governmental authority.

(h) Tax Matters.

1. All taxes, including without limitation those which are called for by the tax returns, claimed to be due by any taxing authority from Seller, have been properly accrued or paid.

2. Seller has made all deposits required by law to be made with respect to employees' withholding and other employment taxes, including, without limitation the portion of such deposits relating to taxes imposed upon Seller.

3. Seller has collected and remitted all sales taxes required by law to be collected and remitted.

4. No claim has been made by a governmental authority in any federal, state, or local jurisdiction where Seller does not file tax returns that Seller is, or may be, subject to tax by that jurisdiction. No tax return is under examination by any governmental authority nor is there any pending tax claim asserted against Seller or any of its assets. Seller has not received notice of any tax liens (other than any encumbrances for current taxes not yet due) on any of the assets of Seller.

5. Seller has made all required unemployment insurance and worker's compensation contributions for Seller and there is no shortage in Seller's unemployment insurance and worker's compensation accounts.

(i) Litigation. There are no pending or (to the Knowledge of Seller and all shareholders thereof) threatened, claims, actions, suits, investigations, arbitrations or legal or administrative proceedings against or affecting Seller or any of its assets, and, to Seller's and its principals' Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such action or claim. "Knowledge" means the knowledge of such person or entity after a review and reasonable inquiry is made or such knowledge that the person or entity would have had if such review and reasonable inquiry had been made.

(j) Compliance with Laws; Licenses and Permits. Except as set forth on Schedule 3.01.J, Seller has complied, and is now complying, in all material respects with all applicable laws (including, without limitation, those relating to employment practices and wages and hours) applicable to it or the Business, and Seller has not received notice of any violation of applicable law or any judgment, order or decree. All licenses, permits, approvals, authorizations and consents of any government authority or other third party required for Seller to conduct the Business as currently conducted (including but not limited to the licenses/permits from the New York State Department of Health and United States Department of Agriculture) ("Licenses") are held by it and are valid, in good standing, and in full force and effect, and Seller has complied in all material respects with such Licenses. Without limiting the generality of the foregoing, the operation of the Business at the Premises is in compliance with all statutes, ordinances, regulations

and/or other administrative enactments including, and not by way of limitation, health codes, building codes and zoning ordinances for its present use. The transactions contemplated by this Agreement will not, to the Knowledge of Seller, violate any existing Licenses, conditional use permit (if any) and the Premises may continue to be used for its present use after the date of the Closing of the transaction.

(k) Contracts. Each Seller Contract is valid and binding on Seller, enforceable in accordance with its terms and is in full force and effect. Seller is not, and to the Knowledge of Seller and its shareholders, the other party(ies) to each Seller Contract are not, in breach of or default under (or alleged to be in breach of or default under) any Seller Contract. Seller has not, and to the Knowledge of Seller and/or its shareholders, the other parties thereto have not, provided any notice of any intention to terminate any Seller Contract.

(l) Employee Matters.

1. There is not, and has not been in the past, any (A) employment contract, (B) severance agreement or policy, (C) non-competition agreement, (D) "employee pension benefit plan," as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (E) "multi-employer plan", as defined under ERISA, to which Seller or any of its affiliates have contributed, (F) obligation to provide retiree medical benefits, (G) employee handbook, or (H) request for union representation, strike or labor dispute. Except as provided pursuant to Exhibit B, attached hereto, Seller does not maintain or offer any employee benefit plan, health plan, bonus or deferred compensation plan, stock purchase or stock option plan, vacation, sick leave or fringe benefit policy or other employee policy. Seller (I) is not liable for any arrears of wages other than those which are not yet due or payable, and (ii) is not liable for any payment to any trust or other fund or to any governmental or administrative authority, with respect to unemployment compensation benefits, social security or other benefits or obligations for its current, former or retired employees, officers or directors, other than routine payments to be made in the normal course of business and consistent with past practice.

2. No work stoppage or labor strike against Seller is pending or, to the Knowledge of Seller or its shareholders, threatened. Throughout the five (5) year period prior to the Closing Date, Seller has not been and is not now involved in or, to the Knowledge of Seller and/or its principals, threatened with, any labor dispute, grievance or litigation relating to labor, safety or discrimination matters involving any employee. Seller is not presently, nor has it been in the five (5) year period prior to the Closing Date, a party to, or bound by, any collective bargaining agreement or union contract with respect to the employees and no collective bargaining agreement is presently being negotiated by Seller.

3. Seller has not since January 1, 2018 granted any wage increases to any employee or increased any employee benefit, other than in the ordinary course of business.

(m) Insurance. To Seller's Knowledge, there is no claim pending under any insurance policies. Further there has been no claim as to which coverage has been denied or materially disputed by the underwriters of such policies, other than any limitation on coverage in accordance with the terms of the respective policy. All premiums due and payable under all such policies have been paid and Seller has complied in all material respects with the terms and

conditions of all such policies. Such policies of insurance are in full force and effect. Seller has not received any current and pending notice of any threatened termination of any such policies.

(n) Trust Funds. There are no trust account funds nor are there required to be any trust accounts.

(o) No Material Misstatement. No representation, warranty or statement, by Seller or its shareholders, in this Agreement or Ancillary Documents furnished or to be furnished to Buyer contains any untrue statement or omits any material fact.

Section 3.02 Representations and Warranties of Buyer. Buyer represents and warrants that:

(a) Organization and Standing. Buyer is a business entity duly organized, validly existing and in good standing under the laws of its state of organization and has full power and authority to perform all of its obligations under this Agreement.

(b) Authority; No Conflicts. Buyer has full corporate power and authority to enter into this Agreement, and to carry out the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Buyer and, assuming the due execution and delivery hereof by Sellers, constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms and conditions, except as enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally or by general principles of equity. The execution, delivery and performance of this Agreement by Buyer does not and shall not result in, and the consummation of the transactions contemplated hereby and thereby shall not result in, (i) a violation of any provision of Buyer's Articles of Organization or Operating Agreement or similar organizational document, (ii) a default (or event which with notice or lapse of time or both would constitute a default) under, or the acceleration of any obligation under, any material indenture, trust deed, loan agreement or other instrument relating to or evidencing indebtedness for monies borrowed by or credit available to Buyer, (iii) a violation of any provision of any material lease, agreement, instrument, court order, arbitration award, judgment or decree to which Buyer is a party or by which Buyer or its property is bound, (iv) a default (or event which with notice or lapse of time or both would constitute a default) under, or the acceleration of any obligation under, any material contract, agreement, instrument or obligation to which Buyer is a party, (v) a violation of any Law to which the Buyer or the Purchased Assets is subject, or (vi) a violation of any other material restriction of any kind or character to which Buyer or its property is subject.

(c) Consents. Buyer has obtained all governmental licenses, consents and approvals required to be obtained by it to enter into and perform under this Agreement and to consummate the transactions contemplated hereby (except for licenses and permits that need to be transferred from Seller to Buyer).

(d) Finder's Fees. Neither Buyer nor any affiliate of Buyer has employed or retained any investment banker, broker, agent, finder or other party, or incurred any obligation for brokerage fees, finder's fees or commissions, with respect to the sale of any of the Purchased Assets

or with respect to the transactions contemplated by this Agreement, or otherwise dealt with anyone purporting to act in the capacity of a finder or broker with respect thereto whereby any party hereto may be obligated to pay such a fee or commission.

ARTICLE IV. COVENANTS OF THE PARTIES

Section 4.01 Further Assurances by Sellers. After the Closing, Seller shall, at Buyer's reasonable request and without further consideration, execute such additional instruments of conveyance and transfer and provide to Buyer such additional documents as Buyer may require more effectively to convey and transfer the Purchased Assets to Buyer.

Section 4.02 Further Assurances by Buyer. After the Closing, Buyer shall, at Seller's reasonable request, and without further consideration, execute such additional instruments of assumption and provide to Seller such additional documents as Seller may require to ensure the proper assignment and assumption of any Seller contract that Buyer elects to assume.

Section 4.03 Seller's Covenants. Seller covenants and agrees with the Buyer that:

A. There will be no change in the governing documents of the Seller to the date of Closing.

B. The performance of this Agreement by Seller will not result in a reportable event under ERISA.

C. Under the express condition that closing shall occur no later than May 31, 2018, then from the date of this Agreement through closing, Seller shall not enter into any contract or renewal of any contract which cannot be terminated on thirty (30) days or less notice, nor incur any liability or obligation whatsoever with respect to the Business or the Purchased Assets, without written approval of the Buyer, except for replacement of inventory and supplies in the ordinary course of business. For purposes of clarification, Seller shall consult with Buyer if any orders accepted after the date this Agreement is fully executed deviate from standard and customary terms of Seller or if the price is more than 5% different than standard, customary prices.

D. At Closing the Seller shall deliver to Buyer a copy of the unanimous written consent or resolutions of Seller's shareholders and directors authorizing the sale of the Business and Purchased Assets upon the terms and conditions set forth herein.

E. Seller will not sell, assign, transfer, lease, mortgage, pledge, create a security interest in, nor will it create or allow the creation of any lien in or on any of the Purchased Assets.

F. Seller will not merge or consolidate with any other entity nor will it reorganize, restructure or in any way change its governance.

G. Through the date of Closing, Seller shall conduct the Business consistent with current operations, maintain in effect all insurance policies currently in effect, and use commercially reasonable efforts to maintain its contracts and relationships with Seller's Personnel, customers and others having business relationships with the Business, and to conduct the Business in compliance with all applicable laws.

H. In consideration of Buyer incurring fees and expenses in relation to this Agreement, Seller covenants that, between the date this Agreement is fully executed and the later of (i) Closing, (ii) ninety days after the date this Agreement is fully executed, or (iii) such later date as the parties may mutually agree in writing (the "Exclusivity Period"), Seller shall:

(i) Not solicit, initiate or engage in, directly or indirectly, any discussions or negotiation with any other party or entity regarding any disposal of any interest in any of the assets of the Business or the whole or any part of the business or assets of the Seller relating to the Business.

