As filed with the Securities and Exchange Commission on July 11, 2007

Registration No. 333-142535

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

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

Cumberland Pharmaceuticals Inc.

(Exact name of registrant as specified in its charter)

Tennessee	**2834**	**62-1765329**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
(615) 255-0068
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

A.J. Kazimi
Chairman and CEO
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
(615) 255-0068
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Martin S. Brown, Esq.
Virginia Boulet, Esq.
Adams and Reese LLP
424 Church Street, Suite 2800
Nashville, Tennessee 37219
(615) 259-1450

Donald J. Murray, Esq.
Dewey Ballantine LLP
1301 Avenue of the Americas
New York, New York 10019-6092
(212) 259-8000

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

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

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

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

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

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

Information not required in prospectus

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses relating to the registration of the shares of common stock being offered hereby, other than underwriting discounts and commissions, will be borne by us. Such expenses are estimated to be as follows:

Item	Amount
SEC registration fee	$
NASD filing fee	$
NASDAQ listing fee	$
Printing expenses	$
Legal fees and expenses	$
Accounting fees and expenses	$
Transfer agent and registrar expenses	$
Total	$

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our charter and bylaws provide for indemnification of our directors to the fullest extent permitted by the Tennessee Business Corporation Act, as amended from time to time. Our directors shall not be liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. The Tennessee Business Corporation Act provides that a Tennessee corporation may indemnify its directors and officers against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with any proceeding, whether criminal or civil, administrative or investigative if, in connection with the matter in issue, the individual's conduct was in good faith, and the individual reasonably believed: in the case of conduct in the individual's official capacity with the corporation, that the individual's conduct was in its best interest; and in all other cases, that the individual's behavior was at least not opposed to its best interest; and in the case of a criminal proceeding, the individual had no reason to believe the individual's conduct was unlawful. In addition, we have entered into indemnification agreements with our directors. These provisions and agreements may have the practical effect in certain cases of eliminating the ability of our shareholders to collect monetary damages from directors. We believe that these contractual agreements and the provisions in our charter and bylaws are necessary to attract and retain qualified persons as directors.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

In September 2003, we borrowed $500,000 from nine existing and accredited shareholders pursuant to uncollateralized secured notes payable with original maturity dates of 130 days. These notes bore interest at 12% for the first 30 days and 15% thereafter. The holders of the notes had, at their option, until the maturity date of the notes payable, the right to convert all or a portion of the unpaid principal and interest into shares of our common stock at a rate of $12.00 per share. We also issued to these lenders options to purchase shares of our common stock, at an exercise price of $12.00 per share, and at the rate of 1,540 shares of common stock per $50,000 face value of the notes. If we had not prepaid all amounts due and owing under the notes, we agreed to grant additional options at the rate of 770 shares of common stock per $50,000 face value on each of (i) the 30th day after the date of the notes and (ii) on a continuing basis, each successive 30-day period thereafter, or portion thereof, as the notes remained outstanding. At December 31, 2003, the notes payable had not been prepaid, so we granted options to acquire an additional 30,800 shares. We amended the notes agreements in January 2004 to extend the maturity date 130 days. The amendments granted an additional option to

purchase 1,540 shares per $50,000 face value upon extension of the notes and contained similar provisions for granting options in the event of nonpayment on the agreed-upon due dates. Based on the extension of the maturity date, rights to purchase a total of 61,600 shares were earned by the holders of the notes in 2004. We repaid these notes or settled these notes in shares in May 2004. The issuance of these securities was exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act.

In September 2003, we borrowed $1,000,000 from S.C.O.U.T. Healthcare Fund, L.P., or S.C.O.U.T., in the form of a convertible promissory note with a maturity date of September 2004. The President and majority shareholder of the general partner of S.C.O.U.T., Dr. Lawrence W. Greer, serves on our board of directors. Pursuant to the terms of the note, on its maturity date, S.C.O.U.T. converted the principal value of the note plus all interest accrued at a fixed rate of ten percent per annum into 91,667 shares of our common stock at a price of $12.00 per share.

On April 15, 2004, we issued 43,000 common shares at $12.00 per share, for an aggregate consideration of $516,000 and a five-year warrant to purchase 20,000 common shares at $12.00 per share to S.C.O.U.T., which represented to us that it was an accredited investor. This issuance was exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act.

By an offering memorandum dated April 1, 2005, we offered 100,000 shares of our common stock at a purchase price of $18.00 per share. Thirty investors subscribed for 100,000 shares in the aggregate, for an aggregate consideration of $1,800,000. This issuance was exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act.

By an offering memorandum dated May 5, 2005, we received approximately $2,000,000 from approximately 41 investors in exchange for uncollateralized convertible promissory notes with a maturity date six months from the date of issuance. Upon maturity, the principal and accrued interest payable on the notes converted into 112,916 shares of common stock at a rate of $18.00 per share. This issuance was exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act.

In April 2006, we issued a ten-year warrant to purchase 1,979 common shares at $18.00 per share to Bank of America. The issuance of this security was exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act.

Since January 1, 2004, we have granted options to purchase 287,610 shares of our common stock under the 1999 Option Plan to our employees, directors and consultants at exercise prices ranging from $12.00 to $22.00 per share. Of these, an aggregate of 775 shares of our common stock were issued upon the exercise of stock options.

Since January 1, 2004, we also issued an aggregate of 75,645 shares of common stock as compensation for services pursuant to contracts. Restricted-stock legends were affixed to the securities issued in these transactions. Our board of directors determined that the fair value of the services received equaled the value of the stock granted with values ranging from $12.00 to $22.00 per share. The issuances of common stock in connection with awards of restricted stock were exempt either pursuant to Rule 701 or pursuant to Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering.

The issuances of securities described in the first six paragraphs of Item 15 were exempt from registration under the Securities Act of 1933, as amended, in reliance on Section 4(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder, as transactions by an issuer not involving any public offering. The purchasers of the securities in these transactions represented that they were accredited investors and they were acquiring the securities for investment only and not with a view

toward the public sale or distribution thereof. Such purchasers received written disclosures that the securities had not been registered under the Securities Act of 1933, as amended, and that any resale must be made pursuant to a registration statement or an available exemption from registration. All purchasers either received adequate financial statement or non-financial statement information about the registrant or had adequate access, through their relationship with the registrant, to financial statement or non-financial statement information about the registrant. The sale of these securities was made without general solicitation or advertising.

The issuances of securities described in the seventh and eighth paragraphs of Item 15 were exempt from registration under the Securities Act of 1933, as amended, in reliance on either (1) Rule 701 of the Securities Act of 1933, as amended, as offers and sales of securities pursuant to compensatory benefit plans and contracts relating to compensation in compliance with Rule 701 or (2) Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering.

All certificates representing the securities issued in these transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)

No.	Description
1.1*	Form of Underwriting Agreement.
3.1**	Second Amended and Restated Charter of Cumberland Pharmaceuticals Inc.
3.2**	Amended and Restated Bylaws of Cumberland Pharmaceuticals Inc.
4.1*	Specimen Common Stock Certificate of Cumberland Pharmaceuticals Inc.
4.2**	Warrant to Purchase Common Stock of Cumberland Pharmaceuticals Inc., issued to Bank of America, N.A. on October 21, 2003.
4.3**	Stock Purchase Warrant, issued to S.C.O.U.T. Healthcare Fund L.P. on April 15, 2004.
4.4**	Warrant to Purchase Common Stock of Cumberland Pharmaceuticals Inc., issued to Bank of America, N.A. on April 6, 2006.
4.5#**	Form of Option Agreement under 1999 Stock Option Plan of Cumberland Pharmaceuticals Inc.
4.6.1#	Form of Incentive Stock Option Agreement under 2007 Long-Term Incentive Compensation Plan of Cumberland Pharmaceuticals Inc.
4.6.2#	Form of Nonstatutory Stock Option Agreement under 2007 Long-Term Incentive Compensation Plan of Cumberland Pharmaceuticals Inc.
4.7#	Form of Nonstatutory Stock Option Agreement under 2007 Directors' Compensation Plan of Cumberland Pharmaceuticals Inc.
5.1*	Opinion of Adams and Reese LLP.
10.1†	Manufacturing and Supply Agreement for N-Acetylcysteine, dated January 15, 2002, by and between Bioniche Life Sciences, Inc. and Cumberland Pharmaceuticals Inc.
10.2**	Novation Agreement, dated January 27, 2006, by and among Bioniche Life Sciences, Inc., Bioniche Pharma Group Ltd., and Cumberland Pharmaceuticals Inc.

No.	Description
10.3†	First Amendment to Manufacturing and Supply Agreement for N-Acetylcysteine, dated November 16, 2006, by and between Bioniche Teoranta and Cumberland Pharmaceuticals Inc.
10.4†	Cardinal Health Contract Sales and Services for Cumberland Pharmaceuticals Inc. Dedicated Sales Force Agreement, dated May 16, 2006, by and between Cardinal Health PTS, LLC and Cumberland Pharmaceuticals Inc.
10.5†	First Amendment to Contract Sales and Service Agreement, dated July 19, 2006, by and between Cardinal Health PTS, LLC and Cumberland Pharmaceuticals Inc.
10.6	Second Amendment to Contract Sales and Service Agreement, dated June 1, 2007, by and between Cumberland Pharmaceuticals Inc. and Inventiv Commercial Services, LLC, as successor in interest to Cardinal Health PTS, LLC.
10.7†	Distribution Services Agreement, dated August 3, 2000, by and between CORD Logistics, Inc. and Cumberland Pharmaceuticals Inc.
10.8†	Strategic Alliance Agreement, dated July 21, 2000, by and between F.H. Faulding & Co. Limited and Cumberland Pharmaceuticals Inc.
10.9†	Kristalose Agreement, dated April 7, 2006, by and among Inalco Biochemicals, Inc., Inalco S.p.A., and Cumberland Pharmaceuticals Inc.
10.10†	License Agreement, dated May 28, 1999, by and between Vanderbilt University and Cumberland Pharmaceuticals Inc.
10.11#**	Employment Agreement effective as of January 1, 2007 by and between A.J. Kazimi and Cumberland Pharmaceuticals Inc.
10.12#**	Employment Agreement effective as of January 1, 2007 by and between Jean W. Marstiller and Cumberland Pharmaceuticals Inc.
10.13#**	Employment Agreement effective as of January 1, 2007 by and between Leo Pavliv and Cumberland Pharmaceuticals Inc.
10.14#**	Employment Agreement effective as of January 1, 2007 by and between J. William Hix and Cumberland Pharmaceuticals Inc.
10.15#**	Employment Agreement effective as of January 1, 2007 by and between David L. Lowrance and Cumberland Pharmaceuticals Inc.
10.16.1†	Second Amended and Restated Loan Agreement by and between Cumberland Pharmaceuticals Inc. and Bank of America, N.A., dated April 6, 2006.
10.16.2	First Amendment to Second Amended and Restated Loan Agreement by and between Cumberland Pharmaceuticals Inc. and Bank of America, N.A., dated December 31, 2006.
10.17#**	1999 Stock Option Plan of Cumberland Pharmaceuticals Inc.
10.18#**	2007 Long-Term Incentive Compensation Plan of Cumberland Pharmaceuticals Inc.
10.19#**	2007 Directors' Compensation Plan of Cumberland Pharmaceuticals Inc.
10.20**	Form of Indemnification Agreement between Cumberland Pharmaceuticals Inc. and all members of its Board of Directors.
10.21†	Lease Agreement, dated September 10, 2005, by and between Nashville Hines Development, LLC and Cumberland Pharmaceuticals Inc.
10.22.1†	Sublease Agreement, dated December 14, 2006, by and between Robert W. Baird & Co. Incorporated and Cumberland Pharmaceuticals Inc.

No.	Description
10.22.2	Addendum to Sublease Agreement, dated May 5, 2007, by and between Robert W. Baird & Co. Incorporated and Cumberland Pharmaceuticals Inc. and consented to by Nashville Hines Development, LLC.
10.23†**	Amended and Restated Lease Agreement, dated November 11, 2004, by and between The Gateway to Nashville LLC and Cumberland Emerging Technologies, Inc.
10.24**	First Amendment to Amended and Restated Lease Agreement, dated August 23, 2005, by and between The Gateway to Nashville LLC and Cumberland Emerging Technologies, Inc.
21**	Subsidiaries of Cumberland Pharmaceuticals Inc.
23.1**	Consent of KPMG LLP.
23.2*	Consent of Adams and Reese, LLP (contained in Exhibit 5).
23.3**	Consent of Morgan Joseph & Co. Inc.
24**	Powers of Attorney (contained on the signature page of Registration Statement on Form S-1 filed on May 1, 2007).

* To be filed by amendment.

** Previously filed.

# Indicates a management contract or compensatory plan.

† Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from the Registration Statement and submitted separately to the Securities and Exchange Commission.

(b) See Schedule II—Valuation and qualifying accounts included in our audited financial statements included elsewhere in this registration statement.

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

ITEM 17. UNDERTAKINGS.

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

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to

Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

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

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 3 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Nashville, State of Tennessee, on the 11th day of July, 2007.

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ A.J. KAZIMI
A.J. Kazimi
Chairman and CEO
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 3 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ A.J. KAZIMI A.J. Kazimi	Chairman and CEO (Principal Executive Officer)	July 11, 2007
/s/ DAVID L. LOWRANCE David L. Lowrance	Vice President and CFO (Principal Financial and Accounting Officer)	July 11, 2007
* Robert G. Edwards	Director	July 11, 2007
* Thomas R. Lawrence	Director	July 11, 2007
* Lawrence W. Greer	Director	July 11, 2007
* Martin E. Cearnal	Director	July 11, 2007
*By: /s/ A.J. KAZIMI A.J. Kazimi Attorney-in-Fact		

Exhibit Index

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EXHIBIT 4.6.1

CUMBERLAND PHARMACEUTICALS INC.
2007 LONG-TERM INCENTIVE COMPENSATION PLAN
INCENTIVE STOCK OPTION AGREEMENT

This Option Agreement is entered into and effective on ___, by and between Cumberland Pharmaceuticals Inc., a Tennessee corporation (the "Company"), and ___, (the "Participant").

WHEREAS, the Company has adopted the 2007 Long-Term Incentive Compensation Plan (the "Plan"), which is administered by the Company's Board of Directors (the "Board"); and

WHEREAS, as an increased incentive to contribute to the Company's future success and prosperity, the Company will, subject to the Participant continuing to provide services to the Company (or any of its current or future subsidiaries), provide the Participant an opportunity to acquire shares of the Company's common stock, no par value (the "Stock").

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. Subject to the terms of the Plan and the terms of this Option Agreement, the Company grants to the Participant an option (the "Option") to purchase from the Company up to ___shares of Stock (the "Shares"), subject to adjustment as provided in the Plan. This Option is intended to qualify as an incentive stock option (an "ISO") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. If the Option is exercised, the purchase price per Share shall be ___.

3. Method of Exercise. The Option granted under this Agreement shall be exercisable from time to time, in whole or in part, by written notice in the manner set forth in Section 8 hereof, accompanied by payment of the purchase price for the Shares which the Participant elects to purchase by cash, check, or such other instrument as the Company may accept. The Company shall make prompt delivery of such Shares; provided that if any law or regulation which requires the Company to take any action with respect to the Shares specified in such notice before issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary to take such action.

4. Vesting.

(a) Participant shall become vested in the Option up to the amount of ___ shares on the 31st day of each December during the ___year period from ___to ___, subject to the achievement of certain Performance Criteria and amount of time contributed, as determined in the sole and absolute discretion of the Board.

(b) Upon the Participant's Employment Termination, the Option, to the extent unvested, shall lapse and be cancelled, and be of no further force and effect, as of midnight of such date, unless the Board resolves (under Section 4(b) of the Plan) to cancel or cause the forfeiture of the Incentive Option at an earlier time.

(c) Upon an Acquisition Event and/or a Change in Control Event, the Option will vest to the extent provided in the Plan.

5. Termination of Option; Restrictions on Exercise. Except as otherwise stated in this Agreement, this Option, to the extent not previously exercised, shall expire on the ___anniversary (the "Expiration Date") of the date of this Agreement. The following additional provisions shall apply to the exercise of this Option:

(a) *Termination of Employment.* Except as otherwise provided in this Agreement or in the Plan, if Participant's employment with the Company or any of its subsidiaries is terminated by the Participant or the Company, this Option, to the extent that it is vested in accordance with the applicable provisions of Section 4 hereof, may not be exercised after the earlier of (i) ninety (90) days after such termination or (ii) the expiration date of this Option stated above. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon such termination of employment.

(b) *Death of Participant.* If the Participant's employment with the Company is terminated due to his/her death during the term of this Option, the Participant's legal representative, or the person so entitled under the Participant's last will and testament, or under applicable intestate laws, shall have the right to exercise this Option for the number of shares to which the Participant was entitled in accordance with applicable provisions of Section 4 hereof, and such right shall expire and this Option shall terminate on the Expiration Date. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon such termination of employment.

6. Provisions of Plan. This Option is subject to the Plan as defined herein. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between the terms or provisions contained herein and the terms or provisions of the Plan, the applicable terms and provisions of the Plan will govern and prevail; however, in the event of a conflict regarding specific terms and provisions addressing the duration of this Option after termination of employment, the terms and provisions of this Option will govern.

7. Tax Treatment of Option. This Option is intended to qualify as an ISO within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended. This Option will automatically be converted to a nonqualified option to the extent that the Option or exercise thereof does not meet the conditions of the Internal Revenue Code, as amended, to maintain status as an ISO. The Participant is responsible for any federal, state, local, or foreign tax, including income tax, social security tax, payroll tax, payment on account, or other tax-related withholding with respect to this Option (including the grant, vesting and exercise of the Option and the receipt of Stock and sale of Stock). The Company does not guarantee any particular tax treatment or results in connection with the grant, vesting or exercise of the Option.

8. Notices. Any notice, request, instruction or other document given under this Option Agreement shall be in writing and shall be addressed and delivered in the case of the Company, to the Secretary of the Company at the principal office of the Company and, in the

case of the Participant, the Participant's address as set forth herein or to such other address as the Participant may provide in a written notice to the Company, a copy of which shall be on file with the Secretary of the Company.

9. Governing Law. This Option Agreement shall be construed in accordance with and governed by the law of the State of Tennessee, without giving effect to the conflict of law provisions thereof.

10. Relation to Other Benefits. Unless otherwise provided, the benefits received by the Participant under this Agreement will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Participant may be entitled under any profit sharing, retirement, bonus, long service, or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Participant under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. The grant of this Option does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if the Participant has a history of receiving Options or other stock awards.

IN WITNESS WHEREOF, each of the parties hereto has caused this Option Agreement to be executed by its duly authorized representative.

CUMBERLAND PHARMACEUTICALS INC.:

By: _____
Name: _____
Title: _____

PARTICIPANT:

Signature: _____
Name: _____
Address: _____

OPTION NO. _____

FOR FUTURE USE

NOTICE OF EXERCISE

Cumberland Pharmaceuticals Inc.:

The undersigned hereby elects to exercise the purchase rights granted thereto pursuant to the attached Option Agreement # ___. In accordance with the terms thereof, the undersigned elects to purchase _____ shares of Common Stock of Cumberland Pharmaceuticals Inc. and tenders herewith payment of the purchase price for such shares in full.

In exercising such rights, the undersigned hereby confirms and acknowledges that the shares of Common Stock are being acquired solely for investment, and that the undersigned will not offer, sell, or otherwise dispose of any such shares of Common Stock, except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any state securities laws.

Please issue and deliver to the undersigned a certificate or certificates representing said shares of Common Stock in the name of the undersigned. Please issue and deliver to the undersigned a new Option for any unexercised portion of the attached Option in the name of the undersigned.

Date: _____

Signature: _____
Name: _____
Title: _____

Delivery Information:

Address: _____
City, State, Zip: _____
Phone Number: _____
(for express mailing purposes)

$_____

Payment Attached

EXHIBIT 4.6.2

CUMBERLAND PHARMACEUTICALS INC.
2007 LONG-TERM INCENTIVE COMPENSATION PLAN
NONSTATUTORY STOCK OPTION AGREEMENT

This Option Agreement is entered into and effective on ___, by and between Cumberland Pharmaceuticals Inc., a Tennessee corporation (the "Company"), and ___, (the "Participant").

WHEREAS, the Company has adopted the 2007 Long-Term Incentive Compensation Plan (the "Plan"), which is administered by the Company's Board of Directors (the "Board"); and

WHEREAS, as an increased incentive to contribute to the Company's future success and prosperity, the Company will, subject to the Participant continuing to provide services to the Company (or any of its current or future subsidiaries), provide the Participant an opportunity to acquire shares of the Company's common stock, no par value (the "Stock").

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. Subject to the terms of the Plan and the terms of this Option Agreement, the Company grants to the Participant an option (the "Option") to purchase from the Company up to ___shares of Stock (the "Shares"), subject to adjustment as provided in the Plan. This Option is *not* intended to qualify as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. If the Option is exercised, the purchase price per Share shall be ___.

3. Method of Exercise. The Option granted under this Agreement shall be exercisable from time to time, in whole or in part, by written notice in the manner set forth in Section 8 hereof, accompanied by payment of the purchase price for the Shares which the Participant elects to purchase by cash, check, or such other instrument as the Company may accept. The Company shall make prompt delivery of such Shares; provided that if any law or regulation which requires the Company to take any action with respect to the Shares specified in such notice before issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary to take such action.

4. Vesting.

(a) Participant shall become vested in the Option up to the amount of ___shares on the 31st day of each December during the ___year period from ___to ___, subject to the achievement of certain Performance Criteria and amount of time contributed, as determined in the sole and absolute discretion of the Board.

(b) Upon the Participant's Employment Termination (or the termination of the consulting engagement), the Option, to the extent unvested, shall lapse and be cancelled, and be of no further force and effect, as of midnight of such date, unless the Board resolves (under Section 4(b) of the Plan) to cancel or cause the forfeiture of the Option at an earlier time.

(c) Upon an Acquisition Event and/or a Change in Control Event, the Option will vest to the extent provided in the Plan.

5. Termination of Option; Restrictions on Exercise. Except as otherwise stated in this Agreement, this Option, to the extent not previously exercised, shall expire on the ___anniversary (the "Expiration Date") of the date of this Agreement. The following additional provisions shall apply to the exercise of this Option:

(a) *Termination of Employment.* Except as otherwise provided in this Agreement or in the Plan, if Participant's employment with the Company or any of its subsidiaries is terminated by the Participant or the Company (or if the Participant's consulting engagement is terminated), this Option, to the extent that it is vested in accordance with the applicable provisions of Section 4 hereof, may not be exercised after the earlier of (i) ninety (90) days after such termination or (ii) the expiration date of this Option stated above. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon such termination of employment (or consulting engagement).

(b) *Death of Participant.* If the Participant's employment (or consulting engagement) with the Company is terminated due to his/her death during the term of this Option, the Participant's legal representative, or the person so entitled under the Participant's last will and testament, or under applicable intestate laws, shall have the right to exercise this Option for the number of shares to which the Participant was entitled in accordance with applicable provisions of Section 4 hereof, and such right shall expire and this Option shall terminate on the Expiration Date. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon such termination of employment (or consulting engagement).

6. Provisions of Plan. This Option is subject to the Plan as defined herein. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between the terms or provisions contained herein and the terms or provisions of the Plan, the applicable terms and provisions of the Plan will govern and prevail; however, in the event of a conflict regarding specific terms and provisions addressing the duration of this Option after termination of employment (or consulting engagement), the terms and provisions of this Option will govern.

7. Tax Treatment of Option. The Participant is responsible for any federal, state, local, or foreign tax, including income tax, social security tax, payroll tax, payment on account, or other tax-related withholding with respect to this Option (including the grant, vesting and exercise of the Option and the receipt of Stock and sale of Stock). The Company does not guarantee any particular tax treatment or results in connection with the grant, vesting or exercise of the Option.

8. Notices. Any notice, request, instruction or other document given under this Option Agreement shall be in writing and shall be addressed and delivered in the case of the Company, to the Secretary of the Company at the principal office of the Company and, in the case of the Participant, the Participant's address as set forth herein or to such other address as the

Participant may provide in a written notice to the Company, a copy of which shall be on file with the Secretary of the Company.

9. Governing Law. This Option Agreement shall be construed in accordance with and governed by the law of the State of Tennessee, without giving effect to the conflict of law provisions thereof.

10. Relation to Other Benefits. Unless otherwise provided, the benefits received by the Participant under this Agreement will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Participant may be entitled under any profit sharing, retirement, bonus, long service, or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Participant under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. The grant of this Option does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if the Participant has a history of receiving Options or other stock awards.

IN WITNESS WHEREOF, each of the parties hereto has caused this Option Agreement to be executed by its duly authorized representative.

CUMBERLAND PHARMACEUTICALS INC.:

By: _____
Name: _____
Title: _____

PARTICIPANT:

Signature: _____
Name: _____
Address: _____

OPTION NO. _____

FOR FUTURE USE

NOTICE OF EXERCISE

Cumberland Pharmaceuticals Inc.:

The undersigned hereby elects to exercise the purchase rights granted thereto pursuant to the attached Option Agreement # ___. In accordance with the terms thereof, the undersigned elects to purchase _____ shares of Common Stock of Cumberland Pharmaceuticals Inc. and tenders herewith payment of the purchase price for such shares in full.

In exercising such rights, the undersigned hereby confirms and acknowledges that the shares of Common Stock are being acquired solely for investment, and that the undersigned will not offer, sell, or otherwise dispose of any such shares of Common Stock, except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any state securities laws.

Please issue and deliver to the undersigned a certificate or certificates representing said shares of Common Stock in the name of the undersigned. Please issue and deliver to the undersigned a new Option for any unexercised portion of the attached Option in the name of the undersigned.

Date: _____

Signature: _____
Name: _____
Title: _____

Delivery Information:

Address: _____
City, State, Zip: _____
Phone Number: _____
(for express mailing purposes)

$_____

Payment Attached

EXHIBIT 4.7

CUMBERLAND PHARMACEUTICALS INC.
2007 DIRECTORS' INCENTIVE PLAN
NONSTATUTORY STOCK OPTION AGREEMENT

This Option Agreement is entered into and effective on ___, by and between Cumberland Pharmaceuticals Inc., a Tennessee corporation (the "Company"), and ___, (the "Participant").

WHEREAS, the Company has adopted the 2007 Directors' Incentive Plan (the "Plan"), which is administered by the Compensation Committee of the Company's Board of Directors (the "Board"); and

WHEREAS, as an increased incentive to contribute to the Company's future success and prosperity, the Company will, subject to the Participant continuing to serve on the Board, provide the Participant an opportunity to acquire shares of the Company's common stock, no par value (the "Stock").

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. Subject to the terms of the Plan and the terms of this Option Agreement, the Company grants to the Participant an option (the "Option") to purchase from the Company up to ___shares of Stock (the "Shares"), subject to adjustment as provided in the Plan. This Option is *not* intended to qualify as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. If the Option is exercised, the purchase price per Share shall be ___.

3. Method of Exercise. The Option granted under this Agreement shall be exercisable from time to time, in whole or in part, by written notice in the manner set forth in Section 8 hereof, accompanied by payment of the purchase price for the Shares which the Participant elects to purchase by cash, check, or such other instrument as the Company may accept. The Company shall make prompt delivery of such Shares; provided that if any law or regulation which requires the Company to take any action with respect to the Shares specified in such notice before issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary to take such action.

4. Vesting.

(a) Participant shall become vested in the Option up to the amount of ___shares on the 31st day of each December during the ___year period from ___to ___.

(b) If the Participant ceases to serve on the Board for any reason, the Option, to the extent unvested, shall be forfeited, automatically cancelled, and be of no further force and effect, as of midnight of such date.

(c) Upon an Acquisition Event and/or a Change in Control Event, the Option will vest to the extent provided in the Plan.

5. Termination of Option; Restrictions on Exercise. Except as otherwise stated in this Agreement, this Option, to the extent not previously exercised, shall expire on the tenth anniversary (the "Expiration Date") of the date of this Agreement. The following additional provisions shall apply to the exercise of this Option:

(a) *Termination of Board Service.* If the Participant ceases to serve on the Board for any reason, this Option, to the extent that it is vested in accordance with the applicable provisions of Section 4 hereof, may not be exercised after the earlier of (i) two (2) years after such termination or (ii) the Expiration Date of this Option stated above. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon such termination.

(b) *Death of Participant.* If the Participant's Board service with the Company is terminated due to his/her death during the term of this Option, the Participant's legal representative, or the person so entitled under the Participant's last will and testament, or under applicable intestate laws, shall have the right to exercise this Option for the number of shares to which the Participant was entitled in accordance with applicable provisions of Section 4 hereof, and such right shall expire and this Option shall terminate on the Expiration Date. Except as expressly set forth otherwise herein, this Option shall terminate in all other respects upon the Participant's death.

6. Provisions of Plan. This Option is subject to the Plan as defined herein. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between the terms or provisions contained herein and the terms or provisions of the Plan, the applicable terms and provisions of the Plan will govern and prevail; however, in the event of a conflict regarding specific terms and provisions addressing the duration of this Option after termination of Board service, the terms and provisions of this Option will govern.

7. Tax Treatment of Option. The Participant is responsible for any federal, state, local, or foreign tax, including income tax, social security tax, payroll tax, payment on account, or other tax-related withholding with respect to this Option (including the grant, vesting and exercise of the Option and the receipt of Stock and sale of Stock). The Company does not guarantee any particular tax treatment or results in connection with the grant, vesting or exercise of the Option.

8. Notices. Any notice, request, instruction or other document given under this Option Agreement shall be in writing and shall be addressed and delivered in the case of the Company, to the Secretary of the Company at the principal office of the Company and, in the case of the Participant, the Participant's address as set forth herein or to such other address as the Participant may provide in a written notice to the Company, a copy of which shall be on file with the Secretary of the Company.

9. Governing Law. This Option Agreement shall be construed in accordance with and governed by the law of the State of Tennessee, without giving effect to the conflict of law provisions thereof.

10. Relation to Other Benefits. Unless otherwise provided, the benefits received by the Participant under this Agreement will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Participant may be entitled under any profit sharing, retirement, bonus, long service, or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Participant under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. The grant of this Option does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if the Participant has a history of receiving Options or other stock awards.

IN WITNESS WHEREOF, each of the parties hereto has caused this Option Agreement to be executed by its duly authorized representative.

CUMBERLAND PHARMACEUTICALS INC.:

By: _____
Name: _____
Title: _____

PARTICIPANT:

Signature: _____
Name: _____
Address: _____

OPTION NO. _____

FOR FUTURE USE

NOTICE OF EXERCISE

Cumberland Pharmaceuticals Inc.:

The undersigned hereby elects to exercise the purchase rights granted thereto pursuant to the attached Option Agreement # ___. In accordance with the terms thereof, the undersigned elects to purchase _____ shares of Common Stock of Cumberland Pharmaceuticals Inc. and tenders herewith payment of the purchase price for such shares in full.

In exercising such rights, the undersigned hereby confirms and acknowledges that the shares of Common Stock are being acquired solely for investment, and that the undersigned will not offer, sell, or otherwise dispose of any such shares of Common Stock, except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any state securities laws.

Please issue and deliver to the undersigned a certificate or certificates representing said shares of Common Stock in the name of the undersigned. Please issue and deliver to the undersigned a new Option for any unexercised portion of the attached Option in the name of the undersigned.

Date: _____

Signature: _____
Name: _____
Title: _____

Delivery Information:

Address: _____
City, State, Zip: _____
Phone Number: _____
(for express mailing purposes)

$_____

Payment Attached

EXHIBIT 10.1

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

MANUFACTURING AND SUPPLY AGREEMENT
for
N-ACETYLCYSTEINE

CUMBERLAND PHARMACEUTICALS INC.

and

BIONICHE LIFE SCIENCES, INC.

January 15, 2002

MANUFACTURING AND SUPPLY
AGREEMENT FOR N-ACETYLCYSTEINE

THIS AGREEMENT is made and entered into as of the 15th day of January, 2002.