(ii) Not enter into any agreement or arrangement with any other person or entity relating to the disposal of any interest in the shares of the Seller, or the whole or any part of the Business which would otherwise frustrate the intent of this Agreement; and

(ii) Use its best efforts to ensure that none of Seller's shareholders, directors, officers, employees, agents, representatives or professional advisers will do or undertake to be done any of the matters or things referred to in this Section 4.03.I.

I. From the date of this Agreement through closing, Seller shall not hire any new employees from the date hereof through Closing unless Seller is replacing an employee whose employment was terminated by the employee or if business conditions necessitate hiring additional employees and in each such event, such employee shall be hired on an at will basis only and Seller shall promptly advise Buyer of the same. Seller shall not make any wage or employee benefit adjustments for any employees.

J. All the representations and warranties of the Seller in this Agreement shall be true as of the date of Closing, and Seller shall deliver a closing certificate to that effect. Such certificate shall also update the Schedules as required pursuant to this Agreement and contain a representation and warranty that as of the date of Closing there has been no breach in any of the covenants and agreements contained in this Agreement.

Section 4.04 Liabilities and Contracts. Other than as provided in this Agreement, the Buyer shall not be liable for any payments due from, liabilities of, or claims against, the Seller, the Business or the Purchased Assets, whether in contract or in tort, of any nature whatsoever. Seller shall deliver a valid and binding assignment of all Seller contracts (without consents from customers and suppliers).

Section 4.05 Indemnification. Seller shall indemnify and hold harmless the Buyer, from any damage or loss occasioned by any breach of this Agreement by Seller, or any of the representations, warranties, covenants, conditions, or agreements herein contained, including, but without limitations thereto, any liabilities not expressly assumed by Buyer (including but not limited to pending or threatened litigation, whether disclosed or not), or arising out of noncompliance with the Bulk Sales Act, any claim for brokerage commissions, any claim for sales taxes owed by Seller, and any judgments, demands, actions, proceedings, defenses, and all costs or legal expenses incident thereto, arising out of or in any way connected with any of the foregoing.

ARTICLE V. CLOSING CONDITIONS

Section 5.01 Conditions to Close. Buyer's obligations to close the transactions contemplated in this Agreement are subject to the occurrence of all of the following events and the satisfaction of all of the following conditions, or the waiver of such conditions in writing:

- A. There shall have been no material changes to the Business from the date this Agreement is fully executed through Closing.
- B. Seller shall make any and all reasonable efforts, whether pre- or post-closing, to assist and cooperate with Buyer's efforts to obtain and/or transfer all licenses necessary to operate the Business.
- C. The representations, warranties and covenants of Seller in this Agreement shall be true and correct, in all material respects, as of the Closing.
- D. Seller delivering good, marketable title to the Purchased Assets free of all encumbrances to Buyer at Closing. Seller shall deliver a bill of sale with warranty of title (and any other necessary transfer documentation, including DMV forms) at Closing.
- E. The animal inventory shall be delivered in good health, free and clear of all pathogens, illnesses, and other conditions inconsistent with their current condition as of the date this Agreement is fully executed.

Section 5.02 Documents. The documents to be executed and delivered at Closing by the parties hereto shall include but shall not be limited to the following:

- A. Warranty Bill of Sale from Seller to Buyer for the Purchased Assets.
- B. Any certificates of title necessary to transfer good and marketable title to the Purchased Assets.
- C. Seller's customer lists and other business records related to the Purchased Assets.
- D. Assignment of Seller's contracts.
- E. The executed written consents of Seller's shareholders and Seller's directors authorizing the execution and delivery of this Agreement and the Ancillary Documents.

Section 5.03 Bulk Sales and Sale Tax.

A. Buyer shall notify the New York State Department of Taxation and Finance, Sales Tax Bureau, at least ten (10) days prior to Closing of the transactions contemplated hereby pursuant to Article 28 of the Tax Law of the State of New York applicable to bulk transfers

and shall obtain a sales tax clearance receipt from such Sales Tax Bureau to the effect that no taxes are due and owing from the Seller as of the Closing Date. In the event there are taxes due and owing from the Seller as of the Closing Date, Seller shall pay in full any bulk sales tax levied as a result of this transaction (except for the sales tax owed on the sale of tangible personal property as part of this transaction, which shall be paid by Buyer) at or within 5 business days after Closing, with funds received from closing. If Seller fails to so pay such bulk sales tax, Buyer may make such payments, and Seller shall indemnify Buyer for the same, within five (5) business days of written notice.

B. Buyer shall pay all sales taxes due with respect to the transfer of title to the Purchased Assets at Closing (but not with respect to any bulk sales notice).

ARTICLE VI. ANTI-AGING RESEARCH

Section 6.01 Seller represents and warrants to Buyer that Seller, and its affiliates, is not currently conducting anti-aging research or selling anti-aging products, or doing business with any companies who do anti-aging research, including but not limited to the sale of animals to be used in anti-aging research and research studies relating to anti-aging. It is the intent of Seller that, following closing, Liberty Associates LLC, an affiliate of Seller, will attempt to market, sell and otherwise develop new customer accounts for purpose of performing Anti-Aging Research. In the event that, following closing, Liberty Associates LLC, shall refer to Buyer any of Liberty Associates' new customer accounts for the performing of anti-aging research to be carried out on SPF dogs and SPF cats provided by Buyer, then in consideration for referral of any such anti-aging research that is accepted and carried out by Buyer, or for sale of cats or dogs directly to new customer account for use in anti-aging research, Buyer shall pay to Liberty Associates LLC a seven percent (7%) royalty for all revenues, excluding sales and use tax, that Buyer collects from such referred business for so long as such revenues are collected, in perpetuity. For purposes of this clause, "anti-aging research" refers exclusively to research for slowing, preventing, or reversing the aging process. This provision applies only to scope of existing Liberty Research products and services (i.e. sale of, or research with SPF dogs and SPF cats). This Section VI of this Agreement contains the entire understanding between or among the parties hereto and Liberty Associates LLC, and supersedes any prior agreements regarding the subject matter of this Article VI, including the letter agreement executed on April 12, 2018, as Marshall Farms Group, Ltd. was never intended to be a party to such agreement.

Section 6.02 Exclusivity. Liberty Associates, LLC and/or its affiliates or assigns has the exclusive right to market, sell, and otherwise develop new customer accounts for the performing of anti-aging research to be carried out on SPF dogs and SPF cats for Buyer and its affiliates, and Buyer and its affiliates shall solicit nor accept such customer accounts unless a seven percent (7%) royalty for all revenues, excluding sales and use tax, that Buyer collects from such referred business for so long as such revenues are collected is paid to Liberty Associates, LLC and/or its affiliates or assigns, in perpetuity.

ARTICLE VII. MISCELLANEOUS

Section 7.01 Amendments. Buyer and Seller may only amend, modify or supplement this Agreement in such manner as may be agreed upon by all of them in writing signed by an authorized officer of such party.

Section 7.02 Waivers. No failure of either party to exercise any power given to it in this Agreement, or to insist upon strict compliance with respect to any obligation or condition of this Agreement, shall constitute a waiver of its right to demand strict compliance with the terms of this Agreement. A waiver of any particular default shall not affect or impair any rights with respect to any subsequent default.

Section 7.03 Public Announcements. Except as otherwise required by applicable law or the requirements of any regulatory authority, including the rules of a stock exchange, no party shall, or shall permit any of their respective Affiliates to, issue or cause the publication of any press release or other public announcement with respect to, or otherwise make any public statement concerning, the transactions contemplated by this Agreement, without the prior consent of the other party, which consent shall not be unreasonably withheld.

Section 7.04 Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

Section 7.05 Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. Any counterpart to which is attached the signatures of all parties shall constitute an original of this Agreement. For all purposes, a facsimile or other electronic version (e.g., a .pdf) of this executed Agreement shall be deemed to be an original.

Section 7.06 Expenses. Except as otherwise specifically provided herein, each of the parties shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 7.07 Severability. Should any clause, provision or paragraph of this Agreement be found to be unenforceable or invalid for any reason, such unenforceability or invalidity shall not affect the enforceability or validity of the remainder of this Agreement. Should any particular covenant or restriction be held to be unreasonable or unenforceable for any reason, including, without limitation, the time period, geographical area, and scope of activity covered by such covenant, then such covenant or restriction shall be given effect and enforced to whatever extent would be reasonable and enforceable.

Section 7.08 Benefit. The terms of this Agreement shall be binding upon and inure to the benefit of and shall be enforceable by the parties hereto, their successors and assigns. There shall be no third party beneficiaries of this Agreement, except for Liberty Associates, L.C. pursuant to Section 6.01 only.

Section 7.09 Assignment. This Agreement may not be assigned by either party, except with respect to Seller's rights under Article VI.

Section 7.10 Notices. Any notice, requests, demands and other communications hereunder shall be in writing and shall be hand delivered or sent by nationally recognized overnight delivery service, or by postage prepaid, registered or certified mail, return receipt requested and should be deemed given (a) when received at the following addresses if hand delivered or sent by overnight delivery service, or (b) three (3) business days after being post marked and addressed as follows if sent by registered or certified mail:

If to the Seller: Liberty Research, Inc.
263 Fern Palm Rd
Boca Raton, FL 33432

Attn: Joe Wortley

With a copy to: Craig Tompkins, Esq.
2269 Acorn Palm Rd
Boca Raton, FL 33432

If to the Buyer: MBR Waverly LLC
5800 Lake Bluff Road
North Rose, New York 14516
Attn: Scott Marshall

With a copy to: Evans Fox LLP
100 Meridian Centre Blvd., Suite 300
Rochester, New York 14618
Attn: Alison Rich, Esq.

Section 7.11 Venue. Any and all actions regarding this Agreement and any and all future written modifications, amendments and/or renewals shall be commenced in either the appropriate State Court in Tioga County, New York or a Federal Court in an appropriate jurisdiction and venue and all parties hereto consent to personal jurisdiction in said courts.

Section 7.12 WAIVER OF TRIAL BY JURY. THE BUYER, SELLER AND SHAREHOLDERS HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY THEY MAY HAVE IN ANY ACTION OR PROCEEDING IN LAW OR AT EQUITY, IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO.