BY AND BETWEEN:

CUMBERLAND PHARMACEUTICALS INC., a corporation organized and existing under the laws of Tennessee, United States, with its principal offices located at 209 Tenth Avenue South, Suite 332, Nashville, Tennessee, 37203 (hereinafter referred to as "**CUMBERLAND**")

AND:

BIONICHE LIFE SCIENCES INC., a corporation organized and existing under the laws of Ontario, Canada, with its principal place of business located at 231 Dundas Street, East Belleville, Ontario, Canada K8N 1E2 (hereinafter referred to as "**BIONICHE**");

WHEREAS, CUMBERLAND is the owner of certain intellectual property rights with respect to a Drug Product (as hereinafter defined);

WHEREAS, BIONICHE has the expertise and the manufacturing facility suitable for the pharmaceutical preparation and production of the Drug Product;

WHEREAS, CUMBERLAND wishes to have BIONICHE manufacture the Drug Product on an exclusive basis for sale in the Territory (as hereinafter defined) and BIONICHE wishes to supply the Drug Product on an exclusive basis to CUMBERLAND on and subject to the terms and conditions set out herein;

NOW, THEREFORE, in consideration of the premises and the undertakings, terms, conditions and covenants set forth below, the parties hereto agree as follows:

1. DEFINITIONS

1.1 AFFILIATE shall mean, with respect to any Person, any other Person that controls, is controlled by or is under common control with, such Person. A Person shall be regarded as in control of another Person if such Person owns, or directly or indirectly controls, more than fifty percent (50%) of the voting securities (or comparable equity interests) or other ownership interests of the other Person, or if such Person directly or indirectly possesses the power to direct or cause the direction of the management or policies of the other Person, whether through the ownership of voting securities, by contract or any other means whatsoever.

1.2 BUFFER SOLUTION shall mean the buffer solution used for the manufacture of the Drug Product.

1.3 BULK DRUG SUBSTANCE shall mean the active ingredients in the Drug Product.

1.4 cGMP or GMP shall have the meaning set forth in Schedule I.

1.5 CONFIDENTIAL INFORMATION shall have the meaning set forth in Article 9.

1.6 DEVELOPMENT shall mean all work necessary to develop a process to manufacture the Drug Product in full accord with cGMP and to supply the Drug Product conforming to the Specifications. Development activities shall include, but not be limited to, pilot batches, scale-up batches, validation of the manufacturing process, and successful completion of the Drug Product manufacture and delivery as defined in Schedule I attached hereto.

1.7 DRUG PRODUCT shall mean the N-Acetylcysteine pharmaceutical product developed by CUMBERLAND and marketed under the trade name ACETADOTE or any other trade name selected by CUMBERLAND.

1.8 EXCIPIENT shall mean any inert substance selected by CUMBERLAND and used to give the Drug Product proper consistency.

1.9 FACILITY shall mean the manufacturing facility and the real property underlying such manufacturing facility operated by Bioniche Teoranta, an Affiliate of BIONICHE, located at Inverin, Co. Galway, Republic of Ireland.

1.10 FDA shall mean the United States Food and Drug Administration (FDA) or any successor entity thereto.

1.11 IN-PROCESS SOLUTION shall mean all Buffer Solutions and Excipients needed to produce Drug Product in the finished dosage form set forth in Schedule I.

1.12 INVENTION shall have the meaning set forth in Paragraph 9.4.

1.13 LABELING shall mean all labels and other written, printed, or graphic matter upon: (i) the Drug Product or any container or wrapper utilized with the Drug Product and (ii) any written material accompanying the Drug Product, including without limitation, package inserts.

1.14 MANUAL shall mean the Manufacturing Project Manual attached as Schedule II to this Agreement and reviewed and accepted by CUMBERLAND and BIONICHE, the terms and provisions of which are incorporated by reference as though fully set forth herein.

1.15 MANUFACTURE shall mean the act of compounding, component preparations, filling, packaging, testing and any other pharmaceutical manufacturing procedures, or any part thereof, involved in manufacturing the Drug Product from the Bulk Drug Substance.

1.16 PERSON shall mean an individual, corporation, partnership, limited liability company, or any other form of entity not specifically listed herein.

1.17 SPECIFICATIONS shall mean those specifications set forth in Attachment I to the Manual.

1.18 TERRITORY shall have the meaning set forth in Schedule III.

2. DEVELOPMENT AND MANUFACTURING

2.1 Initiation: Upon request by CUMBERLAND and subject to the provisions hereof, BIONICHE, directly or through an Affiliate thereof, shall Manufacture and package at the Facility all of CUMBERLAND's requirements for Drug Product in the Territory in the batch size set forth in Schedule I in accordance with the terms hereof, including without limitation, Schedules I and II hereof, the Specifications, and all applicable laws and regulations. Prior to distributing and selling the Drug Product, CUMBERLAND shall prepare and file submissions to the FDA in order to obtain and maintain during the term hereof regulatory approval of the Drug Product, BIONICHE shall prepare and test the Drug Product in accordance with cGMP.

2.2 Documentation: BIONICHE shall provide CUMBERLAND with required supporting documentation for the manufacture of the Drug Product in a form suitable for CUMBERLAND's submission to the FDA or applicable governmental authorities for any country into which the Drug Product will be distributed. BIONICHE shall provide draft Chemistry, Manufacturing, and Controls sections for CUMBERLAND's FDA submissions,

2.3 Bulk Drug Substance Supply: BIONICHE shall be responsible for the supply of all Bulk Drug Substance in accordance with Schedules I and II hereto; provided that the supply of Bulk Drug Substance shall be exclusively from such suppliers and in such grades as have been approved in writing by CUMBERLAND as reflected on an approved list to be attached hereto as Schedule IV, and provided further that such suppliers and

grades may not be changed without CUMBERLAND's prior written consent, which consent shall not be unreasonably withheld or delayed. BIONICHE shall maintain, at its expense, secure storage areas for the Bulk Drug Substance at the Facility.

2.4 Supply of Components: BIONICHE shall be responsible for the supply of all Buffer Solution, Excipients, and all other components of the finished Drug Product in accordance with Schedules I and II hereto; provided that the supply of these components shall be exclusively from such suppliers and in such grades as have been approved in writing by CUMBERLAND as reflected on an approved list to be attached hereto as Schedule IV, and provided further that such suppliers and grades may not be changed without CUMBERLAND's prior written consent which consent shall not be unreasonably withheld or delayed. BIONICHE shall maintain, at its expense, secure storage areas for the Buffer Solution, Excipients, and all other components at the Facility.

2.5 Delivery Terms: All deliveries of Drug Product under this Agreement shall be made by BIONICHE to CUMBERLAND in the manner set forth in Schedule I. CUMBERLAND shall, within twenty (20) working days after its receipt of any shipment, notify BIONICHE in writing, of any claim relating to a Drug Product not conforming to GMP or to the Specifications, and, failing such notification, notwithstanding Paragraph 5.1 of this Agreement, CUMBERLAND shall be deemed to have accepted the Drug Product. If BIONICHE disputes CUMBERLAND's claim that the Drug Product is non-conforming, then such dispute shall be resolved by an independent testing organization of recognized repute within the pharmaceutical industry mutually agreed upon by BIONICHE and CUMBERLAND, the appointment of which shall not be unreasonably withheld or delayed by either party. In such event, CUMBERLAND shall ship the testing organization representative samples of the Drug Product from the disputed production lot, and the fees and costs of such testing organization and related shipping and supply costs shall be borne by the party whose position is not sustained by the testing organization. Should CUMBERLAND's claim of non-conformity be sustained by the testing organization, BIONICHE shall, at CUMBERLAND'S sole option, (a) credit towards future orders, or (b) refund within thirty (30) days thereof; the payment for such non-conforming goods, plus the cost to CUMBERLAND of Manufacturing and shipping the related Bulk Drug Substance and components.

2.6 Forecasts: In order to permit BIONICHE to regularly supply CUMBERLAND with Drug Product hereunder, at least [***] prior to its first requested delivery date, CUMBERLAND shall provide BIONICHE a non-binding twelve (12) month rolling forecast (the "Forecast") of CUMBERLAND's estimated requirements of Drug Product, itemized for use as commercial product or Regulatory Samples (as defined below), for the term of this Agreement. The Forecast shall be reviewed and updated by CUMBERLAND on a monthly basis, with copies delivered to BIONICHE. BIONICHE shall have an opportunity to confirm its ability to deliver the quantities set out in the Forecast and each update thereto, or to request amendments thereto to ensure its ability to supply. Once accepted by BIONICHE, the first three (3) months of each Forecast shall constitue a firm order for Drug Product. Each such Forecast shall reflect a good faith attempt by CUMBERLAND to estimate quantity requirements of Drug Product, based on anticipated demand therefore.

2.7 Periodic Orders: A purchase order (the "Purchase Order") shall be provided by CUMBERLAND to BIONICHE with respect to Drug Product to be supplied at least [***] prior to the scheduled delivery date of such Drug Product. Such Purchase Order shall specify the quantities ordered by CUMBERLAND for delivery by BIONICHE hereunder and the requested delivery date therefore, and, once delivered to BIONICHE, and shall be firm and binding on the parties (the "Delivery Date"). Each such Purchase Order shall become firm and binding on the parties and, except as specifically provided for herein, may not be increased or decreased by more than [***] from the quantities shown in the Forecast accepted by BIONICHE pursuant to Section 2.6 without the prior written approval of the parties. If CUMBERLAND requires quantities of Drug Product exceeding *those* mentioned in the Forecast, as updated, BIONICHE shall deliver the amount indicated in the Forecast on the scheduled Delivery Date and shall use reasonable efforts to supply the additional amount exceeding such Forecast on the scheduled Delivery Date, but shall have no liability for failure to deliver the additional amount. Each Purchase Order shall constitute a separate agreement to purchase Drug Product but where in conflict with the terms and conditions of this Agreement, this Agreement, and not the standard terms and conditions set forth in the purchase orders, shall govern the Manufacturing, purchase and sale of the Drug

Product under this Agreement. Any Purchase Order for Drug Product shall be placed in the minimum amounts listed below or in integral multiples thereof.

For the 10mL form of Drug Product	[***]
For the 30mL form of Drug Product	[***]

2.8 Failure to Supply: Subject to the provisions of Article 7, BIONICHE shall supply all of the Drug Product ordered by CUMBERLAND within [***] of receipt of a written order from CUMBERLAND. If BIONICHE is unable to meet its supply obligations with respect to any Purchase Order, CUMBERLAND shall be free to procure from third parties part or all of the quantities of the Drug Product covered by the relevant Purchase Order. In the event that BIONICHE is unable to supply the Drug Product to CUMBERLAND for any reason other than for Force Majeure or failure of CUMBERLAND to fulfill its obligations hereunder, BIONICHE will reimburse CUMBERLAND for any increase in the price of obtaining the Drug Product from an alternate supplier; provided that such replacement Drug Product was purchased on reasonable commercial terms, and provided further that such failure to supply was in respect of Drug Product that was the subject of a Purchase Order provided by CUMBERLAND and accepted by BIONICHE under Paragraph 2.7. Should BIONICHE reimburse CUMBERLAND as set out in this paragraph, BIONICHE shall have no further liability to CUMBERLAND for said failure to supply.

2.9 Payment for the Drug Product: At the time of each shipment, BIONICHE shall invoice CUMBERLAND for BIONICHE's manufacturing services at the prices set forth in Schedule I. Payment shall be made in Canadian dollars within [***] of each such shipment of conforming Product in accordance with the terms hereof.

2.10 Price Variations:

(a) Prices are as set on Schedule I for the term hereof unless changed pursuant to Paragraph 2.10(b).

(b) Subject to Subparagraph 2.10(c), prices are subject to annual adjustment beginning two (2) years after the date hereof. Price increases or decreases will be commensurate with documented Manufacturing cost increases or decreases since the date that the then-current prices became effective. For purposes hereof, "Manufacturing cost" shall mean, with respect to the Drug Product, BIONICHE's actual and documented cost of raw materials, direct labor, Manufacturing, packaging, and overhead amounts directly applicable to such Manufacturing costs (including appropriately amortized capital equipment costs and excluding non-manufacturing overhead and allocations and excluding costs representing Manufacturing changes for which CUMBERLAND does not provide prior written consent pursuant to Article 8), calculated in accordance with generally accepted accounting principles consistently applied (the allocation of overhead to be consistent with BIONICHE's allocation of overhead as of the date of this Agreement). CUMBERLAND reserves the right to audit the records of BIONICHE in order to determine that such increases and/or decreases are appropriate. Any increase in price shall not exceed the twelve (12) month percent increase in the Producer Price Index as published by the U.S. government and shall be further subject to a maximum increase of five percent (5%) per year over the life of the Agreement.

(c) Notwithstanding any of the contrary herein contained, should CUMBERLAND: (i) request a change in Specifications, or (ii) unreasonably withhold the consent requested under Paragraphs 2.3 or 2.4, which request or refusal results in an increase in Manufacturing Costs, BIONICHE shall be entitled to pass on such costs to CUMBERLAND immediately in the form of a Drug Product price increase.

3. TERM AND TERMINATION

3.1 Term: This Agreement shall commence on the date first above written and will continue until the fifth anniversary of the date on which the FDA grants approval to market and sell the Drug Product, unless sooner terminated pursuant to Paragraphs 3.2 or 3.3 hereof. Subject to Paragraphs 3.2 and 3.3, the Agreement shall be automatically renewed for successive three-year terms unless either party notifies the other party in writing at least twelve (12) months in advance of the expiration of the then current term that the party is terminating the Agreement.

3.2 Termination: This Agreement may be terminated at any time upon the occurrence of any of the following events:

(a) Default: Thirty (30) days following written notice, by either party to the other party, in the event that the other party breaches any provision of this Agreement, and such party fails to remedy the breach prior to the expiration of the thirty (30) day period; provided that, in the case of nonpayment of sums due hereunder, the remedy period shall be decreased to ten (10) days.

(b) Insolvency: Written notice by either party to the other upon insolvency or bankruptcy of the other party, and the failure of any such insolvency or bankruptcy to be dismissed within sixty (60) days.

(c) Force majeure: If, as a result of causes described in Paragraph 7.1, either party is unable to fully perform its obligations hereunder for a period of one hundred fifty (150) consecutive days, the other party shall have the right to terminate this Agreement upon at least thirty (30) days prior written notice; provided that if the required performance is met during that thirty-day period, this Agreement shall continue in full force and effect as if the notice had not been given.

(d) Costs: Immediately upon written notice by BIONICHE to CUMBERLAND if the Manufacturing cost per unit of Drug Product calculated in the manner set forth in Paragraph 2.10(a) hereof exceeds the purchase price per unit of Drug Product set forth in Schedule I, as adjusted pursuant to Paragraphs 2.10(b) and/or (c) hereof.

(e) No FDA Approval: Immediately upon written notice by BIONICHE to CUMBERLAND if the FDA does not grant CUMBERLAND approval to market and sell the Drug Product on or before the second anniversary of the date of this Agreement.

(f) By mutual agreement of the parties hereto.

Except as otherwise specifically set forth in this Paragraph 3.2, termination, expiration, cancellation or abandonment of this Agreement, through any means and for any reason, shall not relieve the parties of any obligation accruing prior thereto and shall be without prejudice to the rights and remedies of either party with respect to any antecedent breach of any of the provisions of this Agreement. Without limiting the generality of the foregoing, termination, expiration, cancellation, or abandonment of this Agreement shall not relieve CUMBERLAND of its obligation to pay the royalty provided for under Schedule I for Drug Product manufactured by BIONICHE hereunder.

3.3 Minimum Quantities Purchased: If the parties fail to agree on minimum purchase quantities as provided under Paragraph 5.7, or if following such agreement, CUMBERLAND should fail to meet the agreed upon minimum purchase requirements, BIONICHE shall have the right (but not the obligation) to terminate this Agreement in its entirety or with respect to any one or more format of the Drug Product upon ninety (90) days notice; provided, however, that CUMBERLAND shall have the right (but not the obligation) within such ninety (90) day period to pay BIONICHE any short-fall and avoid such termination. Such shortfall shall be calculated by subtracting the purchase price of the amount of each format of Drug Product actually ordered from the amount calculated by multiplying the minimum quantity of such format under Schedule V by the purchase price thereof. It is understood and agreed between the parties that BIONICHE shall not be required to supply Drug Product for such payment. Should BIONICHE exercise its right to terminate under this Paragraph 3.3, CUMBERLAND shall have no liability to BIONICHE for failing to purchase any minimum quantity of Drug Product hereunder.