Section 7.13 Survival. Section 2.01, Section 2.07, Section 2.08, Section 2.09, Article Three, Article Four, Section 5.01.B., Section 5.03, Article Six, and Article Seven of this Agreement shall survive Closing.

Section 7.14 Entire Agreement. This Agreement and the Ancillary Documents (once executed) contain the entire understanding between or among the parties hereto and supersede any

prior understandings, memoranda or other written or oral agreements between or among any of them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among any of the parties relating to the subject matter of this Agreement or the Ancillary Documents which are not fully expressed herein or therein.

Section 7.15 Headings. The headings contained in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

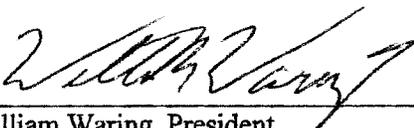
Section 7.16 Authority. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that the individual executing this Agreement has been duly authorized and directed to do so by all appropriate consents and approvals of any entity Seller and Buyer, respectively.

Section 7.17 Attorneys' Fees. If either party incurs attorneys' fees to enforce any provision of this Agreement, the other party shall be liable for all disbursements, court costs and reasonable attorneys' fees incurred, regardless of whether or not an action is commenced.

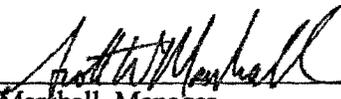
(Signature Page Follows)

IN WITNESS WHEREOF, Seller and Buyer have each cause this Agreement to be executed as of the day, month and year first above written.

Liberty Research, Inc., as Selier

By: 
William Waring, President

MBR Waverly LLC, as Buyer

By: 
Scott Marshall, Manager

Liberty Associates LLC is executing this Agreement solely for purposes of Article VI.

Liberty Associates, LLC

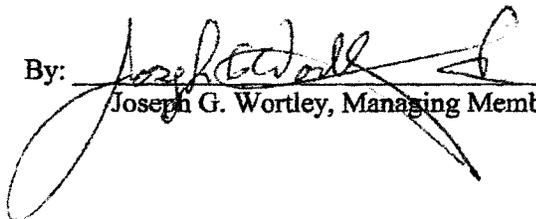
By: 
Joseph G. Wortley, Managing Member

Exhibit A; Financial Statements Referenced in Section 3.01(e)

**Liberty Research
Summary Financial Statement
2013-2017**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue	5,506,795	4,750,057	4,579,123	5,140,358	4,969,465
Cost of Sales	<u>3,493,314</u>	<u>3,502,197</u>	<u>3,725,995</u>	<u>3,565,359</u>	<u>3,390,953</u>
Gross Profit	2,013,481	1,247,860	853,128	1,574,999	1,578,511
Operating Expenses	667,426	506,135	483,947	462,194	524,982
EBITDA	<u>1,346,055</u>	<u>741,725</u>	<u>369,181</u>	<u>1,112,805</u>	<u>1,053,529</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2013

Revenues	
Research Sales	368,658.14
Research Sales - BL2	1,074,996.10
Research Prepayment Revenue	65,000.00
BL2 Prepayment Revenue	408,059.00
Cat Prepayment Revenue	196,780.00
Dog Prepayment Revenue	378,235.00
Cat Sales	2,360,899.73
Dog Sales	520,590.50
Mongrel Sale	131,040.00
Bad Debt	(1,605.00)
Casualty loss	4,141.34
	<hr/>
Total Revenues	5,506,794.81
Cost of Sales	
Salaries - Research	364,604.48
Salaries - Vet Services	127,471.88
Salaries - Breeding	763,634.96
Salaries - Indirect	99,656.00
FICA Expense	144,773.25
Federal Unemployment Tax	6,014.46
State Unemployment Tax	27,028.54
Disability Expense	567.36
Fringe Benefits	504,987.99
401k Benefits Expense	18,372.87
Purchases - Dogs	69,640.00
Feed	210,763.54
Shipping Supplies	32,195.69
Inventory Adjustment	(16,247.09)
Laboratory Supplies	175,313.37
Laboratory Supplies - BL2	102,765.77
UPS & Fed X Expenses	8,201.69
UPS & Fed X Expenses-BL2	15,395.51
Repairs & Maint-Equipment	46,225.11
Equipment Repairs & Maint-BL2	20,554.30
Repairs & Maint-Buildings	56,368.65
Repairs & Maintenance-BL2-Bldg	16,002.28
Professional Services-Vet	43,540.43
Prof Servs-Tech Studies	16,360.33
Prof Servs - Tech Studies-BL2	(3,266.15)
Prof Servs-Regulatory Affairs	7,519.65
Electricity	97,927.61
Electricity - BL2	37,904.96
Gas	55,373.69
Gas - BL2	76,128.54
Water & Sewer	14,753.83
LP - Property Expenses (FH)	523.71
Rubbish Removal Fees	9,377.79
Rubbish/Snow Removal - BL2	3,163.45
Real Estate Tax Expense	24,209.16
Insurance-Liabilities	56,795.37
Insurance-Workers' Comp.	43,741.41
AirTransport-Airline Only	47,091.87
Surface Transport Expense	129,405.44
Travel-Lodge,Tips,Car,Etc	428.93
Meals & Entertainment	26,198.40
Facility Licenses	11,845.01
	<hr/>
Total Cost of Sales	3,493,314.04
Gross Profit	<u>2,013,480.77</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2013

Expenses	
Salaries - Office	426,732.64
Salaries - Officers	0.00
Fringe Benefits	319.04
Professional Serv-Accting	10,252.00
Professional Ser-Consult.	600.00
Professional Serv.-Outsourced	7,817.36
Telephone Expense	22,768.15
Telephone Expense - BL2	5,287.81
Postage	1,905.42
Equipment Rental-Office	805.61
Office Supplies	12,086.30
Office Supplies - BL2	11,366.49
Office Expense	2,312.49
Payroll Processing	17,206.77
Bank Service Charges	14,471.60
Outside Services	12,065.15
Outside Services-BL2	6,527.71
Dues & Subscriptions	466.00
Training & Seminars	7,286.20
Recruiting Expense	350.00
Advertising	6,999.23
Promotion Expense	34,489.17
Promotional Expense-Trav-Tips	8,466.18
Promotional Exp-Meals/Entertai	13,850.07
Travel-Lodge, Tips, Car, etc	32,104.25
Meals & Entertainment	10,865.35
Other Taxes	25.00
	<hr/>
Total SG & A Expenses	667,425.99
	<hr/>
Operating Income (EBITDA)	<u>1,346,054.78</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2014

Revenues	
Research Sales	381,219.51
Research Sales - BL2	1,233,131.96
Research Prepayment Revenue	90,000.00
BL2 Prepayment Revenue	186,717.96
Cat Prepayment Revenue	78,270.00
Dog Prepayment Revenue	160,480.00
Cat Sales	2,093,126.50
Dog Sales	442,386.00
Mongrel Sale	84,725.00
Total Revenues	<u>4,750,056.93</u>
Cost of Sales	
Salaries - Research	329,754.39
Salaries - Vet Services	92,998.77
Salaries - Breeding	726,943.97
Salaries - Indirect	98,209.63
FICA Expense	129,922.72
Federal Unemployment Tax	2,812.21
State Unemployment Tax	27,184.68
Disability Expense	(44.62)
Fringe Benefits	536,183.93
401k Benefits Expense	16,351.11
Purchases - Dogs	25,832.35
Feed	321,021.64
Shipping Supplies	34,268.07
Inventory Adjustment	(35,102.42)
Laboratory Supplies	125,026.48
Laboratory Supplies - BL2	90,064.09
UPS & Fed X Expenses	8,737.91
UPS & Fed X Expenses-BL2	10,633.05
Repairs & Maint-Equipment	43,207.59
Equipment Repairs & Maint-BL2	12,950.90
Repairs & Maint-Buildings	22,151.76
Repairs & Maintenance-BL2-Bldg	5,088.68
Professional Services-Vet	96,543.75
Prof Servs-Tech Studies	41,793.07
Prof Servs - Tech Studies-BL2	27,260.54
Prof Servs-Regulatory Affairs	16,943.81
Electricity	86,684.82
Electricity - BL2	35,100.94
Gas	43,692.86
Gas - BL2	79,397.71
Water & Sewer	25,098.29
Rubbish Removal Fees	10,973.33
Rubbish/Snow Removal - BL2	7,613.39
Real Estate Tax Expense	24,515.89
Insurance-Liabilities	96,209.89
Insurance-Workers' Comp.	44,529.43
AirTransport-Airline Only	73,517.36
Surface Transport Expense	130,829.68
Meals & Entertainment	27,214.85
Facility Licenses	<u>10,080.00</u>
Total Cost of Sales	<u>3,502,196.50</u>
Gross Profit	<u>1,247,860.43</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2014

Expenses	
Salaries - Office	333,701.63
Salaries - Officers	0.00
Professional Serv-Accting	9,600.00
Professional Serv.-Outsourced	1,500.00
Telephone Expense	15,781.91
Telephone Expense - BL2	9,684.55
Postage	1,817.00
Equipment Rental-Office	420.00
Office Supplies	17,514.42
Office Supplies - BL2	6,590.13
Office Expense	(130.47)
Payroll Processing	15,812.29
Bank Service Charges	11,518.05
Outside Services	4,405.72
Outside Services-BL2	1,868.50
Dues & Subscriptions	764.00
Training & Seminars	3,604.96
Advertising	2,836.00
Promotion Expense	4,662.81
Promotional Expense-Trav-Tips	11,646.92
Promotional Exp-Meals/Entertai	9,312.08
Travel-Lodge, Tips, Car, etc	38,009.51
Meals & Entertainment	4,574.94
Entertainment	640.00
	<hr/>
Total SG & A Expenses	506,134.95
	<hr/>
Operating Income (EBITDA)	741,725.48
	<hr/>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2015