3.4 Impact of Termination on Outstanding Purchase Orders: Upon termination of the Agreement for any reason whatsoever (except for termination by either party pursuant to Paragraphs 3.2(a), (b), or (c), or upon expiration of this Agreement), BIONICHE will, at CUMBERLAND's written request delivered after termination, continue to supply Drug Product to CUMBERLAND in satisfaction of Purchase Orders already submitted to BIONICHE, subject to the same terms and conditions as applied during the term of the Agreement, for a period of sixty (60) days from the date of termination or expiration.

3.5 Survival: Paragraphs 2.5, 2.8, 3.2, 3.3, and 3.5 and Articles 5, 6, 9, and 10 shall survive the termination or cancellation of the Agreement for any reason.

4. CERTIFICATES OF ANALYSIS AND MANUFACTURING COMPLIANCE

4.1 Certificates of Analysis: BIONICHE shall perform, or cause to be performed, certain tests requested by CUMBERLAND in writing and as indicated in the Specifications on each batch of the Drug Product manufactured pursuant to this Agreement before delivery to CUMBERLAND. A certificate of analysis for each batch delivered shall be delivered with each batch and shall set forth the items tested, specifications, and test results. BIONICHE shall also indicate on the certificate of analysis that all batch production and control records have been reviewed and approved by the appropriate quality control unit. Subject to Paragraph 2.5, CUMBERLAND shall test, or cause to be tested, prior to final release, each batch of the Drug Product as meeting the Specifications. As required by the FDA (see Paragraph 5.2 below), CUMBERLAND shall assume full responsibility for final release of each lot of the Drug Product.

4.2 Manufacturing Compliance: BIONICHE shall advise CUMBERLAND immediately if an authorized agent of any regulatory body visits the Facility and makes an inquiry regarding BIONICHE's method of manufacture of the Drug Product for CUMBERLAND. Upon receipt of any Form 483 Notice of Inspectional Observations issued by the FDA or notice of deficit from any other regulatory inspection after a visit to the Facility, BIONICHE shall immediately send CUMBERLAND a copy thereof; provided that it may redact any language that is subject to a written confidentiality agreement between BIONICHE and a third party.

4.3 Regulatory Agency Requirements: BIONICHE shall prepare and test the Drug Product in conformity with GMP. Subject to the allocation of responsibility for regulatory compliance as set forth in Paragraph 5.2, each party shall consult with the other party hereto before implementing additional regulatory agency requirements concerning the control of Drug Product components, manufacture of the Drug Product, or storage and handling of the Drug Product. The full text of regulatory agency requests or comments will be provided by the party receiving such requests or comments to the other party hereto. The parties will mutually agree on how to respond to such requests and comments and on the allocation of the costs thereof; provided that BIONICHE shall be entitled to reimbursement from CUMBERLAND for any out-of-pocket expenses or extraordinary costs previously approved in writing by CUMBERLAND and required in connection with implementing such regulatory requirements other than the ordinary costs of compliance with GMP.

4.4 Regulatory Documents: Each party will advise the other party hereto of its intention to change any Drug Product regulatory documents prior to submission of the document to any regulatory body. If the change affects the rights and obligations of a party hereto under this Agreement, such party may seek to review or alter any part of the document at any time within ten (10) business days after receipt of notification thereof; provided that if no alterations are submitted to the other party within such ten-day period, each party will be deemed to have consented to the documents, as amended.

5. REPRESENTATIONS AND WARRANTIES

5.1 Conformity with Specifications: BIONICHE represents and warrants that, at the time of Manufacture, the Drug Product is prepared and tested in accordance with cGMP and meets the Specifications. In the event that any production lot of a Drug Product is not Manufactured in accordance with the Specifications or other requirements hereunder, BIONICHE shall, at CUMBERLAND's request, perform new Manufacturing as necessary to fulfill any then outstanding purchase order of CUMBERLAND. BIONICHE shall be fully responsible for the costs of any Bulk Drug Substance or components required for such new Manufacturing. Because BIONICHE has no control of the conditions under which the Drug Product is used, the diagnosis of the patient before or after treatment with the Drug Product, the method of use or administration of the Drug Product, and handling of the Drug Product after delivery to CUMBERLAND, BIONICHE does not warrant either a good effect, or against an ill effect, following the use of the Drug Product. The foregoing warranty is exclusive and in lieu of all other warranties either written, oral, or implied. No representative of BIONICHE may change any of the foregoing warranties and CUMBERLAND accepts the Drug Product subject to all terms hereof.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS ARTICLE 5 AND PARAGRAPH 11.4, BIOMCHE MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (i) OF COMMERCIAL UTILITY; (ii) OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; OR (iii) THAT THE USE OF THE DRUG PRODUCTS BY CUMBERLAND OR ANY THIRD PARTY WILL NOT INFRINGE ANY PATENT, COPYRIGHT OR TRADEMARK OR OTHER PROPRIETARY OR PROPERTY

RIGHTS OF OTHERS. EXCEPT AS PROVIDED FOR HEREIN, BIONICHE WILL NOT BE LIABLE TO CUMBERLAND, CUMBERLAND'S SUCCESSORS OR ASSIGNS OR ANY THIRD PARTY WITH RESPECT TO ANY CLAIM ARISING FROM CUMBERLAND'S OR ANY THIRD PARTY'S USE OF THE DRUG PRODUCTS.

CUMBERLAND ACCEPTS ALL RISK AND RESPONSIBILITY FOR DETERMINING THE MANNER IN WHICH CUMBERLAND WILL USE THE DRUG PRODUCTS, AND BIONICHE MAKES NO REPRESENTATIONS OR WARRANTIES CONCERNING, AND ASSUMES NO RESPONSIBILITY FOR, THE PERFORMANCE OF ANY OTHER PRODUCT(S) INTO WHICH THE DRUG PRODUCTS MAY BE INCORPORATED.

5.2 Compliance: CUMBERLAND represents and warrants that CUMBERLAND assumes responsibility for coordinating all contact with the FDA and other regulatory bodies, pertaining specifically to the Drug Product. During the term of this Agreement, BIONICHE authorizes CUMBERLAND's representatives to inspect the methods used in and facilities used for manufacturing, processing, packaging, and handling of the Drug Product; provided that each such inspection shall be at CUMBERLAND'S own cost, on reasonable prior notice, and subject to the prior execution of reasonable confidentiality agreement by each inspector who is not an employee of CUMBERLAND but has been selected by CUMBERLAND to represent it; and provided further that CUMBERLAND shall have no such obligation under this Agreement. Except as otherwise required by applicable regulations, CUMBERLAND's inspections shall be conducted during normal business hours; provided that CUMBERLAND may inspect such facilities immediately after any regulatory inspection thereof.

5.3 Debarring: BIONICHE represents and warrants that it has not been debarred in the United States within the meaning of 21 U.S.C. § 335a(a) and 335a(b), nor will it use, knowingly after due inquiry, in any capacity the services of any person debarred pursuant to subsections 3.06(a) or 3.06(b) of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. Section 335(a) and (b).

5.4 FDA Submission: BIONICHE represents and warrants that it has submitted to the FDA information about the Facility and the operating procedures, and personnel at such site in the form required by the FDA. BIONICHE shall keep and maintain the equipment necessary for the Manufacture of any Drug Product in a manufacture-ready state and in good repair. During the term hereof and until the fifth anniversary of termination or expiration, BIONICHE shall maintain written documentation of all use, repair, service, and maintenance of such equipment and shall provide CUMBERLAND copies of such documentation; provided that in the event that a Person acquires substantially all of the assets and business of BIONICHE, BIONICHE may send all such documentation to CUMBERLAND promptly after such acquisition.

5.5 Reimbursement: BIONICHE shall not incur any costs for which it intends to seek reimbursement from CUMBERLAND unless BIONICHE has the prior written consent of CUMBERLAND. CUMBERLAND shall reimburse BIONICHE at a rate equal to one hundred fifty percent (150%) of all such costs actually incurred and documented and directly related to the production of materials or data for submissions to the FDA ("Pre-Approval Costs") hereunder, provided that reimbursement of such Pre-Approval Costs shall be paid by means of twelve (12) equal installments thereof to be made on the first day of each of the twelve (12) months following the date on which the FDA issues final approval to CUMBERLAND to market and sell the Drug Product commercially in the United States (the "Approval Date"); and provided further that if the Approval Date has not occurred on or before one year from the date of signing of the Agreement then CUMBERLAND shall immediately reimburse BIONICHE at a rate equal to one hundred percent (100%) of all Pre-Approval Costs incurred prior to such date in complete satisfaction of its obligations to reimburse such Pre-Approval Costs.

5.6 Exclusivity:

(a) Neither BIONICHE nor any Affiliate thereof will sell, give away, or deliver to any other person, firm, or corporation any form of the Drug Product in the Territory for indications currently approved as of the date of signing this Agreement ("currently-approved indications"), while this Agreement is effective and for two years after the termination of this Agreement; provided that such restrictions shall not apply in the event of termination by BIONICHE pursuant to Subparagraphs 3.2 (a), (b), (e), or Paragraph 3.3 and shall not apply to the sale by BIONICHE of a product that contains the same active ingredients as the Drug Product for use as a chemoprotectant ("Excluded Products") or Other Products, as defined below, subject to the rights set out in Subparagraph 5.6 (d).

(b) If, during the term hereof, BIONICHE wishes to market or distribute Excluded Products *in* the Territory in association with any third Person, BIONICHE shall give CUMBERLAND written notice thereof, and CUMBERLAND shall have thirty (30) days to notify BIONICHE of its interest in entering into an arrangement with BIONICHE, on terms to be negotiated by the parties in good faith during the period of one hundred twenty (120) days immediately following the receipt by CUMBERLAND of such notice (the "Option Period"). If the parties negotiate in good faith but do not conclude an agreement within the Option Period, BIONICHE agrees not to enter into an agreement covering the Excluded Products *in* the Territory with any third Person on terms that are more favorable than the terms previously offered to CUMBERLAND without first offering to enter into an agreement with CUMBERLAND, to be negotiated during an additional thirty day period, such offer to be made on terms no less favorable than the terms being offered to the third Person. If CUMBERLAND does not enter into negotiations with BIONICHE within thirty (30) days following receipt of such notice, then BIONICHE shall be free to negotiate with third Persons with no further obligation to CUMBERLAND.

(c) Notwithstanding the provisions of Subparagraph 5.6 (b) above, BIONICHE shall have no obligation to make any offer to CUMBERLAND with respect to any development, marketing or sale of Excluded Products in the Territory if it chooses to so develop, market or sell directly, rather than in association with any third Person.

(d) With respect to any product that contains the same active ingredient as the Drug Product for indications other than Excluded Products that BIONICHE may seek to develop ("Other Products"), BIONICHE shall provide notice to CUMBERLAND as set out in Subparagraph 5.6 (b) above, and the same procedures shall apply. Likewise, with respect to any indications other than currently-approved indications for the Drug Product that CUMBERLAND seeks to develop, CUMBERLAND shall provide notice to BIONICHE regarding the possibility of supply of said Drug Product to CUMBERLAND and the procedures described in Subparagraph 5.6 (b) above shall apply.

(e) If CUMBERLAND does not acquire rights to Excluded Products or to Other Products as described in Subparagraphs 5.6 (c) and (d) above, and CUMBERLAND establishes, through the dispute resolution process set forth in Paragraph 11.7, that sales by BIONICHE of said products have detrimentally impacted sales of the Drug Product then BIONICHE shall pay CUMBERLAND an amount equal to the lost profits so established by CUMBERLAND. CUMBERLAND shall bear the burden of establishing lost sales.

(f) Except in the event that BIONICHE fails to supply all Drug Product ordered within ninety (90) days of receipt of a Purchase Order in accordance with Paragraph 2.7, or in the event of Force Majeure, CUMBERLAND will order its entire requirement of the Drug Product for the Territory from BIONICHE, If CUMBERLAND notifies BIONICHE that it intends. to distribute the Drug Product in countries other than the United States and its territories, then the parties shall negotiate in good faith, for a period not to exceed one hundred twenty (120) days after CUMBERLAND provides such notice, to amend this agreement to expand the Territory hereunder; provided that if the parties fail to agree upon the terms of supply for an expanded Territory within such 120-day period, CUMBERLAND shall have no obligation to purchase requirements of Drug Products for such other countries from BIONICHE, but its obligations hereunder with respect to the United States and its territories shall remain in full force and effect.

(g) In the event of breach of this Paragraph 5.6, the parties shall have the right, in addition to other rights hereunder, to seek injunctive relief, notwithstanding any other provision of this Agreement.

5.7 Minimum Purchase Quantities: CUMBERLAND shall have no minimum purchase requirements for the first year following FDA approval of the Drug Product. The parties shall, no later than three (3) months before the end of the first year following FDA approval, negotiate in good faith to set on the minimum quantities applicable to the second to fifth years of commercial sale, which shall be incorporated into Schedule V and shall form part of this Agreement. The parties shall negotiate in good faith to set additional minimum purchase requirements for any extension of the Term of this Agreement under Paragraph 3.1. CUMBERLAND shall use its best efforts to achieve the minimum purchase requirements set forth in Schedule V of this Agreement for each format of Drug Product being sold in the Territory by CUMBERLAND. In the event CUMBERLAND is required to procure Drug Product from other sources in accordance with Paragraph 2.7, the minimum annual purchase obligation set out in Schedule V shall be decreased by the quantity BIONICHE failed to deliver hereunder.

6. DRUG PRODUCT RECALLS

6.1 Drug Product Recalls: In the event: (a) any government authority issues a request, directive or order that the Drug Product be recalled, or (b) a court of competent jurisdiction orders such a recall, (c) CUMBERLAND determines that the Drug Product should be recalled, or (d) BIONICHE recommends to CUMBERLAND that a recall be initiated, the parties shall take all appropriate corrective actions; provided that a recall pursuant to Subparagraph 6.1 (c) shall be without prejudice to the parties' rights under Paragraph 2.5. In the event that BIONICHE recommends a recall of Drug Product by CUMBERLAND, such recommendation must take the form of a notice as per Paragraph 11.1, and CUMBERLAND shall respond promptly indicating to BIONICHE whether the Drug Product will be recalled. In no event, however, shall BIONICHE have responsibility for regulatory compliance in connection with any recall, except to the extent and under the circumstances set forth in the Manual or any other written agreement between the parties hereto or as required by law. All costs and expenses incurred in connection with such recall shall be the responsibility of CUMBERLAND unless caused by the negligence of BIONICHE.

7. FORCE MAJEURE; FAILURE TO SUPPLY

7.1 Force Majeure Events: Failure of either party to perform under this Agreement (except the obligation to make payments) shall not subject such party to any liability to the other if such failure is caused by acts such as, but not limited to, acts of God, fire, explosion, flood, war, riot, sabotage, embargo, or by any cause beyond the reasonable control of the parties, provided that written notice of such event is promptly given to the other party.

8. MANUFACTURING CHANGES

BIONICHE may implement commercially reasonable changes in the equipment used for Manufacturing of the Drug Product in the Facility, or the Manufacturing methods, labeling, or packaging of the Drug Product only as expressly provided in the Specifications unless BIONICHE has the prior written consent of CUMBERLAND, which consent shall not be unreasonably withheld or delayed.

9. CONFIDENTIALITY

9.1 Confidential Information: "Confidential Information" means collectively Confidential Information of CUMBERLAND (as defined herein) and Confidential Information of BIONICHE (as defined herein).

9.2 Confidential Information of CUMBERLAND: Except as expressly set forth herein, "Confidential Information of CUMBERLAND" means all information obtained or developed by BIONICHE which relates to CUMBERLAND's business or the Drug Product, regardless of the form in which such information is transmitted. The following shall not be considered Confidential Information of CUMBERLAND for purposes hereof:

(a) Information that is already in the possession of BIONICHE at the time it is received from CUMBERLAND or developed by BIONICHE on CUMBERLAND's behalf, if BIONICHE notifies CUMBERLAND of its belief that the information is excepted under the terms of this subsection;

(b) Information received by BIONICHE from a person *which* has the right to disclose the same, when BIONICHE notifies CUMBERLAND of its belief that the information is excepted under the terms of this subsection;

(c) Information that is or becomes published, or is or becomes otherwise publicly available without the fault of BIONICHE;

(d) An Invention as defined in Paragraph 9.4; or

(e) Confidential Information of BIONICHE.

In the event of a dispute regarding the applicability of the above exceptions to the definition of Confidential Information of CUMBERLAND, BIONICHE shall have the burden of producing clear and convincing proof that the information should be excepted from the definition of Confidential Information of CUMBERLAND. BIONICHE shall not use or permit the use of the Confidential Information of CUMBERLAND other than for the limited purposes expressly permitted by or consistent with this Agreement. Recipients of Confidential Information of CUMBERLAND shall be granted access thereto strictly on a "need-to-know" basis. BIONICHE shall take all reasonable steps to ensure that recipients comply with the terms of this Agreement, including all restrictions on use, disclosure and dissemination of Confidential Information of CUMBERLAND. BIONICHE shall notify CUMBERLAND immediately upon becoming aware of any breach hereof and shall take all reasonable steps to prevent any further disclosure or unauthorized use.

Upon termination or expiration of this Agreement, BIONICHE shall deliver to CUMBERLAND all Confidential Information of CUMBERLAND, all copies thereof, and all documents or data storage media containing such Confidential Information of CUMBERLAND, except that one copy of such information may be retained by BIONICHE as required by regulation or law for future reference. The Confidential Information of CUMBERLAND shall remain confidential and not be disclosed by BIONICHE for a period of ten (10) years following the date of expiration or termination of this Agreement except as expressly set forth herein or in any other written agreement between the parties.

9.3 Confidential Information of BIONICHE: Except as expressly set forth herein, "Confidential Information of BIONICHE" means all information obtained or developed by CUMBERLAND which relates to the manufacture, sale, and distribution of pharmaceutical products by BIONICHE, regardless of the form in which such information is transmitted. The following shall not be considered Confidential Information of BIONICHE for purposes hereof:

(a) Information that is already in the possession of CUMBERLAND at the time it is received from BIONICHE or developed by CUMBERLAND on BIONICHE's behalf, if CUMBERLAND notifies BIONICHE of its belief that the information is excepted under the terms of this subsection;

(b) Information received by CUMBERLAND from a person which has the right to disclose the same, when CUMBERLAND notifies BIONICHE of its belief that the information is excepted under the terms of this subsection;

(c) Information that is or becomes published, or is or becomes otherwise publicly available without the fault of CUMBERLAND; or

(d) Confidential Information of CUMBERLAND.

In the event of a dispute regarding the applicability of the above exceptions to the definition of Confidential Information of BIONICHE, CUMBERLAND shall have the burden of producing clear and convincing proof that the information should be excepted from the definition of Confidential Information of BIONICHE. CUMBERLAND shall not use or permit the use of the Confidential Information of BIONICHE other than for the limited purposes expressly permitted by or consistent with this Agreement. Recipients of Confidential Information of BIONICHE shall be granted access thereto strictly on a "need-to-know" basis. CUMBERLAND shall take all reasonable steps to ensure that recipients comply with the terms of this Agreement, including all restrictions on use, disclosure and dissemination of Confidential Information of BIONICHE. CUMBERLAND shall notify BIONICHE immediately upon becoming aware of any breach hereof and shall take all reasonable steps to prevent any further disclosure or unauthorized use.

Upon termination or expiration of this Agreement, CUMBERLAND shall deliver to BIONICHE all Confidential Information of BIONICHE, all copies thereof, and all documents or data storage media containing such Confidential Information of BIONICHE, except that one copy of such information may be retained by CUMBERLAND as required by regulation or law for future reference. The Confidential Information of BIONICHE shall remain confidential and not be disclosed by CUMBERLAND for a period of ten (10) years following the date of expiration or termination of this Agreement except as expressly set forth herein or in any other written agreement between the parties.

9.4 Invention: As between the parties, CUMBERLAND owns all intellectual property rights in any improvement to the Drug Product and, subject to Paragraph 5.6, any existing or further developments or modifications of the Drug Product in the Territory ("Invention"). Subject to Article 10, BIONICHE shall, at CUMBERLAND's request and expense, take such actions and execute such documents as necessary or desirable, in CUMBERLAND's sole judgment, to create, maintain, enforce or defend CUMBERLAND's rights in any such Invention.

9.5 Press Release; Other Disclosure: Except pursuant to a press release subject to the prior written approval of both parties hereto, the parties agree that the contents of this Agreement shall not be disclosed to any third party except (i) the controlling companies of the parties, (ii) the companies controlled by the parties, (iii) individuals and entities providing paid services to either of the parties who are bound by confidentiality obligations, and (iv) governmental regulatory agencies, including, but not limited to, environmental protection authorities, without prior written consent of the other party.

9.6 Production of Records: BIONICHE shall prepare, maintain, and submit all documents or reports required under applicable laws and regulations or as reasonably requested by CUMBERLAND concerning the Manufacture of the Drug Products, including without limitation, batch production records for each Drug Product. Notwithstanding the restrictions set forth in this Agreement, BIONICHE shall retain production records for batches of Drug Product for a period of at least one year after the respective expiration date for each batch. These records will be stored by appropriate means, including without limitation, optical disk or microfilm in a secure manner in compliance with current GMP with duplicate copies submitted to CUMBERLAND promptly after the creation thereof and shall be made available on request of the FDA or any other authorized regulatory body.

10. INDEMNIFICATION

10.1 Indemnification by CUMBERLAND: Subject to Paragraph 5.1, CUMBERLAND shall indemnify and hold BIONICHE (and any Affiliate and their officers, directors, shareholders, agents, and the employees and insurers of any of them and/or their successors and assigns thereto), free and harmless from any and all claims, demands, liability, actions or causes of actions, and any and all expenses associated therewith (including, without limiting the generality of the foregoing, defense costs and reasonable attorney's fees), arising out of or in connection with, as a result of, or otherwise related to any third party claims arising from: (i) any negligence or recklessness of CUMBERLAND, its agents, or employees; (ii) the promotion, distribution, use, misuse or sale or effects of the Drug Product except to the extent any alleged Drug Product defects were caused by BIONICHE; (iii) CUMBERLAND's non-compliance with any applicable FDA or other applicable regulations; or, (iv) any failure of CUMBERLAND to perform, in whole or in part, any of its obligations hereunder in each case, unless caused by the acts or omissions of BIONICHE. Beginning prior to delivery of the first order of Drug Products pursuant to this Agreement and continuing until the third anniversary of termination of this Agreement, CUMBERLAND shall maintain products liability insurance with limits of liability of not less than Five Million U.S. Dollars ($5,000,000) and shall name BIONICHE as additional insured under said policy.

10.2 Indemnification by BIONICHE: Subject to Paragraph 5.1, BIONICHE will indemnify and hold CUMBERLAND (and any Affiliate and their officers, directors, shareholders, agents, and the employees and issuers of any of them and/or their successors and assigns thereto), free and harmless from any and all claims, demands, liability, actions or causes of action, and any and all expenses associated therewith (including, without limiting the generality of the foregoing, defense costs and reasonable attorney's fees), arising out of or in connection with, as a result of, or otherwise related to any third party claims arising from: (i) any negligence or recklessness of BIONICHE, its agents or employees; (ii) personal injury (including death) or property damage arising out of or in connection with BIONICHE's manufacture or handling of the Drug Product otherwise than in accordance with the Specifications and CUMBERLAND'S written directions; (iii) BIONICHE's non-compliance with any applicable FDA or other applicable regulations; or (iv) any failure of BIONICHE to perform any of its obligations hereunder, in each case, unless caused by the acts or omissions of CUMBERLAND. Beginning prior to delivery of the first order for Drug Product pursuant to this Agreement and continuing until the third anniversary of termination of this Agreement, BIONICHE shall maintain products liability insurance with limits of liability of not less than U.S. $5,000,000 and shall name CUMBERLAND as additional insured under said policy.

10.3 Conditions of Indemnification: If either party seeks indemnification from the other under Paragraphs 10.1 or 10.2, it shall promptly give written notice to the other party of any such claim or suit threatened, made or filed against it, which forms the basis for such claim of indemnification and shall cooperate fully with the other party in the defense of all such claims or suits. No settlement or compromise shall be binding on a party hereto without its prior written consent.

10.4 Limitation: Except as expressly set forth herein, neither party will be liable to the other for any claim for loss of profits, for loss or interruption of business or for indirect, special or consequential damages of any kind under this Agreement.

11. GENERAL PROVISIONS

11.1 Notices: Any notice permitted or required by this Agreement may be sent by facsimile with the original document being sent by certified (or registered) mail, return receipt requested, or overnight delivery and shall be effective when received (or refused) via facsimile or mail or overnight if faxed and sent and addressed as follows (or to such other facsimile number or address as may be designated by a party in writing):

If to CUMBERLAND: CUMBERLAND PHARMACEUTICALS INC.

209 Tenth Avenue South, Suite 332
Nashville, Tennessee 37203
Attn: Chief Executive Officer
Telephone: 615-255-0068
Facsimile: 615-255-0094

If to BIONICHE: BIONICHE LIFE SCIENCES, INC.
231 Dundas Street East,
Belleville, Ontario, Canada K8N 1E2
Attn: Chief Executive Officer
Telephone: 800-265-5464
Facsimile: 613-966-4177

With a copy to: BIONICHE PHARMA (CANADA) LIMITED
151 Dundas Street, Suite 507
London, Ontario, Canada N6A 5R7
Attn: President
Telephone: 519-453-0641
Facsimile: 519-453-6169

And to: BIONICHE LIFE SCIENCES, INC.
Attn: Vice President, Corporate Counsel
Telephone: 800-265-5464
Facsimile: 613-966-4177

11.2 Master Agreement; Amendment: This Agreement is being entered into pursuant to the Strategic Alliance Agreement dated January 15, 2002, between CUMBERLAND and BIONICHE (the “Master Agreement”), and this Agreement (including any and all exhibits hereto, whether entered into now or hereafter) constitutes an Addendum (as defined in the Master Agreement). In the event of any conflict or inconsistency between the terms of this Agreement and the Master Agreement, the terms of this Agreement shall govern. No modification of any of the terms of this Agreement, or any amendments thereto, shall be deemed to be valid unless in writing and signed by both parties hereto. No course of dealing or usage of trade shall be used to modify the terms and conditions herein.

Without limiting the generality of the foregoing, no provisions of any CUMBERLAND purchase order that are inconsistent with the terms of this Agreement shall apply.

11.3 Waiver: None of the provisions of the Agreement shall be considered waived by any party hereto unless such waiver is agreed to, in writing, by both parties. The failure of a party to insist upon strict conformance to any of the terms and conditions hereof, or failure or delay to exercise any rights provided herein or by law shall not be deemed a waiver of any rights of any party hereto.

11.4 Obligations to Third Parties: Each party warrants and represents that this Agreement is not inconsistent with any contractual obligations, expressed or implied, undertaken with any third party.

11.5 Assignment: This Agreement shall be binding upon and inure to the benefit of the successors or permitted assigns of each of the parties and may not be assigned, transferred, or subcontracted by either party without the prior written consent of ' the other, which consent will not be unreasonably withheld or delayed, except that no consent shall be required in the case of a transfer to an Affiliate of a party hereto or transaction involving the merger, consolidation or sale of substantially all of ' the assets of the party seeking such assignment or transfer and such transaction relates to the business covered by this Agreement and the resulting entity assumes all the obligations of the assigning party under this Agreement.

11.6 Independent Contractor: BIONICHE shall act as an independent contractor for CUMBERLAND in providing the services required hereunder and shall not be considered an agent of or joint venturer with CUMBERLAND. Unless otherwise provided herein to the contrary, BIONICHE shall furnish all expertise, labor, supervision, machining and equipment necessary for performance hereunder and shall obtain and maintain all building and other permits and licenses required by public authorities.

11.7 Governing Law and Dispute Resolution: This Agreement is subject to and shall be governed by the laws of the State of New York. Any dispute, controversy, or claim arising out of or relating to this Agreement, any purchase orders between the parties hereto, or the breach, termination, or invalidity thereof shall be settled under the Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be within the State of New York. The parties agree that the award of the arbitrator(s) shall be the sole and exclusive remedy between them regarding any claims, counterclaims, issues or accountings presented or pled to the arbitrator(s); that it shall be made and shall promptly be payable in U.S. dollars free of any tax, deduction, or offset; that any costs and attorney fees incurred by the prevailing party as determined by the arbitrator(s) incident to the arbitration, shall be included as part of the arbitration award; and that any costs. fees, or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The award shall include interest from the date of any damages incurred for breach or other violation of the Agreement, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator(s), but in no event less than the prime interest rate for Bank of America in Nashville, Tennessee, U.S.A.

11.8 Severability: In the event that any term or provision of this Agreement shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, or otherwise be unenforceable, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

11.9 Headings, Interpretation: The headings used in this Agreement are for convenience only and are not part of this Agreement.

11.10 Conflict: In the event of conflict between the terms and provisions of this Agreement and the terms and provisions of the Manual, the terms of this Agreement shall control.

11.11 Limitation: The parties hereto acknowledge and agree that the International Sale of Goods Act and the United Nations Convention on Contracts for the International Sale of Goods have no application to this Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized representatives effective as of the date first above written.

CUMBERLAND PHARMACEUTICALS INC.

/s/ A. J. Kazimi
Authorized Signature

A.J. Kazimi
Chief Executive Officer

BIONICHE LIFE SCIENCES, INC.

/s/ Albert Beraldo
Authorized Signature

Albert Beraldo
Vice President, Business Development

SCHEDULE I

Shipping and Storage

1. Finished Drug Product shall be stored by BIONICHE after completion, at 20 degrees C to 25 degrees C.
2. Drug product will be delivered by BIONICHE to CUMBERLAND by air on the basis of FCA (ex works) ex works BIONICHE's plant in Galway, Ireland with the carrier to be selected by CUMBERLAND.
3. The terms "FCA" ("ex works") and "DDP" and the Parties' respective obligations shall be determined in accordance with the INCOTERMS adopted by the International Chamber of Commerce, effective July 1, 1990, unless otherwise specifically provided in this Agreement.
4. Additional details regarding packaging shall be incorporated herein upon adoption thereof by written agreement of BIONICHE and CUMBERLAND.

Pricing —

The prices to be paid by CUMBERLAND to BIONICHE for the Drug Products arc as follows:

N-acetylcysteine 30 mL	Canadian	[***]
N-acetylcysteine 10 mL	Canadian	[***]

Canadian currency conversions will be based upon the then current exchange rate listed in the Wall Street Journal.

The minimum size of any order of the Drug Product shall be one production lot of [***] for the 30 mL Drug Product and [***] for the 10 mL Drug Product.

In addition, CUMBERLAND shall pay to BIONICHE a royalty equal to [***] percent ([***]%) of Net Sales (as defined herein) during each calendar year; provided that CUMBERLAND shall pay BIONICHE such royalty within [***] days after the last day of the applicable calendar year, For purposes hereof, "Net Sales" shall mean the aggregate amount billed for sales of the Drug Product by CUMBERLAND, less returns, hospital buying group chargebacks, hospital buying group/group purchasing organization administration fees, managed care organization rebates, sales/purchasing discounts, federally mandated discounts and rebates, and state medical assistance program rebates and discounts, and determined on an accrual basis by CUMBERLAND.

Within sixty (60) days following the close of each calendar quarter following the first sale of a Drug Product, CUMBERLAND shall furnish to BIONICHE a written report for the calendar quarter showing the Net Sales for each format of the Drug Product during such calendar quarter and the corresponding amount payable to BIONICHE under this Agreement for such calendar quarter. Simultaneously with the submission of the written report, CUMBERLAND shall pay to BIONICHE a sum equal to the aggregate royalty due for such calendar quarter calculated in accordance with this Agreement.

Payments to be made by CUMBERLAND to BIONICHE under this Agreement shall be made by cheque made to the order of BIONICHE or by bank wire transfer in immediately available funds to such bank account designated in writing by BIONICHE from time to time.