Revenues	
Research Sales	757,719.85
Research Sales - BL2	538,856.21
BL2 Prepayment Revenue	181,592.00
Cat Prepayment Revenue	27,180.00
Dog Prepayment Revenue	179,960.00
Cat Sales	2,288,150.09
Dog Sales	570,535.00
Mongrel Sale	<u>35,130.00</u>
 Total Revenues	 <u>4,579,123.15</u>
 Cost of Sales	
Salaries - Research	387,913.57
Salaries - Vet Services	102,860.04
Salaries - Breeding	743,639.73
Salaries - Indirect	145,715.26
FICA Expense	133,727.77
Federal Unemployment Tax	2,891.18
State Unemployment Tax	29,990.01
Disability Expense	2,989.40
Fringe Benefits	536,648.53
401k Benefits Expense	18,697.13
Purchase fleas	1,789.99
Purchases - Dogs	(29,820.00)
Feed	304,690.49
Shipping Supplies	35,794.83
Inventory Adjustment	(28,343.59)
Laboratory Supplies	137,217.75
Laboratory Supplies - BL2	98,619.89
UPS & Fed X Expenses	9,344.52
UPS & Fed X Expenses-BL2	6,320.54
Repairs & Maint-Equipment	57,672.94
Equipment Repairs & Maint-BL2	21,205.80
Repairs & Maint-Buildings	62,767.56
Repairs & Maintenance-BL2-Bldg	20,271.29
Professional Services-Vet	26,901.56
Prof Servs-Tech Studies	97,355.85
Prof Servs - Tech Studies-BL2	136,477.00
Prof Servs-Regulatory Affairs	13,369.36
Electricity	97,178.23
Electricity - BL2	49,975.24
Gas	46,193.69
Gas - BL2	40,180.14
Water & Sewer	19,663.22
Rubbish Removal Fees	13,265.81
Rubbish/Snow Removal - BL2	9,083.41
Real Estate Tax Expense	25,483.01
Insurance-Liabilities	95,764.28
Insurance-Workers' Comp.	55,844.94
AirTransport-Airline Only	58,598.78
Surface Transport Expense	102,813.97
Travel-Lodge, Tips, Car, Etc	479.56
Meals & Entertainment	27,040.79
Facility Licenses	<u>7,721.24</u>
 Total Cost of Sales	 <u>3,725,994.71</u>
 Gross Profit	 <u>853,128.44</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2015

Expenses	
Salaries - Office	216,149.13
Salaries - Officers	0.00
Federal Unemployment Tax	5,624.40
Professional Serv-Accting	9,600.00
Professional Ser-Consult.	350.00
Professional Serv.-Outsourced	275.00
Telephone Expense	19,276.83
Telephone Expense - BL2	10,155.15
Postage	1,515.00
Equipment Rental-Office	440.00
Office Supplies	13,893.90
Office Supplies - BL2	6,499.52
Office Expense	3,696.27
Payroll Processing	17,051.43
Bank Service Charges	42,103.47
Outside Services	9,947.63
Outside Services-BL2	293.85
Dues & Subscriptions	4,104.45
Training & Seminars	1,771.87
Advertising	(581.00)
Promotion Expense	17,020.92
Promotional Expense-Trav-Tips	63,371.53
Promotional Exp-Meals/Entertai	16,964.04
Travel-Lodge.Tips.Car,etc	18,466.27
Meals & Entertainment	5,176.88
Entertainment	755.44
Other Taxes	25.00
	<hr/>
Total SG & A Expenses	483,946.98
	<hr/>
Operating Income (EBITDA)	369,181.46
	<hr/>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2016

Revenues	
Research Sales	578,240.09
Research Sales - BL2	1,286,807.75
BL2 Prepayment Revenue	83,229.63
Cat Prepayment Revenue	1,360.00
Dog Prepayment Revenue	136,040.00
Cat Sales	2,661,590.85
Dog Sales	385,839.50
Mongrel Sale	<u>7,250.00</u>
Total Revenues	<u>5,140,357.82</u>
Cost of Sales	
Salaries - Research	397,446.44
Salaries - Vet Services	129,414.82
Salaries - Breeding	777,292.77
Salaries - Indirect	113,648.96
FICA Expense	139,410.69
Federal Unemployment Tax	3,013.09
State Unemployment Tax	26,480.22
Disability Expense	2,405.52
Fringe Benefits	398,209.20
401k Benefits Expense	30,168.77
Purchases - Dogs	33,800.00
Feed	210,661.86
Shipping Supplies	33,069.86
Inventory Adjustment	96,952.18
Laboratory Supplies	92,346.30
Laboratory Supplies - BL2	55,481.55
UPS & Fed X Expenses	13,002.57
UPS & Fed X Expenses-BL2	9,910.22
Repairs & Maint-Equipment	22,040.07
Equipment Repairs & Maint-BL2	20,448.03
Repairs & Maint-Buildings	34,517.01
Repairs & Maintenance-BL2-Bldg	11,560.19
Professional Services-Vet	53,694.02
Prof Servs-Tech Studies	129,166.50
Prof Servs - Tech Studies-BL2	56,704.13
Prof Servs-Regulatory Affairs	(690.77)
Electricity	81,392.31
Electricity - BL2	59,480.75
Gas	33,377.64
Gas - BL2	35,622.85
Water & Sewer	22,812.47
Rubbish Removal Fees	12,113.03
Rubbish/Snow Removal - BL2	7,444.00
Real Estate Tax Expense	32,311.22
Insurance-Liabilities	56,059.46
Insurance-Workers' Comp.	100,662.28
AirTransport-Airline Only	99,360.87
Surface Transport Expense	91,091.70
Meals & Entertainment	36,166.32
Facility Licenses	<u>7,310.00</u>
Total Cost of Sales	<u>3,565,359.10</u>
Gross Profit	<u>1,574,998.72</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2016

Expenses	
Salaries - Office	262,888.01
Salaries - Officers	0.00
Prof. Servs-Legal Arrearage	545.51
Professional Serv-Accting	9,270.00
Professional Serv - Legal Corp	250.00
Professional Ser-Auditing	600.00
Telephone Expense	16,459.57
Telephone Expense - BL2	8,698.97
Postage	1,756.00
Equipment Rental-Office	1,510.21
Office Supplies	10,396.34
Office Supplies - BL2	11,117.42
Payroll Processing	11,426.90
Bank Service Charges	32,848.98
Outside Services	9,144.87
Outside Services-BL2	2,872.12
Dues & Subscriptions	1,872.00
Training & Seminars	2,411.71
Recruiting Expense	300.00
Advertising	10,214.00
Promotion Expense	7,489.66
Promotional Expense-Trav-Tips	18,381.06
Promotional Exp-Meals/Entertai	15,157.25
Travel-Lodge, Tips, Car, etc	21,094.20
Meals & Entertainment	4,681.14
Entertainment	<u>807.81</u>
Total SG & A Expenses	<u>462,193.73</u>
Operating Income (EBITDA)	<u>1,112,804.99</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2017

Revenues	
Research Sales	405,597.97
Research Sales - BL2	899,451.43
BL2 Prepayment Revenue	186,372.33
Cat Prepayment Revenue	19,126.79
Dog Prepayment Revenue	65,265.00
Cat Sales	2,901,272.49
Dog Sales	<u>492,378.50</u>
 Total Revenues	 <u>4,969,464.51</u>
 Cost of Sales	
Salaries - Research	420,596.99
Salaries - Vet Services	173,951.70
Salaries - Breeding	763,134.26
Salaries - Indirect	108,374.01
FICA Expense	143,011.28
Federal Unemployment Tax	3,075.55
State Unemployment Tax	21,463.52
Disability Expense	3,167.88
Fringe Benefits	419,357.65
401k Benefits Expense	29,109.62
Purchases - Dogs	(16,900.00)
Feed & Bedding	249,340.28
Shipping Supplies	29,655.75
Inventory Adjustment	(42,271.09)
Laboratory Supplies	134,851.42
Laboratory Supplies - BL2	61,415.30
UPS & Fed X Expenses	6,623.57
UPS & Fed X Expenses-BL2	5,349.20
Repairs & Maint-Equipment	21,852.61
Equipment Repairs & Maint-BL2	15,168.53
Repairs & Maint-Buildings	45,296.48
Repairs & Maintenance-BL2-Bldg	13,791.31
Professional Services-Vet	41,508.67
Prof Servs-Tech Studies	888.85
Prof Servs - Tech Studies-BL2	17,403.58
Prof Servs-Regulatory Affairs	1,099.63
Electricity	68,654.36
Electricity - BL2	43,357.37
Gas	43,151.06
Gas - BL2	27,356.10
Water & Sewer	72,810.44
Rubbish Removal Fees	8,249.15
Rubbish/Snow Removal - BL2	2,390.82
Real Estate Tax Expense	24,000.00
Insurance-Liabilities	86,181.85
Insurance-Workers' Comp.	58,711.60
AirTransport-Airline Only	129,819.06
Surface Transport Expense	114,585.13
Travel-Lodge,Tips,Car,Etc	1,100.00
Meals & Entertainment	32,650.00
Facility Licenses	<u>7,620.00</u>
 Total Cost of Sales	 3,390,953.49
 Gross Profit	 <u>1,578,511.02</u>

LIBERTY RESEARCH, INC.
Income Statement
For the Twelve Months Ending December 31, 2017

Expenses	
Salaries - Office	267,725.61
Salaries - Officers	0.00
Fringe Benefits	(273.96)
Professional Serv.-Accting	(12,470.00)
Professional Serv.-Outsourced	84,406.01
Telephone Expense	26,083.48
Telephone Expense - BL2	9,227.11
Postage	935.00
Equipment Rental-Office	1,399.04
Office Supplies	8,555.60
Office Supplies - BL2	2,081.25
Office Expense	4,601.00
Payroll Processing	12,785.74
Bank Service Charges	16,817.94
Outside Services	15,724.65
Outside Services-BL2	4,499.80
Dues & Subscriptions	3,388.00
Training & Seminars	1,128.86
Recruiting Expense	567.60
Advertising	6,556.00
Promotion Expense	8,014.53
Promotional Expense-Trav-Tips	17,908.19
Promotional Exp-Meals/Entertai	8,689.26
Travel-Lodge, Tips, Car, etc	30,556.74
Meals & Entertainment	3,834.74
Entertainment	<u>2,239.62</u>
Total SG & A Expenses	<u>524,981.81</u>
Operating Income (EBITDA)	<u><u>1,053,529.21</u></u>

Exhibit B
Employee Handbook

EMPLOYEE HANDBOOK

Liberty Research, Inc.