For a period of at least five (5) years after the end of each calendar quarter following the first sale of each Drug Product, CUMBERLAND shall keep complete and accurate records in sufficient detail to enable the royalties payable hereunder to be determined. Upon the written request of BIONICHE and not more than once in each calendar year and only with reasonable prior notice to CUMBERLAND, CUMBERLAND shall permit an independent certified public accounting firm of nationally recognized standing selected by BIONICHE and reasonably acceptable to CUMBERLAND to have access during normal business hours to such of the records of CUMBERLAND as may be reasonably necessary to verify the accuracy of the Royalty reports hereunder for any calendar year ending not more than twenty-four (24) months prior to the date of such request.

If such accounting firm concludes in its review that additional royalties were owed during such period, CUMBERLAND shall pay the additional amounts within forty-five (45) days of the date BIONICHE delivers to CUMBERLAND such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by BIONICHE, except CUMBERLAND shall pay such fees in the event that the additional amounts owed by CUMBERLAND vary from amounts paid with respect to the calendar year in question by five percent (5%) or greater.

SCHEDULE II

Technical Agreement

TECHNICAL AGREEMENT

This Agreement is entered into on this 5th day of April, 2005, by and between Cumberland Pharmaceuticals Inc., a company organized and existing under the laws of the United States, with offices located at 2525 West End Avenue, Suite 950 Nashville, Tennessee 37203 USA. ("Cumberland") and Bioniche Teoranta, a company organized and existing under the laws of the Republic of Ireland, having a principal place of business, Inverin, Co. Galway, Republic of Ireland. ("Bioniche").

Whereas, Cumberland requested Bioniche to manufacture and supply the Products (as defined in section 1.1 hereof); and

Whereas the parties to this Agreement wish to establish in greater detail, the responsibilities of Cumberland as the Contractor, and Bioniche as Suppliers, for the manufacture of the Products; and

Whereas, a detailed listing of responsibilities of the Contractor and Suppliers, is attached as Exhibit I;

Now therefore, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

I. Purpose.

This Technical Agreement is intended to serve as the Manufacturing Project Manual to be attached as Schedule II to the Manufacturing and Supply Agreement, dated January 15, 2002, between Cumberland and Bioniche Life Sciences, Inc. (the "Manufacturing Agreement"), and is not intended to supersede any of the parties' rights and obligations set forth therein. Only in the event that this Technical Agreement expressly amends and restates specified subsections of the Manufacturing Agreement shall this Technical Agreement serve as an amendment of the parties rights and obligations set forth in the Manufacturing Agreement. Except as specifically amended hereby, the Manufacturing Agreement shall remain in full force and effect, and any conflicting provision hereof shall be null and void. The parties have entered into this Agreement to clearly define the responsibilities of each party and to ensure that the Products are manufactured, packaged, released, stored and shipped in accordance with current European and US GMP's or other relevant equivalent cGMP's, agreed by Bioniche and Cumberland.

1.1 Product

Bioniche will supply Cumberland with Products, as follows:

1.1.1 Acetadote® — Acetylcysteine Injection
200mg/mL Bioniche Code Number : 0164AI01

All references to Bioniche or Cumberland shall include Affiliates of these companies. “Affiliate” shall be defined as any entity (i) at least fifty percent (50%) of whose outstanding securities or assets are owned or controlled, directly or indirectly, by said party, or (ii) which owns or controls directly or indirectly fifty percent (50%) of the outstanding securities or assets of said party, or (iii) is owned or controlled directly or indirectly, to the extent of fifty percent (50%) or more of the outstanding securities or assets by any of the entities described in (i) and (ii) above. The term “Manufacture” as used in this Agreement shall be understood to include the specification and the purchase of all necessary components of the Product, the manufacturing process, quality control and assurance. The term “Packaging” as used in this Agreement shall be understood to include the specification and purchase of all necessary components of the Product, the packaging and the final quality control and assurance.

II. General Quality Issues

2.1 Good Manufacturing Practices

Bioniche represents that it shall observe and adhere to the requirements of the current EU Guide to Good Manufacturing Practice for Medicinal Products for Human Use, including supplementary recommendations issued by the Commission of the European Communities (cGMPs) and current US cGMPs. All terms defined in the cGMPs shall have the same meaning when used in this document. Bioniche represents and warrants that all processes and equipment used in the manufacture of the Product shall have been validated or are in the process of being validated in accordance with the cGMPs and current US cGMPs. The reference to other regulatory requirements will be agreed between the two parties.

2.2 Qualified Persons

The Qualified Person (“QP”), as defined in EU Directive 75/319/EEC, for Bioniche is named in Exhibit II, and sample of the signature is affixed.

2.3 Supplier Quality Monitoring and Assessments

It is the responsibility of Bioniche to perform quality monitoring and assessment on suppliers of all materials, involved in the manufacturing of the Product, in accordance with written quality monitoring protocols.

2.4 Traceability

It is the responsibility of Bioniche to properly track each batch number of the Product, for traceability, so as to be able to provide a full manufacturing history. Bioniche shall keep manufacturing records, analytical records and reference samples for each batch of Product. Copies of records and reference samples shall be made available to Cumberland promptly upon request. Reference samples shall be kept for a period of one (1) year after the expiration date for the batch. Manufacturing and quality control records shall be kept for a minimum period of six (6) years from the date of manufacture or a minimum of one (1) year after the expiration date, whichever is longer.

2.5 Stability Studies

Bioniche has the responsibility for the performance of 36-month stability studies on the Products in accordance with Bioniche stability SOP ST.001 Stability data are to be reported to Cumberland on request but Cumberland will be alerted concerning any out-of-specification results within 48 hours.

III. Specifications.

Attached hereto is a complete set of every Specification related to Products, which are referenced in 1.1. Bioniche shall prepare the Master Manufacturing Formula and the Manufacturing and Packaging Batch Instructions for the Product. The Batch Instruction will be approved by Bioniche. Copies of completed Batch Instructions will be provided to Cumberland following the completion of manufacture if requested.

IV. Manufacture, Controls, Release and Shipment

4.1 Purchases and Management of Materials.

It is the responsibility of Bioniche to source the Active Pharmaceutical Ingredients (APIs), from Bioniche's designated approved suppliers, for the manufacture of the Products. Bioniche shall supply excipients and materials required for the manufacture of the Product, and/or ancillary operating materials used in the manufacture. Bioniche is responsible for all quality control testing and release of materials used in the manufacturing of the Product

4.2 Product Testing & Release

Bioniche shall test or cause to be tested by an approved, qualified entity each lot of the Product pursuant to the Specifications before release to Cumberland. Each test shall set forth the items tested, the specific release Specifications and test results in a certificate of analysis for each lot delivered and be certified by Bioniche's QP and sent separately to Cumberland. Cumberland shall be entitled to rely on the certificate of analysis and is not required to perform any further testing,

4.3 Non Conforming Activities

During the course of manufacture:

4.3.1 All deviations and events not affecting the agreed Technical Specifications will be documented by Bioniche. These documents will be retained as part of the batch record. Bioniche shall inform Cumberland of all deviations prior to release of the batch.

4.4 Manufacturing Batch Records

4.4.1 Bioniche shall also provide as part of the Batch Certificate of Analysis, a manufacturing compliance statement with each lot delivered to Cumberland. This certificate will certify that the lot of Product was manufactured in accordance with the Specifications and applicable cGMP laws or regulations.

4.4.2 The manufacturing lot records shall contain, at a minimum, the following information:

- The name and dosage form of the medicinal product.
- The batch number or test number of the API and all other raw materials (excluding water).
- The date of manufacture and the Product's batch number.
- Details of the amounts of Product manufactured during each operation and the quantity of the Product in the various stages.
- Both the expected and actual results of the in-process controls. If expected results are expressed in a quantified manner, actual results shall also be quantified.
- Confirmation that the critical steps of the operations proceeded in accordance with the Manufacturing Instructions by the signature of the persons in charge of the various stages.
- Special observations made during manufacturing.
- Certification that the process operating lines have been cleared, at the beginning of the batch processing.
- A list of deviations and their resolution.

4.4.3 Labeling of the product for Clinical Trials will be the responsibility of Cumberland.

4.5 Shipment

Bioniche shall ship the Product in accordance with instructions agreed to by the parties. Bioniche shall only place one lot number on any single pallet. Shipment of Product batches under quarantine shall be made only when specifically authorized in writing by Cumberland, and will be according to the Bioniche procedure.

V. Changes in Site, Quality Standards, Formula and Manufacturing Procedures

5.1 Changes Control

Bioniche shall inform Cumberland of any proposed intent to change the site of manufacture, the specifications, labeling, the procedures for the manufacturing processes or record keeping of Product.

VI. Quality Audit

During normal working hours and upon reasonable notice, Cumberland shall be entitled to inspect such areas of Bioniche's plant where the Product is manufactured or otherwise stored or handled. Such inspections will include, but not be limited to:

A review of Production facilities and utilities
The taking of physical inventory samples
Reviewing of Quality and Documentation Control systems
Reviewing batch records

A written report of observation shall be issued by Cumberland quality auditors, including a listing of significant items, which must be corrected prior to the supply of further Product to Cumberland.

VII. Product Complaints/Recall

Bioniche and Cumberland shall each notify the other of any claims related to damage, defective or nonconforming Product. Bioniche shall supply Cumberland with all relevant information for the investigation of complaints related to the Product.

Cumberland shall be responsible for the collection of adverse events reported on the Finished Product. It shall be Cumberland's responsibility to notify Bioniche of such reports, if such reports relate to Bioniche's manufacture of the Product, and to keep the appropriate records and to promptly report such adverse reports to the appropriate regulatory authorities. In the event any adverse events are reported to Bioniche, Bioniche shall notify Cumberland in writing within 3 business days.

VIII. Regulatory Communications

8.1 Maintenance of Licenses

Cumberland is the current Authorization Holder (NDA) for the Finished Product to be manufactured under this Technical Agreement and shall be responsible for the maintenance and renewal of said Marketing Authorizations.

Bioniche shall be responsible for the maintenance and renewal of its manufacturing license.

8.2 Notifications

Cumberland and Bioniche shall promptly inform each other of any material communications to or from governmental authorities or agencies relating to the Product, including but not limited to providing each other promptly with copies of any written communications, and "reports of visits by a governmental authority or agency to any areas within the facilities where the Product is manufactured that could impact upon the continued supply of Product. The parties shall consult with each other regarding any issues raised in such communications and shall attempt in good faith to agree upon any action to be taken or response to be made in connection with such communications.

IX. Effective Date and Term, Interpretation

This Technical Agreement shall become effective on the date first written above and shall remain in force until the termination of the Agreement between the parties for the supply of Products.

X. Modifications

Any modifications or amendments to this Agreement must be in writing and signed by both parties to be effective.

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers, effective as of the first day above written.

Bioniche Teoranta

By: /s/ Andrew Hall

Date: 5th April 2005

Andrew Hall BSc(Hons) M.RS.C. M.I.Q.A
Director Of Quality and Qualified Person

Cumberland Pharmaceuticals Inc.

By: /s/ Leo Pavliv

Date: 26 April 2005

Leo Pavliv
Vice President Operations

Exhibit I

DETAILED RESPONSIBILITES

X = Responsible
A = Approval/Authority

		BIONICHE	CUMBERLAND
1	SPECIFICATIONS/DOCUMENTATION		
1.1	Specification of Active Bulk Ingredient	X	A
1.2	Master Manufacturing Formula	X	A
1.3	Product Lot Identification System	X	
1.4	Specification of Inactive Ingredients	X	A
1.5	Test Method for ID of Active Bulk	X	
1.6	Test Method for Inactive Ingredients	X	
1.7	Test Method for Release of Product	X	
1.8	Local Manufacturing and Packaging Instructions	X	
1.9	Specification for In-Process Control	X	
1.10	Change Control for Active Ingredient	X	A
1.11	Change Control for Manufacturing Formulas	X	A
1.12	Change Control for Inactive ingredients	X	A
1.13	Bulk product package specification, box & labels	X	
1.14	Finished Artwork	A	X
1.15	Change Control for Artwork/Finishing Materials	X	A
2	PRODUCTION		
2.1	Procurement of Bulk Active ingredient	X	
2.2	Purchase Inactive Substances	X	
2.3	Store Active/Inactive Substances	X	
2.4	Sample/Test/Acceptance of Active & Inactive Substances	X	
2.5	Test Method Transfer	N/A	
2.6	On-Going Stability Testing of Product	X	
2.7	Retention of Certificate of Analysis for Active Substance	X	
2.8	Validation of Manufacturing Processes	X	
2.9	Bills of Material for Manufacturing Process	X	
2.10	In Process Control Instructions and Testing	X	
2.11	Batch Record Reconciliation	X	
2.12	Batch Record Retention	X	
2.13	Retention of Samples of Active Ingredient	X	
2.14	Retention of Samples of other Materials (Except water)	X	
2.15	Retention of Samples of Product	X	
2.16	Maintenance of Pharmaceutical Manufacturing Licenses	X	
2.17	Disposal of Waste	X	

		BIONICHE	CUMBERLAND
3.0	TESTING & RELEASE OF FINISHED PRODUCT		
3.1	Analysis of Product	X	
3.2	Certificate of Analysis for the Product	X	
3.3	Internal QP certification of the Product as per approved production and control documents	X	
3.4	Final QP Release of the product to Cumberland	X	
3.5	Complaint		
	- Collection and Logging	X	X
	- Investigation and Report Issue	X	
	- Follow Up Corrective Action	X	
	- Response to Customer		X
3.6	Product Recall		
	- Decision to Initiate Recall	X	X
	- Approval of Notification Wording	X	X
	- Management of Recall	X	X
	- Reconciliation of Returned Product	X	X
3.7	Liaison with Regulatory Authorities for Approval, Maintenance and Updating Marketing Authorisations/Product Authorisations (NDA)		X
3.8	Final Release to Market		X

Exhibit II

Qualified Person
(14th January 2004)

Qualified Persons of Bioniche Teoranta

Mr. A. Hall

Signature : /s/ Andrew Hall

SCHEDULE III

Territory

The United States of America and all its possessions and territories

SCHEDULE IV

Approved Suppliers

[***]

Schedule V

Minimum Purchase Quantities

[Intentionally omitted. Exhibit 10.3 to Form S-1 filed on May 1, 2007 (File No. 333-142535) incorporated by reference herein.]

EXHIBIT 10.3

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

FIRST AMENDMENT TO MANUFACTURING AND SUPPLY AGREEMENT FOR N-ACETYLCYSTEINE

THIS FIRST AMENDMENT (the "First Amendment") to that certain Manufacturing and Supply Agreement for N-Acetylcysteine (the "Agreement"), dated as of January 15, 2002, as modified by that certain Novation Agreement, dated as of January 27, 2006 (to be attached hereto), is entered into by and between CUMBERLAND PHARMACEUTICALS INC., a corporation organized and existing under the laws of Tennessee, United States ("CUMBERLAND"), and BIONICHE TEORANTA, a corporation organized and existing under the laws of Ireland ("BIONICHE"), and is effective as of November 16, 2006. Capitalized terms used but not defined in this First Amendment shall have the meanings that are set forth in the Agreement.

WITNESSETH:

WHEREAS, BIONICHE is the assignee under the Agreement of BIONICHE PHARMA GROUP LIMITED, an Affiliate thereof.

WHEREAS, CUMBERLAND and BIONICHE agree that the exceptions to the exclusivity provisions set forth in Paragraph 5.6 of the Agreement which permit BIONICHE to (i) sell Excluded Products or Other Products or (ii) market or distribute Excluded Products or Other Products in association with any third Person other than CUMBERLAND in certain circumstances shall be deleted from the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representation and warranties contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Paragraph 1.7 is amended and restated in its entirety as follows:

   DRUG PRODUCT shall mean the N-acetylcysteine pharmaceutical product developed by CUMBERLAND and marketed for any current or future approved indications under the trade name ACETADOTE or any other trade name selected by CUMBERLAND.

2. Paragraph 1.9 is hereby amended and restated as follows:

   FACILITY shall mean the manufacturing facility and the real property underlying such manufacturing facility operated by BIONICHE, located at Inverin, Co, Galway, Republic of Ireland.

3. Paragraph 1.18 defines **TERRITORY** as having the meaning set forth in Schedule III. Schedule III of the Agreement, and therefore the TERRITORY, is hereby amended and restated as follows:

   The United States of America and all its possessions and territories, and Australia.