Current as of August 16, 2007

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Welcome to Liberty Research, Inc.

Starting a new job is exciting, but at times can be overwhelming. This employee handbook has been developed to help you get acquainted and answer many of your initial questions.

As an employee of Liberty Research, Inc., the importance of your contribution cannot be overstated. Our goal is to provide the finest-quality products and services to clients and to do this more efficiently and economically than our competitors. By satisfying our client's needs, they will continue to do business with us and will recommend us to others.

You are an important part of this process as your work directly influences our organization's reputation.

This employee handbook explains our personnel policies and benefits, as well as the specific opportunities and responsibilities that exist for you within our organization. In an effort to be responsive to the needs of a growing organization, changes or additions to this handbook will be made when necessary. You will be kept informed when these changes are made.

I'm glad you have joined us, and I hope you will find your work to be both challenging and rewarding.

Sincerely,



William M. Waring
President & CEO

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TABLE OF CONTENTS

**Section I: The Way We Work
Who We Are**

SECTION 1: THE WAY WE WORK

A Word About This Handbook

The policies outlined in the booklet should be regarded as management guidelines only, which in a developing business will require changing from time to time. Liberty Research, Inc. (LRI) retains the right to make decisions involving employees as needed in order to conduct its work in a manner that is beneficial to the employees and the organization. This handbook supersedes and replaces any and all prior handbooks, policies, procedures and practices of the organization.

This employee handbook also summarizes the current benefit plans maintained by the organization. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents will be controlling rather than the summaries contained in this handbook. The employee handbook (and other plan documents) is not contractual in nature and does not guarantee any continuation of benefits.

LRI adheres to the policy of employment-at-will, which permits the organization or the employee to terminate the employment relationship at any time, for any reason. Neither the policies contained in this employee handbook, nor any other written or verbal communication by a manager, are intended to create a contract of employment or a warranty of benefits. The policies contained in this handbook may be added to deleted or changed by the organization at its sole discretion, except that we will not modify our policy of employment-at-will in any case.

WHO WE ARE

LRI is a large scale AD (antibody defined), SPF (specific pathogen free) and vaccinated feline and canine Class A breeding facility. All of our animals are purpose-bred for research from a closed established colony. We also are a contract research laboratory with much of our research devoted to the examination of vaccines used solely to benefit animals. We are an accredited facility and pride ourselves in the cleanliness and friendliness of our animals. These animals have never been outdoors (keep this in mind when shipping) and have no diseases or external parasites.

EQUAL EMPLOYMENT OPPORTUNITY

LRI is committed to the full utilization of all human resources and to a policy of equal employment opportunity. Our organization will not discriminate against employees or applicants for employment on any legally-recognized basis including, but not limited to, veteran status, race, color religion, sex, marital status, national origin, physical or mental disability, creed, participation in lawful activities outside the workplace, or age.

If you have any questions related to the equal employment opportunity policy, please direct them to your supervisor or any member of the management team.

AMERICANS WITH DISABILITIES ACT

LRI is committed to providing equal employment opportunities to otherwise qualified individuals with disabilities, which includes providing accommodations whenever necessary. In general, it is your responsibility to notify your supervisor of the need for any accommodation.

A WORD ABOUT OUR EMPLOYEE RELATIONS PHILOSOPHY

LRI is committed to providing the best possible climate for maximum development and achievement of goals for all employees. Our practice has always been to treat each employee as an individual. We strive to develop a spirit of teamwork as individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we have provided a workplace which is comfortable and progressive. Most importantly, we have an environment where communications are open and problems can be discussed and resolved in a mutually respectful atmosphere taking into account individual circumstances and the individual employee.

We firmly believe that by communicating with each other directly, we can resolve any difficulties that may arise and develop a mutually beneficial relationship.

NON-HARASSMENT

It is our policy to prohibit harassment of one employee by another employee or supervisor on any basis including, but not limited to, veteran status, race, color, religion, national origin, physical or mental disability, creed, participation in lawful activities outside the workplace and age.

The purpose of this policy is not to regulate our employees' personal morality. Rather it is to assure that all employees can feel confident and free of harassment in their work environment.

Any employee who feels that he or she is a victim of such harassment should immediately report the matter to their supervisor or any other member of management. LRI will investigate all such reports as confidentially as possible. Adverse action will not be taken against an employee who reports or participates in the investigation of a violation of this policy. Violations of this policy will not be permitted and may result in disciplinary action, up to and including discharge.

SEXUAL HARASSMENT

Sexual harassment of an employee WILL NOT be tolerated. Violations of this policy will result in disciplinary action, up to and including discharge. There will be no adverse action taken against employees who report violations of this policy or participate in the investigation of such violations.

Any employee who feels that he or she is a victim of sexual harassment should immediately report such actions in accordance with the following procedures. ALL COMPLAINTS will be promptly and thoroughly investigated.

1. Any employee who believes that he or she is a victim of sexual harassment should report the act immediately to their supervisor. If you prefer not to discuss the matter with your supervisor, you may directly report to any other member of the management team.
2. The organization will investigate every reported incident immediately. Any employee, supervisor or agent of the organization who has been found to have sexually harassed another employee may be subject to appropriate disciplinary action, up to and including immediate discharge.
3. LRI will conduct all investigations in a discreet manner. The organization recognizes that every investigation requires a determination based on all the facts in the matter. We also recognize the serious impact a false accusation can have. We trust that all employees will continue to act responsibly.

The reporting employee and any employee participating in any investigation under this policy have the organization's assurance that no reprisals will be taken as a result of a sexual harassment complaint. Rather, it is our policy to encourage discussion of the matter so as to help protect others from being subjected to similar inappropriate behavior.

CATEGORIES OF EMPLOYMENT

INTRODUCTORY PERIOD: Full-time and part-time employees are subject to an introductory period during their first 90 days of employment. During this period of time, you will be able to determine if your new job is suitable for you and your supervisor will have an opportunity to evaluate your work performance. However, the completion of the introductory period does not guarantee employment for any period of time thereafter.

FULL-TIME EMPLOYEES regularly work 40-hour workweek and are eligible for our fringe benefits package in accordance with their position and length of employment.

PART-TIME EMPLOYEES work less than 40 hours each week and are not eligible for company sponsored fringe benefits. These employees are eligible for statutory benefits only.

SEASONAL EMPLOYEES are hired to perform a specific job for a specified period of time normally less than one year. These employees are eligible for statutory benefits only.

NEW EMPLOYEE ORIENTATION

After reading this handbook you must sign the receipt page affirming you have read the entire contents. The handbook is available in the Human Resources office and you may make a written request to receive a copy at any time.

Your supervisor is responsible for your full orientation and the operation of your department. He or she is a good source of information about the organization and your job.

DRUG TESTING POLICY

LRI does perform random drug testing of all current and perspective employees at the direction of upper management.

TALK TO US

If you feel you have a problem, you should present the situation to your supervisor so that the problem can be settled by examination and discussion of the facts. We hope that he or she will be able to satisfactorily resolve most matters.

If you find that you still have questions after meeting with your supervisor, or that you would like further clarification on the matter, you may request a meeting with the business office for questions relating to pay, vacation, insurance, etc. or the Director of Operations (DO). The DO will review the issues and meet with you to discuss possible solutions.

SECTION 2: ON THE JOB**ATTENDANCE AND PUNCTUALITY**

Attendance and punctuality are important factors for your success within our organization. We work as a team, and this requires that each person be in the right place at the right time.

If you are going to be late for work or absent, you must notify your supervisor no later than thirty (30) minutes of the start of your workday. If you call in sick 2 days or more during the work week, you may be asked to provide a Doctor's Statement before returning to work.

If you are absent for two days without notifying the organization, it is assumed that you have voluntarily abandoned your position with the organization and you will be removed from the payroll. You WILL NOT be eligible for rehire.

If you leave the premises at any time (with the exception of your scheduled lunch break) without notifying your supervisor, it is assumed that you have voluntarily abandoned your position with the organization, and you will be removed from the payroll. You WILL NOT be eligible for rehire.

WORK WEEK

Because of the nature of our business, your work schedule may vary depending on your job. Our normal business hours are 7:00 a.m. to 5:00 p.m., Sunday through Saturday. Check with your supervisor if you have questions on your hours of work.

MEAL TIME

A 30-minute, unpaid meal break should be taken each day. Your supervisor is responsible for approving the scheduling of this time.

BREAKS

Two, 15-minute breaks will be scheduled by your supervisor each day.

STANDARDS OF CONDUCT

Each employee has an obligation to observe and follow the organization's policies and to maintain proper standards of conduct at all times. If an individual's behavior interferes with the orderly and efficient operation of a department, corrective disciplinary measures will be taken.

Disciplinary action may include a verbal warning, written warning, suspension without pay and discharge. The appropriate disciplinary action imposed will be determined by the organization. LRI does not guarantee that one form of action will necessarily precede another.

The following may result in disciplinary action, up to and including discharge:

1. Violation of the organization's policies or safety rules
2. Insubordination
3. Poor attendance
4. Theft or dishonesty (An employee found stealing **ANY** LRI property will be referred to authorities for prosecution)
5. Physical harassment
6. Sexual harassment or disrespect toward fellow employees, visitors or other members of the public.

The following **WILL** result in immediate termination and referral to authorities for prosecution:

1. The possession, use or sale of alcohol and/or controlled substances on work premises or during working hours.
2. The possession, use or sale of weapons, firearms or explosives on work premises.

These examples are not all inclusive. We emphasize that discharge decisions will be based on an assessment of all relevant factors.

CONFIDENTIALITY

Due to the sensitive and proprietary nature of our work, we expect that all employees abide by our confidentiality agreement. All employees and independent contractors who do business with Liberty Research, Inc. complete confidentiality agreements. This confidentiality protects the organization and our clients. Employees must not discuss the details of their work with members of the community, other clients, friends or family. Breaking the confidentiality agreement is grounds for disciplinary action up to and including dismissal.