4. Paragraph 3.1 is amended and restated in its entirety as follows:

This Agreement shall commence on the date first above written and will continue until January 23, 2011, unless sooner terminated pursuant to Paragraphs 3.2 or 3.3 hereof or extended pursuant to this Paragraph 3.1. CUMBERLAND shall have the option to extend the duration of this Agreement for five (5) years upon prior written notice provided by CUMBERLAND to BIONICHE at least 180 days prior to January 23, 2011; otherwise, the Agreement shall expire on such date in accordance with its terms. If CUMBERLAND exercises such option, then subject to Paragraphs 3.2 and 3.3, the Agreement shall be automatically renewed for successive three-year terms after expiration of the initial extended term, unless either party notifies the other party in writing at least twelve (12) months in advance of the expiration of the then current term that the party is terminating the Agreement.

5. Subparagraphs 3.2(d) and (e) are deleted from the Agreement in their entirety and Subparagraph 3.2(f) is re-lettered as 3.2(d).

6. Paragraph 3.5 is amended by adding a reference to Paragraph 3.4 thereto (such that Paragraph 3.4 is identified as a "surviving" provision.)

7. Subparagraph 5.6(a) is amended and restated in its entirety as follows:

(a) Neither BIONICHE nor any Affiliate thereof will sell, give away, or deliver to any other person, firm, or corporation any form of the Drug Product in the Territory for any indications, while this Agreement is effective and for two years after the termination of this Agreement; provided that such restrictions shall not apply in the event of termination by BIONICHE pursuant to Subparagraphs 3.2(a) or (b), or Paragraph 3.3.

8. Subparagraphs 5.6(b), (c), (d), and (e) are deleted from the Agreement in their entirety; Subparagraphs 5.6(f) and (g) are re-lettered as 5.6(b) and (c), respectively; and Subparagraph 5.6(f) (re-lettered 5.6(b)) is amended and restated in its entirety as follows:

(b) Except in the event that BIONICHE fails to supply all Drug Product ordered within [***] of receipt of a Purchase Order in accordance with Paragraph 2.7, or in the event of Force Majeure, CUMBERLAND will order its entire requirement of the Drug Product for the Territory from BIONICHE. If CUMBERLAND notifies BIONICHE that it intends to distribute the Drug Product in countries not included in the Territory, then the parties shall negotiate in good faith, for a period not to exceed [***] after CUMBERLAND provides such notice, to amend this Agreement to expand the Territory hereunder (and to add additional minimum purchase quantities for such expanded Territory, as contemplated under Paragraph 5.7); provided that, if the parties fail to agree upon the terms of supply for an expanded Territory within such [***], CUMBERLAND shall have no obligation to purchase requirements of such Drug Products for such other countries

from BIONICHE, but its obligations hereunder with respect to the Territory shall remain in full force and effect.

9. Paragraph 5.7 is amended and restated in its entirety as follows:

CUMBERLAND shall use its best efforts to achieve the minimum purchase quantities set forth in Schedule V to this Agreement for each format of Drug Product sold in the Territory by CUMBERLAND. In the event CUMBERLAND is required to procure Drug Product from other sources in accordance with Paragraph 2.7, the minimum annual purchase obligation set out in Schedule V shall be decreased by the quantity BIONICHE failed to deliver hereunder.

Schedule V of the Agreement is hereby stated as follows:

CUMBERLAND's annual minimum purchase requirements shall be ***% of the average actual purchases for the prior three (3) years.

10. Paragraph 11.1 is amended by replacing the address for notice (and relevant copies) for CUMBERLAND and BIONICHE, as follows:

If to CUMBERLAND: CUMBERLAND PHARMACEUTICALS INC.
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
Attn: Chief Executive Officer
Telephone: 615-255-0068
Facsimile: 615-255-0094

If to BIONICHE: BIONICHE TEORANTA
Inverin,
Co. Galway,
Ireland
Attn: Managing Director
Telephone: +353 91 593202
Facsimile: +353 91 593228

11. Miscellaneous.

(a) Authorization. Each party to this First Amendment hereby represents and warrants that the execution, delivery and performance of this First Amendment is within the powers of such party and has been duly authorized by the party, is in accordance with all applicable laws and regulations, and this First Amendment constitutes the valid and enforceable obligation of each party in accordance with its terms.

(b)Effect of First Amendment. Each party acknowledges that this First Amendment constitutes a written instrument as contemplated by Paragraph 11.2 of the Agreement. Except as specifically amended above, the Agreement shall remain in full force and effect, and is hereby ratified and confirmed.

(c) Counterparts. This First Amendment may be executed in any number of counterparts, each of which may be executed by only one of the parties hereto, and each of which shall be enforceable against the party actually executing such counterpart, and all of which shall together constitute one instrument.

(d) Titles and Subtitles. The titles and subtitles used in this First Amendment are used for convenience only and are not to be considered in construing or interpreting this First Amendment.

(e) Governing Law and Dispute Resolution. This First Amendment shall be construed in accordance with the laws of the State of New York without regard to applicable conflicts of laws provisions and any dispute, controversy, or claim arising out of or relating to this First Amendment shall be governed by the provisions of Paragraph 11.7 of the Agreement.

(f) Severability. Should any part of this First Amendment be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining portion.

IN WITNESS WHEREOF, each of the undersigned has caused this First Amendment to be executed as of the date first above written.

CUMBERLAND:

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ A.J. Kazimi

Title: Chief Executive Officer

Date: December 13, 2006

BIONICHE:

BIONICHE TEORANTA

By: /s/ John Kavanagh

Title: Managing Director

Date: November 16, 2006

EXHIBIT 10.4

* Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

Contract Sales and Services Agreement

Between

Cumberland Pharmaceuticals, Inc.

&

Cardinal Health Contract Sales & Services

For

Cumberland Pharmaceuticals Dedicated Sales Force

May 16, 2006

TABLE OF CONTENTS

AGREEMENT

This AGREEMENT ("Agreement") is dated as of May 16, 2006 by and between Cardinal Health PTS, LLC ("Cardinal Health") with a place of business at 7000 Cardinal Place, Dublin, Ohio, and Cumberland Pharmaceuticals, Inc. ("Cumberland"), having a principal place of business at 2525 West End, Suite 950, Nashville, Tennessee 37203.

Background Information

Cumberland is a Tennessee-based company which focuses on the acquisition, marketing, and distribution of a portfolio of niche pharmaceutical products. Cardinal Health provides medical representatives who Detail (as hereinafter defined) pharmaceutical products for third parties. Cumberland desires Cardinal Health to provide representatives to Detail certain products as determined and directed by Cumberland in the geographical territory hereinafter specified, pursuant to the terms and conditions of this Agreement, and Cardinal Health desires to provide the Representatives and perform such services pursuant to the terms and conditions set forth in this Agreement.

The parties hereby agree as follows:

ARTICLE I
DEFINITIONS AND REFERENCES TO CARDINAL HEALTH

1.1. Definitions. The following terms when used in this Agreement shall, except where the context otherwise requires, have the following meanings:

(a) "Act" means the Federal Food, Drug and Cosmetic Act, as amended, and the regulations promulgated thereunder from time to time.

(b) "Affiliate" means any corporate or non-corporate business entity that controls, is controlled by, or is under common control with a party to this Agreement. A corporation or non-corporate business entity shall be regarded as in control of another corporation if it owns or directly or indirectly controls at least forty percent (40%) of the voting stock of the other corporation, or (i) in the absence of the ownership of at least forty percent (40%) of the voting stock of a corporation or (ii) in the case of a non-corporate business entity, if it possesses directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate business entity, as applicable.

(c) "Agency" means any governmental regulatory authority in the Territory responsible for granting approvals for the sale or maintaining regulatory oversight of the Products, including, without limitation, the FDA.

(d) "Cardinal Health" means Cardinal Health PTS, LLC and shall be deemed to include the Representatives and Managers.

(e) “Detail” means an interactive, face-to-face visit by a Representative with a Target Customer or his or her legally empowered designee in the Territory, during which the FDA-approved indicated uses, safety, effectiveness, contraindications, side effects, warnings and other relevant characteristics of one or more of the Products (as defined herein) are described by the Representative in a fair and balanced manner consistent with the requirements of the Act, and using, as necessary or desirable, the Product Labeling (as defined herein) and the Product Promotional Materials (as defined herein). “Product Detail” means Detail of a Product between Target Customer and Representative. When used as a verb, “Detail” or “Detailing” shall mean to engage in a Detail as defined in this Section 1.1(f).

(f) “FDA” means the United States Food and Drug Administration and any successor agency having substantially the same functions.

(g) “Manager” means an individual hired by and retained as an employee of Cardinal Health to oversee activities of Representatives under this Agreement, including a project manager.

(h) “PDMA” means the Prescription Drug Marketing Act of 1987, as amended, and the regulations promulgated thereunder from time to time.

(i) “Product Labeling” means all labels and other written, printed, or graphic matter provided by Cumberland including (i) any container or wrapper utilized with a Product, or (ii) any written material accompanying a Product, including, without limitation, Product package inserts.

(j) “Product Promotional Materials” means all written, printed or graphic material provided by Cumberland, including Product Labeling, intended for use by Representatives during a Detail, including visual aids, file cards, premium items, clinical studies, reprints, drug information updates and any other promotional support items that Cumberland deems necessary or appropriate to conduct the Program. Product Promotional Materials shall include FDA approved indicated uses, safety, effectiveness, contraindications, side effects, warnings and other relevant characteristics of each of the Products.

(k) “Products” means the pharmaceutical products to be detailed by Representatives and marketed by Cumberland as set forth on attached Schedule 1.1(k) and such other products as may be added by Cumberland from time to time to Schedule 1.1(k) attached hereto.

(l) “Program” means the program of Detailing to be conducted by the Representatives pursuant to this Agreement beginning as of September 5, 2006 and continuing thorugh the remainder of the Term, as defined in Section 14.1.

(m) “Representative” and “Representatives” mean an individual or individuals hired by and retained as an employee of Cardinal Health to conduct Detailing of Cumberland Products only in connection with the Program.

(n) “Target” or “Target Customer” means a physician or other specialist identified by Cumberland.

(o) “Territory” means the geographical area specified in the attached Schedule 1.1(o).

ARTICLE II
APPOINTMENT OF CARDINAL HEALTH; GENERAL SCOPE OF ACTIVITIES

2.1. Detailing. Cardinal Health shall provide twenty four (24) Representatives to engage in Product Detail activities in the Territory. Cardinal Health shall assign Representatives for such Target Customers, in such numbers, and in such Territories as shall be designated by Cumberland during the term of this Agreement. Each Representative shall make Product Details to his or her assigned Target Customers based on any reasonable general direction given by Cumberland’s designated management team. The duties of such Representatives shall be exclusively to Detail the Products and perform other related activities reasonably agreed upon by Cardinal Health as deemed necessary for the establishment and maintenance of new and existing customers of the Products in the Territories. Cumberland shall at all times retain the right to promote the Products by whomever, wherever, and to whomever it chooses.

2.2 Furnishing Managers. Cardinal Health shall provide two Managers to oversee the activities of Representatives and to perform this Agreement in such numbers and for such Territories (when relevant) as mutually agreed upon by Cardinal Health and Cumberland.

2.3. Scope of Activities. The parties shall perform the following activities as applicable to each in connection with the Program:

(a) Cardinal Health shall have sole and exclusive authority to discipline or terminate the employment of Representatives. Cumberland may reasonably request that a Representative or Manager be terminated or reassigned if such Representative’s or Manager’s activities or conduct are not adequately achieving the performance goals of the Product, or if the Representative or Manager fails to comply with all applicable laws, regulations, and Cumberland requirements for Detailing the Product. Cardinal Health shall use its best efforts to comply with such request; provided that such action complies with applicable laws and is in accordance with Cardinal Health’s policies and procedures, as determined by Cardinal Health’s human resources manager. In the event Cardinal Health determines that its policies and procedures or applicable laws prohibit the termination or reassignment of any Representative so requested by Cumberland, it shall notify Cumberland of such determination and submit a corrective action plan for Cumberland’s approval.

(b) Cardinal Health shall cause each Representative to attend and successfully complete the Training Program (as defined in Section 6.1) conducted by Cumberland for each of the Products prior to participating in the Program. Any such Representative who shall not successfully complete all such requirements shall be removed and replaced by another Representative who shall comply with such requirements.

(c) Cumberland shall provide the Representatives without cost with sufficient quantities of the Product Promotional Materials and Product Labeling for the performance of Detailing. Cumberland shall be solely responsible for the preparation, content, and method of distribution of the Product Promotional Materials and the Product Labeling. In connection with the Detailing of the Products, the Representatives shall use only the Product Labeling and the Product Promotional Materials provided by Cumberland; and under no circumstances shall Cardinal Health or the Representatives develop, create, or use any other promotional material or literature for the Detailing of the Products. Cumberland shall advise Cardinal Health immediately of any inaccuracy or incompleteness of the Product Promotional Materials or the Product Labeling, and upon such notice Cardinal Health and the Representatives shall immediately cease the use of any portion or all of the Product Promotional Materials or Product Labeling so identified by Cumberland.

(d) Cardinal Health shall instruct the Representatives to limit their verbal statements and claims regarding the Products, including efficacy and safety, to those that are consistent with the Product Labeling and the Product Promotional Materials. The Representatives shall not add, delete, or modify claims of efficacy or safety in the Detailing of the Products, nor make any changes (including underlining or otherwise highlighting any language or adding any notes thereto) in the Product Promotional Materials. Representatives shall not make any disparaging, untrue, or misleading statements about Cumberland or its Affiliates, employees, competitors, or competing products. Representatives shall Detail the Products in strict adherence to all applicable laws, regulations, and professional requirements, including, but not limited to, the Act, the Medicare and Medicaid Anti-Kickback Statute, and the American Medical Association Gifts to Physicians from Industry Guidelines.

(e) The Representatives shall remain under the direct authority and control of Cardinal Health, but shall cooperate with the members of Cumberland and shall receive advice and direction related to Detail activities on the Products from Cumberland and Cardinal Health mutually. Cumberland shall make all decisions with respect to the overall strategy in connection with the Detailing of the Products. Any Cumberland personnel interacting with Cardinal Health Representatives shall not discipline the Representatives or implement terms or conditions of employment or personnel policies and/or practices with respect to the Representatives. Cumberland shall provide Cardinal Health with copies of all reports, memoranda, audits and other data it develops pertaining to (i) the Representatives, Detailing, and the Program within 30 days of the preparation of such documents, and (ii) any negligent or wrongful acts or omissions of Representatives as promptly as practicable.

(f) In the event Cardinal Health supplies Representatives and Managers with fleet vehicles for their use in performing the Detailing as described in the Schedules of this Agreement, Cumberland shall reimburse Cardinal Health for all of its out-of-pocket costs related to using such vehicles for Detailing, including but not limited to costs related to owning, leasing, maintaining, insuring, and/or operating such vehicles (including fuel costs). Cumberland shall reimburse Cardinal Health for all reasonable out-of-pocket costs and expenses (i.e., airline tickets and other travel expenses, hotel, rent-a-car, business meals, travel meals) of

Representatives and Managers in connection with performing services pursuant to this Agreement. Cumberland and Cardinal Health shall establish a mutually acceptable budget for the costs and expenses referenced in this subparagraph for each Territory.

(g) Cumberland shall provide Cardinal Health with a list of Target Customers in the Territory and with data on prescriptions and sales in the Territory for Cardinal Health's use in performing this Agreement. Cumberland shall also provide Cardinal Health with other sales and marketing information concerning the Products that Cumberland obtains or prepares during the term of this Agreement and deems useful to Cardinal Health.

2.4. Orders for Products. Cumberland shall be solely responsible for establishing the terms and conditions of the sale of the Products, including without limitation, the price at which the Products will be sold, whether sales of the Products will be subject to any discounts, the method of distribution of the Products, and whether any credit will be granted or refused in connection with the sale or return of any Product. Cumberland shall be exclusively responsible for accepting and filling all purchase orders for the Products, billing and returns for the Products, and all other activities in connection with the sale and delivery of the Products, other than Detailing. If Cardinal Health or the Representatives receive an order for the Products, they shall immediately transmit such order to Cumberland for further handling and communications with the submitter of the order, including acceptance or rejection, which shall be in Cumberland's sole discretion.