EMERGENCY CONTACT INFORMATION

LRI needs to maintain up-to-date information about you so we would be able to aid you and/or your family in matters of personal emergency.

Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin an/or beneficiaries should be given to the business office promptly.

CARE OF EQUIPMENT

You are expected to use proper care when using the organization's property and equipment. **NO** property may be removed from the premises without the proper authorization of management. If you lose, break or damage any property, report it to your supervisor at once.

ORGANIZATION VEHICLES

Operators of organization vehicles are responsible for the safe operation and cleanliness of the vehicle.

Accidents involving an organization vehicle must be reported to your supervisor and the manager immediately.

Employees are responsible for any moving violations and fines, which may result when operating an organization vehicle.

Organization vehicles may only be used for job-related travel.

The use of seat belts is mandatory for operators and passengers of organization vehicles.

NO unauthorized passengers are permitted in organization vehicles. This includes friends, family, hitchhikers and other such persons. Violation of this policy may result in disciplinary action, up to and including discharge.

SEVERE WEATHER

Severe weather is to be expected during the winter months. Although driving may at times be difficult, when caution is exercised, the roads are normally passable. Except in cases of severe storms, we are all expected to work our regular hours. If you cannot get to work or LRI closes due to weather full time employees must use a personal day. Part time employees are unpaid.

PERSONAL TELEPHONE CALLS

It is important to keep our telephone lines free for client calls. Although the occasional use of the organization's telephones for a personal emergency may be necessary, routine personal calls are discouraged. **NO PERSONAL LONG DISTANCE CALLS.**

CAMERA USE

No cameras will be permitted on Liberty Research, Inc. property. Any person found to have a camera will be escorted from the property. Disciplinary action for employees up to and including dismissal will be considered by management for infringement of this policy. Any photographic images will remain the property of LRI.

CELULAR PHONES

Only company authorized cellular phones will be permitted within any building on the premises of Liberty Research, Inc. Persons who are discovered with unauthorized cellular phones will have the phone confiscated until they leave the premises. Disciplinary action for employees who are discovered to have unauthorized cellular phones within any building on the premises up to and including dismissal will be considered by management.

DRESS POLICY

Employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional appearance at all times.

Our clients' satisfaction represents the most important and challenging aspect of our business. Whether or not you job responsibilities place you in direct client contact, you

represent the organization with your appearance as well as your actions. The properly attired individual helps to create a favorable image for the organization, to the public and fellow employees.

Depending on your work, area some dress policies are federally regulated and in place for your health and safety. A breakdown of dress codes for each area follows:

MANAGEMENT & OFFICE STAFF

Management and office staff should dress business casual, i.e. khaki slacks, Skirts, polo shirts, button down shirts or blouses. No shorts. Jeans may only be worn on Casual Friday and be clean and free of rips and holes. Shoes should be clean and intact. No tennis or athletic shoes except for Casual Friday.

TECHNICIANS

Technicians should wear the dedicated scrubs and shoes provided by LRI.

MAINTENANCE

Maintenance personnel are permitted to wear blue jeans. They should also wear protective leather work shoes or boots. No tennis or athletic shoes are permitted as soles can become slick and cause injury.

These are minimum guidelines. Dress policies may vary by building and should be strictly follow by ALL employees and visitors, including the wearing of lab coats, protective over-garments and booties. **AT NO TIME ARE ANY EMPLOYEES OR VISITORS ALLOWED TO WEAR OPEN-TOES SHOES OR CANVAS TENNIS SHOES IN ANY BUILDING OTHER THAN THE MAIN OFFICE.**

Any employees found in violation of the above dress policies will be sent home without pay and subject to further disciplinary action, up to and including discharge.

LUNCHROOM

A lunchroom is available for your use. Although general custodial care is provided by the organization, you are expected to clean up after yourself. This room should be kept clean for the next person's use.

IF YOU LEAVE US

Should you decide to leave your employment with us, we ask that you provide your supervisor with at least two weeks' advance notice. Your thoughtfulness will be appreciated and will be noted favorably should you ever wish to reapply for employment with the organization. You must wait a minimum six months before reapplying for any position with LRI.

You should notify the organization if your address changes during the calendar year in which termination occurs so that your tax information will be sent to the proper address. If you are terminated for any reason you are ineligible for rehire with Liberty Research, Inc.

SECTION 3: OCCUPATIONAL HEALTH AND SAFETY**OCCUPATIONAL HEALTH FOR ANIMAL WORKERS
EDUCATION AND PREVENTION**

The Occupational Health and Safety (OHS) program at Liberty Research, Inc. has three components:

1. The education of all employees regarding Occupational Health and Safety is Mandatory for all employees. During your orientation, you will be given a packet entitled "Employee Education Program". You are required to read the packet, complete the last page and return it to the LRI Safety Coordinator.
2. The Annual Animal Worker Questionnaire is Mandatory for all employees. This form is a summary of the conditions you will be working under and monitors any changes in your health while performing your job. This form will be sent to the Occupational Health and Safety provider, currently Guthrie Clinic Occupational & Environmental Health. Complete the form, sign it and return it to the LRI Safety Coordinator.

Note: The "Animal Worker Questionnaire" must be re-submitted every year.

3. The health care program for any employee with laboratory animal contact is optional*. This program consists of an assessment of health history (Occupational Health Questionnaire), physical examination (if required), and indicated diagnostic tests and immunizations (if required). If you choose to participate, complete the form and mail it directly to: Guthrie Clinic Occupational & Environmental Health, Guthrie Square, Sayre, PA 18840.

It is your right to not participate in this plan. If you choose not to participate, please complete and sign the waiver and return to the LRI Safety Coordinator.

*If based on the review of the Annual Animal Worker Questionnaire the Occupational Health Provider recommends participation by the employee, and then the Occupational Health Questionnaire becomes mandatory for that employee.

REQUIRED VACCINATIONS

Liberty Research, Inc. does not require any vaccinations of employees at this time.

RECOMMENDED VACCINATIONS

It is recommended that you maintain your vaccination status for Tetanus. If you have any questions as to whether or not you should have the vaccine, please check with your personal physician for guidance.

EACH EMPLOYEE'S RESPONSIBILITY

Safety can only be achieved through teamwork at LRI. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately. Please observe the following precautions.

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately.
2. The use of alcoholic beverages, illegal drug substances or the abuse of legal prescription drugs during working hours will not be tolerated. The possession of alcoholic beverages or illegal drug substances on LRI property is forbidden. Violations of either **WILL** result in immediate dismissal.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, **DON'T GUESS! ASK YOUR SUPERVISOR.**
6. Know the locations, contents and use of first aid and fire fighting equipment.
7. Wear personal protective equipment (PPE) in accordance with the job you are performing.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including termination.

GOOD HOUSEKEEPING

Good work habits and a neat place to work are essential for job safety and efficiency. You are expected to keep your place of work organized and materials in good order at all times. Report anything that needs repair or replacement to your supervisor.

SMOKING IN THE WORKPLACE

Our organization is committed to providing a safe and healthy environment for employees and visitors. To accomplish this, smoking is permitted only in private vehicles while on LRI properties.

SUBSTANCE ABUSE

No employee shall work, report to work or be present on organization premises, in organization vehicles or engage in organization activities while under the influence of alcohol or controlled substances, which affects job safety or performance. The unlawful or unauthorized manufacture, distribution, dispensation, possession, sale or use of alcohol or controlled substances on organization premises, in organization vehicles or while engaged in organization activities is also strictly prohibited. Any violation of this substance abuse policy **WILL** result in immediate discharge and possible criminal prosecution.

LRI, further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including but not limited to, the inspection of the employees' personal property in certain circumstances, as well as,

organization-issued lockers, desks or other suspected areas of concealment. Full compliance with this substance abuse policy is a condition of employment and continued employment.

Consistent with our fair employment policy, the organization maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts or alcoholics, those who are perceived as having a dependency and those having a medical history reflecting treatment for this condition.

This handbook statement is only a summary of our substance abuse policy and is not intended to be interpreted as contractual in nature. Additional information and a copy of our complete policy may be obtained from the business office.

SECTION 4: YOUR PAY AND PROGRESS

RECORDING YOUR TIME

You are required to maintain an accurate record of all time worked.

All hourly employees must record their hours on a time sheet. The company reserves the right to require all employees to utilize a time clock. You should clock in at the beginning and clock out at the end of your shift. The time clock should also be used for your meal break. You should not clock in more than five minutes before the beginning or after the end of your shift. Under no circumstances should you clock in or out for another employee.

PAYDAY

You will be paid bi-weekly on Wednesday for the period which has ended on the previous Friday. When our payday is a holiday, you normally will be paid on the first working day after the holiday. Sometimes due to bank holidays your direct deposit may be delayed by one business day. LRI is not responsible for any fees incurred.

PERFORMANCE REVIEWS

Your performance is important to our organization it is the policy of Liberty Research, Inc. to maintain a performance Management System in accordance with State law and policy. Such a system includes several components:

- an agency-specific policy
- individual employee work plans
- development plans
- an education/training program
- a dispute resolution process

LRI views the Performance Management System as a communications system designed to help employees succeed. It is directed by managers and supervisors but requires active participation by employees. The Performance Management System ensures that employees:

- are aware of their principal job functions
- understand the level of performance expected
- receive timely feedback about their performance
- have opportunities for education, training and development
- receive performance ratings and rewards in a fair and consistent manner

All supervisors, managers and directors are responsible for assuring that the policies and procedures of the Performance Management System are administered fairly and consistently. Each supervisor's work plan must have a principal function that describes the responsibility for managing the performance of subordinate employees in accordance with this policy.

Performance appraisal information is one consideration in making other personnel decisions such as promotions, performance-based disciplinary actions, and salary increases. Proposed personnel actions must be consistent with overall evaluations. Although there is a relationship between performance appraisals and determining employee eligibility for performance-based salary increases and bonuses, the System's primary focus is on managing employee performance towards the successful achievement of expectations set forth in the employee's work plan.

COVERAGE

The Performance Management System applies to all permanent employees who are regularly scheduled to work 20 hours or more each work week.

RATING SCALE

Performance functions, expectations and appraisals are guided by the five-point Rating Scale:

OUTSTANDING PERFORMANCE (O)

Performance is far above the defined job expectations. The employee consistently does outstanding work, regularly going, far beyond what is expected of employees in this job. Performance that exceeds expectations is due to the effort and skills of the employee. Any performance not consistently exceeding expectations is minor or due to events not under the control of the employee.

VERY GOOD PERFORMANCE (VG)

Performance meets the defined job expectations and in many instances, exceeds job expectations. The employee generally is doing a very good job. Performance that exceeds expectations is due to the effort and skills of the employee.

GOOD PERFORMANCE (G)

Performance meets the defined job expectations. The employee generally performs according to the expectations doing a good job. The employee is doing the job at the level expected for employees in this position. The good performance is due to the employee's own effort and skills.

BELOW GOOD PERFORMANCE (BG)

Performance may meet some of the job expectations but does not fully meet the remainder. The employee generally is doing the job at a minimal level, and improvement is needed to fully meet the expectations. Performance is less than a good job. Lapses in performance are due to the employee's lack of effort or skills. Receiving two or more Below Good Performance ratings can result in immediate termination.

UNSATISFACTORY PERFORMANCE (U)

Performance generally fails to meet the defined expectations or requires frequent, close supervision and/or the redoing of work. The employee is not doing the job at the level expected for employees in this position. Unsuccessful job performance is due to the employee's own lack of effort or skills. Receiving two Unsatisfactory Performance ratings **WILL** result in immediate termination.

RECORD KEEPING

Completed and signed Annual Performance Reviews must be maintained by the Organization for three years and then destroyed. All performance review documents are confidential.

PAY RAISES

Depending upon your performance and our organization's profitability, adjustments in your pay may be made when there has been an improvement in or a sustained good performance during the review period.

OVERTIME

There will be times when you will need to work overtime so that we may successfully meet the needs of our clients. All overtime **MUST** be approved in advance by your **SUPERVISOR** and the area **MANAGER**.

Hourly employees will be paid at a rate of time and one half their regularly hourly rate for hours worked over 40 in a week.

Double time is paid to hourly employees who are required to work on a company-designated holiday.

Only actual hours worked count toward computing weekly overtime.

SECTION 5: TIME AWAY FROM WORK AND OTHER BENEFITS**HOLIDAYS**

Our organization normally observes ten holidays during the year. They are:

- New Year's Day
- Presidents' Day
- Good Friday
- Memorial Day
- Fourth of July
- Labor Day
- Columbus Day (see below)
- Thanksgiving
- The Day after Thanksgiving
- Christmas (see below)

The day after Christmas will be observed as a holiday only if it falls on a regularly scheduled workday. If the day after Christmas falls on a weekend, Columbus Day will be observed as a holiday.

If one of the above holidays falls on a Saturday, it normally will be observed on the preceding Friday; if one falls on Sunday, it normally will be observed on the following Monday.

Full-time employees are eligible for paid holidays immediately upon hire.

Full-time employees will be paid for the holiday only if the holiday falls on their regularly scheduled workday.

If the actual holiday (i.e. Christmas) falls on Saturday or Sunday, hourly employees scheduled to work that day will be paid at a rate of time and one-half for hours worked on the actual holiday.

EXAMPLE: Christmas falls on a Saturday and the company-designated holiday is a Friday. Employee is scheduled off Friday and scheduled to work Saturday. Employee will be paid eight hours holiday pay at straight time for Friday. Saturday time worked will be paid at a rate of time and one-half.

YOU MUST WORK YOUR SCHEDULED WORKDAY BEFORE AND AFTER THE HOLIDAY IN ORDER TO BE PAID FOR THE HOLIDAY, UNLESS YOU ARE ABSENT WITH PRIOR PERMISSION FROM YOUR SUPERVISOR.

VACATION

Full-time employees are eligible for paid vacation time, upon completion of their introductory period.

Vacation is calculated according to the calendar year.

During your initial year of employment, you will earn vacation on a prorated basis to be taken after your introductory period. The business office will inform you of the number of days and the date on which you become eligible. Thereafter you will be eligible for vacation as follows:

Eligible new employees will earn vacation at the rate of 3.33 hours per month through the end of the year.

After 2 years of service, employees will receive 2 weeks of paid vacation.

After 5 years, and each year thereafter, you will receive 3 weeks of vacation.

Requests for vacation should be submitted by the end of March in writing to your supervisor. When possible, vacation periods will be assigned in accordance with employee requests, taking operating requirements into account. Generally speaking, length of employment determines priority in scheduling vacation times.

Vacation pay will not be granted in lieu of taking the actual time off. However, vacation time may be carried over to the following year, up to a maximum of one week.

Eligible employees who have provided at least two weeks advance notice of resignation will be paid for earned but unused vacation upon termination.

SICK DAYS

Full-time employees are eligible for five paid sick days each year.

Sick days are calculated according to the calendar year.

During your initial year of employment, after completing their introductory period, you will receive sick days on a prorated basis. The business office will inform you of the number of days and the date on which you become eligible.

Sick days may not be carried over to the following year nor will employees be paid in lieu of taking the actual time off.

Employees will not be paid for earned but unused sick days upon termination.

JURY DUTY

Full-time employees who are summoned for jury duty will be paid the difference between their normal rate of pay and the jury duty pay for the entire length of the jury duty.

All other employees who are summoned for jury duty will be paid \$15 each day for the first three days. Thereafter, you will be granted an unpaid leave in order to serve.

You should make arrangements with your supervisor as soon as you receive your summons. In fairness to our organization, you are expected to return to your job if you are excused from jury duty during your regular working hours.

MILITARY LEAVE

Employees who are required to serve in any branch of the Armed Forces of the United States or are engaged in state military service will be given the necessary time off, without pay.

BEREAVEMENT

Full-time employees will receive three paid days for the death of an immediate family member. Members of the immediate family include spouses, parents, brothers, sisters, children and grandparents.

LEAVE OF ABSENCE

Under special circumstances, an employee who has worked for the company in excess of five years may be granted a leave of absence with pay. The granting of this type of leave is normally for compelling reasons and is dependent upon the approval of your supervisor and the president of the company.

- **LEAVES MAY NOT EXCEED TWO WEEKS**

We will make reasonable efforts to return you to the same or similar job as held prior to the leave of absence, subject to our staffing and business requirements.

MEDICAL INSURANCE

Eligible employees may participate in our medical insurance plan.

Full-time employees may enroll in either a single or a family contract after completing their introductory period. Information and enrollment forms may be obtained from the business office.

Our organization pays a portion of a single contract. If you elect dependent coverage, you are responsible for paying an additional amount set by the company through payroll deduction.

Participating employees are also covered under our medical insurance plan's prescription drug program.

UNIFORMS

The organization provides uniforms to qualified employees at no charge.

All uniforms and accessories issued by our organization **MUST NOT** be removed from the premises.

RETIREMENT

The company does offer a 401K retirement program which is administrated by our Payroll Processing Company, ADP. To be eligible, you must be at least 21 years of age and have been employed by the company for 1 full year as a full time employee.

The company will match employee contributions up to a certain percentage of the employee contribution with a maximum yearly contribution amount. For current matching percentages, check with the business office.

SECTION 6: THE DISCIPLINARY PROCESS

Liberty Research, Inc. administers a corrective disciplinary system in which discipline is proportionate with the severity and frequency of unsatisfactory employee job performance or unacceptable personal conduct. Discipline provides a communication process for correcting and improving performance problems and for handling instances of unacceptable conduct. Individuals must be informed of job and behavior expectations, notified of the consequences of inappropriate performance or behavior, and given guidance to improve. The discipline procedure in this policy provides management with a mechanism for protecting the workforce from dangerous or difficult working conditions created by co-workers whose performance or conduct is inadequate, inappropriate, or unsafe.

SECTION 7: SUPPLEMENTAL GUIDELINES FOR DRIVERS

Operators of company vehicles are responsible for the safe operation and cleanliness of the vehicle.

ALL drivers are required to keep an accurate travel log located within each vehicle. At the end of all trips, wash the vehicle, clean the interior, remove all empty shipping containers and fill the tank with gas. A vehicle inspection form needs to be completed at the end of all trips with the exception of local and airport deliveries. This form alerts our maintenance department of any vehicle problems and reminds them of routine maintenance that is needed (i.e., oil change). The form is completed and returned to the shipping manager and trip monies and receipts returned to accounting. In the vehicle log, record the high and low temperature for the trip under business purpose.

Upon returning to LRI, all empty shipping crates are to have bedding dumped into the containers provided by the shipping warehouse, the labels removed and the crates taken apart and stacked neatly for cleaning. It is your responsibility to ensure that these procedures are completed prior to moving the van to the designated parking area.

Accidents involving a company vehicle **MUST** be reported to your supervisor and the manager immediately.

Employees are responsible for any moving violations and fines, which may result when operating a company vehicle. You must maintain a valid driver's license to operate company vehicles. Please inform the shipping manager of any changes in your driver's license status.

It is LRI's policy to permit you a 15 minute break every 4 hours and a 1 hour break after 10 hours of driving. Please keep in mind how important it is to meet delivery times.

NO unauthorized passengers are permitted in company vehicles. This includes friends, family, hitchhikers and other such persons. Violation of this policy may result in disciplinary action, up to and including discharge.

Having the radio on while traveling is permitted but at a moderate volume. Remember that you are transporting animals and loud music will add more stress to an already stressful situation. At no time are you to smoke in the vehicles.

If you suspect a medical emergency with any animals, call a contact phone number immediately. The contact will then instruct you on whether or not to open the crate. It is normal for the animals to scratch at the sides of the containers and to vocalize moderately sometimes even becoming boisterous depending on the stress level. The best way to soothe these animals is to talk gently to them. The human voice is something they are very conditioned to. If need be, you can view the animals through the air holes in the shipping crates or through the window in the filter media. **DO NOT** let anyone open the crates unless they have reached their final destination or you have received specific instruction in an emergency.

DRESS POLICY

Our clients' satisfaction represents the most important and challenging aspect of our business. The properly attired individual helps to create a favorable image for the organization, to the public and fellow employees. Employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional appearance at all times. You are usually the only person our clients see from the company and first impressions are very important. We realize that the vehicles may be warm or cold depending on the seasons but keep in mind that if you are in a comfortable climate so are the animals. We ask that you wear the Liberty polo if available or a clean dress shirt, no tie is necessary. Dress slacks are appropriate – NO SHORTS OR SKIRTS. Sensible shoes are recommended, as you may be asked to help unload the animals. Most importantly....keep it neat.

ACCOUNTING

Trip money, in cash, will be given to you either before your trip or with your shipping paperwork from the shipper. This money is for incidentals such as food, gas, emergency vehicle maintenance and tolls. Receipts must be provided for everything purchased. If you buy food from a vending machine, make your own receipt with the amount, what was purchased, the date and that it was from a vending machine and no receipt was available.

All receipts and excess money are to be returned to the business office/accounting when you return the vehicle or during the next business day if you arrive after normal working hours.

Accurate time sheets are to be kept. Record your hours and submit this information to the shipping manager who will submit the time sheets weekly. Payday is every other Wednesday and paychecks are available after 2:00 pm.

FOOD

The maximum amount permitted is \$32.00 per day, per person.

SECTION 7 A: ANIMAL CARE**ANIMAL OBSERVATIONS**

During transportation of animals, it is required that all animals be observed every 4 hours at a minimum. Animals will be observed for obvious signs of illness and the temperature levels recorded at this time. If an animal appears to be sick or injured, contact one of the emergency contact numbers provided in the appendix for further instructions. Record the temperature level on the Animal Transportation Check Log and your initials.

FEEDING AND WATERING OF ANIMALS

Animals over 16 weeks of age are to be offered food at least once every 24 hours during transport. Animals under 16 weeks of age are to be offered food at least once every 12 hours. All animals are to be offered water at least once every 12 hours. It is your responsibility to follow these guidelines while transporting our animals to their destination. Additional food and water will be provided in the vehicle for the shipment. At least 12 hours after departing from LRI, it is your responsibility to ensure that the animals has water available. Enter the time of the feeding/watering on the Animal Transportation Check Log and your initials.

CARE OF THE ANIMALS

Regulations require that all animals in transit must be cleaned once every 24 hours. If your trip extends past 24 hours, it is your responsibility to remove soiled bedding from the enclosure. Open the carrier very carefully with all outer doors to the vehicle closed and secured. Speak calmly to the animal and move with slow, gentle motions. If any problems occur, contact one of the emergency contacts provided in the appendix.

CLIMATE CONTROL

The temperature of the vehicle is to be checked and recorded every 4 hours. If the temperature is 85° F or above, the use of an auxiliary fan, blower or air conditioning is required. Check the temperature again in 1 hour. If the temperature is 85° F or lower, do not turn off the auxiliary equipment. Recheck the temperature in 3 hours. If the temperature is 85° F or above, check the auxiliary equipment is functioning properly. Contact one of the emergency contacts for further instructions. The temperature of the vehicle may not exceed 85° F or fall below 45° F for more than 4 hours. Temperature logs **MUST** be filled out.

EMERGENCY PROCEDURES

In case of an emergency, pull off the road and determine the cause of the problem. Notify the Shipping Manager of any problems. If you are unable to notify the shipping manager at any of the numbers provided, contact the Director of Operations. If you are unable to contact the Shipping Manager or Director of Operations, then please contact one of the personnel on the contact information sheet for further instructions. We have provided you an updated list of emergency contact numbers with home numbers and cell numbers.

SECTION 8: APPENDIX

**ANIMAL TRANSPORTATION CHECK LOG
EMERGENCY CONTACT LIST
DRIVER CHECK LIST**

Approved By:



President & CEO

16 JUL 07
Date



Human Resources

16 Jul 07
Date

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Liberty Research, Inc.

Employee Handbook Receipt

I have this day read a copy of the Liberty Research, Inc. (LRI) Employee Handbook, and I understand that I am responsible for the personnel policies and practices described within it. I understand that this handbook replaces any and all prior handbooks, policies, and practices of the company.

I understand that copies of this handbook are maintained by Senior Management, Managers and the Human Resources Office.

I agree to abide by the policies and procedures contained therein. I understand that the policies and benefits contained in this employee handbook may be added to, deleted or changed by LRI at any time. I understand that neither this handbook nor any other written or verbal communications by a management representative is intended to, in any way, created a contract of employment.

If I have questions regarding the content or interpretation of this handbook, I will bring them to the attention of my supervisor.

Name: _____

Date: _____

Signature: _____

Distrib: Acct.
Employee

Issued: 10 Oct 08

Schedule 2.06(c)
Employee list and Rates

LAST	FIRST	DOB	STATUS	WAGE	JOB TITLE	EDUCATION
Ammerman	Jessie	6/28/1996	FT	\$ 11.50	Tech II	HS/ALAT
Ammerman	Judy	2/19/2008	FT	\$ 14.50	Tech III	AA/LAT
Baker	Jennifer	3/11/2014	FT	\$ 10.50	Tech I	HS
Beidleman	Brent JR	9/30/2016	FT	\$ 10.40	Tech I	HS
Brotzman	Aaron	10/16/2017	FT	\$ 14.00	Tech I	HS/BS
Brown	Christopher	5/14/2018	FT	\$ 10.40	Tech I	HS
Cahill	Joseph	10/15/2013	FT	\$ 10.50	Tech I	HS
Carriker	Brandee	6/12/2001	FT	\$ 1,442.31	Assistant Study Coordinator	AA
Cole	Beau	12/29/2008	FT	\$ 12.00	Tech II	HS
Covey	Brian	1/7/2004	FT	\$ 11.00	Driver	HS
Coxhead	Fred	8/3/2015	FT	\$ 13.00	Tech III	HS/ALAT
Cron	Tanya	5/14/2018	FT	\$ 10.40	Tech I	HS
Dean	Clifford	1/22/1990	FT	\$ 1,923.00	Maintenance Supervisor	HS
Faulk	Ashley	9/15/2008	FT	\$ 2,500.00	Director of Operations & AW	HS/LVT/LAT
Frisbie	Liza	7/10/2006	FT	\$ 1,400.00	Research LVT	HS/LVT/LAT
Grazette	Alyssa	11/20/2017	FT	\$ 2,307.69	Study Coordinator	HS/
Hadamik	Barbara	12/29/2008	FT	\$ 11.00	Tech II	HS/ALAT
Harrison	Diane	4/6/1992	FT	\$ 2,044.00	Sales/Shipping Manager	HS
Hodge	Laura	1/22/2018	FT	\$ 5,576.92	Staff Veterinarian	DVM
Howland-Smythe	Karen	1/29/2018	FT	\$ 2,596.15	Staff Veterinarian	DVM
Irons	William	9/25/2014	FT	\$ 10.75	Tech I	HS
Isham	Michelle	4/1/2002	FT	\$ 13.00	Tech II	HS/ALAT
Kerrick	Krysten	10/2/2014	FT	\$ 14.42	Vet Services Assistant	HS
Kerrick	Sandra	9/1/2016	FT	\$ 10.75	Admin. Asst	HS
Lawton	Maranda	12/2/2015	FT	\$ 14.50	Admin. Asst	HS
Lewis	Julia	6/30/2004	FT	\$ 14.00	Assistant Study Coordinator	HS/LAT
Marbaker	Carol	10/18/2004	FT	\$ 11.00	Tech II	HS/LAT
Marbaker	Kristin	9/6/2017	FT	\$ 10.40	Tech I	HS
Northrup	Deborah	11/10/2006	FT	\$ 2,115.38	Business/Accounting Manag	HS/AAS/BS
Norton	Henry	1/17/2011	FT	\$ 15.50	Maintenance Asst.	HS
Norton	Patricia	9/15/2005	FT	\$ 13.00	Tech III	11TH/ALAT
Norton	Wayne	6/6/2007	FT	\$ 12.50	Tech III	HS/ALAT
Plouse	Michelle	5/27/2008	FT	\$ 11.00	Tech II	HS/ALAT
Pond	Charles	11/24/2017	PT	\$ 11.00	Driver	HS
Pond	Nancy	4/1/2015	PT	\$ 11.00	Housekeeping	HS
Porterfield	Douglas	3/13/2012	FT	\$ 1,923.08	Attending Veterinarian	DVM
Reagan	Elizabeth	8/1/1977	PT	\$ 27.00	Study Coordinator	AAS/LATG
Rucci	George	1/12/1999	PT	\$ 24.04	Study Coordinator	MS
Sandrone	Brittany	1/28/2012	FT	\$ 12.50	Tech II	HS
Shaffer	Leslee	1/2/2013	PT	\$ 11.00	Tech I	HS
Shaffer	Tayna	2/18/1998	FT	\$ 27.88	Director of Research Operati	AAS/LAT
Sherwood	Joan	3/13/2007	FT	\$ 11.00	Tech II	HS
Sloan	Robyn	6/6/2015	PT	\$ 500.00	Study Coordinator	
Spaulding	Daniel	6/26/2017	FT	\$ 11.00	Maintenance Asst.	HS
Stage	Rex	11/3/2008	FT	\$ 12.50	Tech II	HS/ALAT
Teeter	Sue	9/29/1997	FT	\$ 13.75	Tech III	HS/ALAT
Thompson	David	4/18/2018	FT	\$ 10.50	Driver	HS
Vanness	Melissa	2/11/2008	FT	\$ 13.00	Shipping Asst.	HS
Varkatzas	Konstantinos	10/22/2003	FT	\$ 11.00	Driver	HS
Waring	William	7/27/1992	FT	\$ 4,615.38	President/CEO	MS
Wescott	Darryn	9/26/2017	FT	\$ 10.40	Tech I	HS
Witman	Gary	7/6/2016	FT	\$ 10.50	Tech I	HS
Yanchis-Kirby	Tina	11/6/2006	FT	\$ 2,500.00	QA Director	MS
Zimmer	James	10/1/2016	PT	\$ 1,000.00	Consulting Veterinarian	DMV,PhD

Schedule 3.01.J.

None