2.5. Representatives' Activity

(a) Subject to Cumberland's obligations and representations and warranties in this Agreement, any negligent or wrongful act or omission on the part of the Representatives (both individually and as a group) that occur during the term of this Agreement and that arise during the course and within the scope of their employment with Cardinal Health pursuant to this Agreement shall be deemed to be negligent or wrongful acts or omissions of Cardinal Health. Notwithstanding the foregoing, any acts or omissions of the Representatives pursuant to the exclusive direction, control or supervision of Cumberland or its employees or agents shall not be deemed to be negligent or wrongful acts or omissions of Cardinal Health.

(b) Each party shall notify the other in writing as promptly as practicable of any such material alleged negligent or wrongful acts or omissions on the part of the Representatives of which it becomes aware along with a plan to remedy such acts or omissions, and Cumberland shall provide Cardinal Health with a reasonable opportunity to remedy such acts or omissions, and if indicated, to replace the involved Representatives.

2.6 Vacancies/Turnover. In the event of a Representative vacancy due to resignation, reassignment or termination of a Representative, Cardinal Health shall fill any such vacancy within a six (6) week period. Cumberland shall be responsible for paying the Service Fees (as defined in Section 3.1 below) during such vacancy, unless such vacancy exceeds the six (6) week period, in which event, the associated Service Fees for such vacancy shall be suspended after the six (6) week period and shall resume once the vacancy is filled by Cardinal Health. All recruiting and other related expenses for filling a vacancy shall be borne by Cardinal Health;

provided, however, that Cumberland shall be responsible for all recruiting and other related expenses for filling any vacancy occurring pursuant to Cumberland's request for reassignment or termination other than a request pursuant to Section 2.5(b) or resulting from the Representative's failure to comply with any one or more of the provisions of Section 2.3. In addition, if Cumberland desires to interview any candidates, Cumberland shall bear its own cost of attending any final interview conducted by Cardinal Health or the costs of any separate interview arranged for by Cumberland.

2.7 Management Reports. Cardinal Health or its third party designee shall provide Cumberland with monthly reports in the form agreed between Cumberland and Cardinal Health within fifteen (15) days after the end of each month. At the request of Cumberland, Cardinal Health shall furnish Cumberland at reasonable times such documentation as Cumberland reasonably requests for purposes of verifying the accuracy of any monthly report.

2.8 Project Manager. Cardinal Health shall appoint a Project Manager to serve as a liaison between Cardinal Health, Representatives and Cumberland regarding the performance by Cardinal Health and Cumberland of their respective obligations under this Agreement.

2.9 Non-compete. During the term hereof and until the first anniversary of the expiration thereof, the Representatives shall not, directly or indirectly, solicit or influence or attempt to solicit or influence any Target Customer to acquire pharmaceutical products manufactured by a competitor of Cumberland for a laxative product, an oral rehydration solution or other Products added to Schedule 1.1(k) by Cumberland.

ARTICLE III
COMPENSATION

3.1. Amount and Time of Payment. For services hereunder, Cumberland shall pay to Cardinal Health the fees set forth in Schedule 3.1 attached hereto and incorporated by reference (the "Service Fees"), which shall be payable as set forth in the payment schedule set forth therein.

3.2 Cumberland's Hiring of Representatives. Cumberland shall not solicit, directly or indirectly, any Representative or other employee of Cardinal Health to terminate their employment with Cardinal Health and/or hire any such Representative or employee during the Term of this Agreement without the prior written consent of Cardinal Health, which consent shall not be unreasonably withheld or delayed. At the expiration or termination of this Agreement, Cumberland shall have the right to hire as its own employee or as an independent contractor or agent any one or more of the Representatives or Managers (collectively, the "Targeted Employees"). Cumberland shall have the right to negotiate with any Targeted Employee concerning the terms on which Cumberland might hire that Targeted Employee prior to the end of the Term only upon the prior written consent of Cardinal Health, which shall not be unreasonably withheld or delayed. Cardinal agrees not to interfere with or restrict in any manner Cumberland's solicitation and hiring of the Targeted Employees and Cardinal Health will assist Cumberland in the transition of Targeted Employees from Cardinal Health to Cumberland.

3.3. Reimbursement of Expenses. All expenses of Cardinal Health for which Cumberland is obligated to reimburse Cardinal Health as expressly provided in this Agreement, including but not limited to travel expenses and vehicle expenses under Section 2.3(e), shall be paid by Cumberland within [***] days after Cardinal Health has submitted a statement itemizing such expenses. Cardinal Health shall submit such expense statements to Cumberland monthly.

3.4 Past Due Amounts. All amounts owing by Cumberland to Cardinal Health pursuant to this Agreement that are not timely paid by Cumberland will bear interest at the rate of twelve (12%) per annum from the due date. An invoice will be considered late and begin to accrue interest if unpaid 30 days past its due date.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1. By Cardinal Health. Cardinal Health represents, warrants, and covenants to Cumberland, as of execution of this Agreement and during the term of this Agreement, as follows:

(a) that Cardinal Health and the Representatives shall perform the Detailing in a professional and timely manner;

(b) that Cardinal Health and the Representatives shall comply with all laws, rules and regulations that apply to the performance of services under this Agreement, including but not limited to the PDMA, the Medicare and Medicaid Anti-Kickback Act (42 U.S.C. § 1320a-7b(a)), the Civil False Claims Act (31 U.S.C. § 3729(a)), Sections 1128A, 1128B, and 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7a, -7b, and 1395nn), the Health Care Fraud Act (18 U.S.C. § 1347), and the Criminal False Claims Act (18 U.S.C. § 287), as amended from time to time, as well as similar applicable state laws; and

(c) that Cardinal Health is under no obligation to any third party that would prevent the execution of this Agreement or interfere with its performance under this Agreement.

4.2. By Cumberland. Cumberland represents, warrants, and covenants to Cardinal Health, as of execution of this Agreement and during the term of this Agreement, as follows:

(a) that Cumberland is under no obligation to any third party that would prevent the execution of this Agreement or interfere with its performance under this Agreement;

(b) that Cumberland shall comply with all laws, rules and regulations that apply to the Products and their sale, the Program, and this Agreement, including but not limited to the Act, the PDMA, the Medicare and Medicaid Anti-Kickback Act (42 U.S.C. § 1320a-7b(a)), the Civil False Claims Act (31 U.S.C. § 3729(a)), Sections 1128A, 1128B, and 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7a, -7b, and 1395nn), the Health Care Fraud Act (18

U.S.C. § 1347), and the Criminal False Claims Act (18 U.S.C. § 287), as amended from time to time, as well as similar applicable state laws;

(c) that the Product Labeling and Product Promotional Materials are accurate, complete, and in compliance with the Act and all applicable rules and regulations of the FDA; and

(d) that to the best knowledge of Cumberland, the manufacture, sale, and distribution of the products do not and will not during the term of this Agreement, infringe any patent or other proprietary rights of third parties, and the Products have all necessary governmental approvals and may be lawfully Detailed and sold by Cumberland and the Representatives.

ARTICLE V
STATUS OF CARDINAL HEALTH AND THE REPRESENTATIVES

5.1. Cardinal Health Independent Contractor. Cardinal Health is being retained and shall perform hereunder strictly as an independent contractor. Representatives and Managers of Cardinal Health performing services hereunder shall not be, and shall not be considered to be, employees of Cumberland for any purpose, and shall at all times remain employees of Cardinal Health, subject to Section 3.3. Neither party shall have any responsibility for the hiring, termination, compensation, benefits or other conditions of employment of the other party's employees, except as otherwise provided in this Agreement.

5.2. No Cumberland Benefits. While employees of Cardinal Health, the Managers and Representatives are not eligible to participate in any benefits programs or sales bonuses offered by Cumberland to its employees, or in any pension plans, profit sharing plans, insurance plans or any other employee benefit plans offered from time to time by Cumberland to its employees, provided that the Representatives shall be eligible to participate in Cumberland sales contests and bonus plans if so requested by Cumberland and approved by Cardinal Health. Cardinal Health acknowledges and agrees that Cumberland does not, and will not, maintain or procure any worker's compensation or unemployment compensation insurance for or on behalf of the Managers or Representatives while they are employees of Cardinal Health. Cardinal Health acknowledges and agrees that it shall be solely responsible for paying all salaries, wages, benefits and other compensation which its employees (including Representatives and Managers) may be entitled to receive in connection with the performance of the services hereunder.

5.3 Sales, Use and Excise Taxes. If any state or local government or other taxing authority determines that sales, use or excise Taxes ("Taxes") are applicable to Cardinal Health's services performed hereunder, Cardinal Health shall promptly accrue and Cumberland shall pay such Taxes on behalf of Cardinal Health to the appropriate taxing authorities. In addition, Cumberland shall be responsible for the payment of any applicable Taxes related to Cumberland's supply to Cardinal Health of Product Promotional Materials and Product Samples.

5.4. No Joint Venture. Nothing contained in this Agreement shall be construed as creating a joint venture or, except as otherwise provided herein, as granting to either party the

authority to bind or contract any obligations in the name of or on the account of the other party or to make any guarantees or warranties on behalf of the other party.

ARTICLE VI
TRAINING

6.1. Training Programs.

(a) Cumberland shall conduct a training program for new Representatives and Managers prior to participating in the Program, which shall include such medical and technical information about the Products and such sales training as Cumberland, along with Cardinal Health, deems necessary and appropriate (the "Training Program"). The Training Program shall also include instruction on compliance with applicable laws, Company policies and procedures, and computer training. Cardinal Health shall assist Cumberland with the Training Program only to the extent requested by Cumberland.

(b) In order to qualify for assignment in a Territory, a Representative must demonstrate thorough knowledge of the Products by passing Cumberland approved Product tests at a level of proficiency agreed upon by Cumberland and Cardinal Health.

6.2. Training Materials. Cumberland shall prepare written training materials for the Training Program and an up-to-date programmed learning unit for the Products, to be sent to each Representative for "at home" study a minimum of five (5) days prior to the commencement of the Training Program.

6.3. Cumberland Assistance. During the term of this Agreement, Cumberland shall make available to Cardinal Health, free of charge, a reasonable number of, and for a reasonable amount of time, at locations reasonably agreed by Cumberland and Cardinal Health, Cumberland's sales training and marketing personnel to assist Cardinal Health's Representatives and Managers with respect to the Training Program and additional orientation and ongoing training for the Representatives.

ARTICLE VII
SAMPLES

7.1. Provision of Samples. Cumberland shall provide samples of the Products to the Representatives at Cumberland's option and at its expense. Cumberland shall determine the quantity and types of samples to be provided to the Representatives and the method of distribution of the samples. In the event Cumberland elects to have Cardinal Health manage the storage and distribution of samples, Cardinal Health shall pass on to Cumberland the actual invoice costs for storage, distribution and other related costs and use prudent business sense in costs incurred. All samples shall be stored and handled by Cumberland and Cardinal Health in compliance with the PDMA and applicable law.

7.2 Sample Accountability. Cardinal Health shall prepare and provide to Cumberland for approval a sample accountability program applicable to the samples provided by

Cumberland. After the parties agree in writing to adopt a sample accountability program Cardinal Health shall comply with such program.

7.3. Return of Samples. Within 30 days following the termination or expiration of this Agreement or within 30 days from the termination or removal from the Program of a Representative (unless such Representative has been hired or retained by Cumberland), Cardinal Health shall cause the Representatives to return to Cumberland all unused Product samples provided to Cardinal Health or the Representatives by Cumberland. Cumberland shall pay or reimburse Cardinal Health for all out-of-pocket costs and expenses in connection with the storage and shipment of returned samples.

ARTICLE VIII
TRADEMARKS AND INTELLECTUAL PROPERTY RIGHTS

The Products shall be Detailed by Cardinal Health's Representatives under trademarks owned or licensed by Cumberland or an Affiliate of Cumberland. This Agreement does not constitute a grant to Cardinal Health of any property right or interest in the Products or any trademarks which Cumberland or an Affiliate of Cumberland uses with respect to the Products or to the name or business style of Cumberland. Cardinal Health and the Representatives shall use the Product Promotional Materials only for the purposes of this Agreement, and all copyright and other intellectual property rights in the Product Promotional Materials shall remain with Cumberland.

ARTICLE IX
COMMUNICATIONS; MONITORING THE PROGRAM

9.1. Communications from Third Parties. Cardinal Health and its Representatives shall advise Cumberland promptly of all comments, statements, requests and inquiries of the medical profession or any other third parties relating to the Products that are not addressed by either Product Labeling or the Product Promotional Materials, of which Cardinal Health becomes aware. All responses to such communications to the medical profession or such other third parties shall be handled solely by Cumberland. Cardinal Health shall provide reasonable assistance to Cumberland to the extent requested by Cumberland, and at Cumberland's cost and expense, to fully respond to such communications.

9.2. Government Agencies. All communications with government agencies, including the FDA, concerning the Products shall be the sole responsibility of Cumberland. Cardinal Health shall assist Cumberland with respect to such communications with government agencies to the extent requested by Cumberland, and at Cumberland's cost and expense. Cardinal Health shall provide Cumberland with any documents or information reasonably requested by Cumberland for purposes of responding to any communications with government agencies within 72 hours of Cumberland's request.

9.3. Cumberland Communications. In addition to Detailing, Cardinal Health shall assist Cumberland with respect to customer communications (as reasonably requested by Cumberland and at Cumberland's cost and expense) within the Territory and shall regularly

advise Cumberland of market, economic, regulatory and other developments of which Cardinal Health may become aware which may affect the sale of the Products in the Territory.

9.4. Review of Results. The parties shall meet periodically, but at least once per calendar quarter, to review and discuss the actual results compared to the marketing plans for Detailing of the Products. Cumberland shall regularly and promptly share with Cardinal Health all reports, audits and other data it develops relative to the Program.

ARTICLE X
INSURANCE

10.1 Cardinal Health Insurance.

(a) During the Term of this Agreement, Cardinal Health shall obtain and maintain the following insurance with limits not less than those specified below:

i. Commercial General Liability Insurance with a limit of One Million Dollars ($1,000,000) per occurrence.

ii. Worker's Compensation and Employers Liability Insurance with statutory limits for Workers' Compensation and Employers' Liability limits of One Million Dollars ($1,000,000) per accident.

iii. Automobile Liability Insurance with a combined single limit of $1,000,000.

iv. Products Liability Insurance with a limit of Five Million Dollars ($5,000,000) per occurrence.

(b) Cardinal Health may self-insure any or a portion of the required insurance. In the event that any of the required policies of insurance are written on a claims made basis, then such policies shall be maintained during the entire term of this Agreement and for a period of not less than five (5) years following the termination or expiration of this Agreement.

(c) Cardinal Health shall waive subrogation rights against Cumberland for workers' compensation benefits and shall obtain a waiver from any insurance carriers with which Cardinal Health carries workers' compensation insurance releasing their subrogation rights against Cumberland.

(d) Each insurance policy which is required under this Section shall be obtained from an insurance carrier with an A.M. Best rating of at least A- VII.

10.2 Cumberland Insurance.

(a) During the Term of this Agreement, Cumberland shall obtain and maintain the following insurance with limits not less than those specified below.

i. Commercial General Liability Insurance with a limit of One Million Dollars ($1,000,000) per occurrence.

ii. Products Liability Insurance with a limit of Five Million Dollars ($5,000,000) per occurrence.

iii. Worker's Compensation and Employers Liability Insurance with statutory limits for Workers' Compensation and Employers' Liability limits of One Million Dollars ($1,000,000) per accident.

(b) Cumberland may self-insure any or a portion of the required insurance. In the event that any of the required policies of insurance are written on a claims made basis, then such policy(ies) shall be maintained during the entire period of this Agreement and for a period of not less than five (5) years following the termination or expiration of this Agreement.

(c) Cumberland shall waive subrogation rights against Cardinal Health for workers' compensation benefits and shall obtain a waiver from any insurance carriers with which Cumberland carries workers' compensation insurance releasing their subrogation rights against Cardinal Health.

(d) Each insurance policy which is required under this Section shall be obtained from an insurance carrier with an A.M. Best rating of at least A- VII.

ARTICLE XI
ADVERSE REACTION REPORTING AND REGULATORY MATTERS

11.1. Immediate Notification. Cardinal Health and Cumberland agree to notify the other party as soon as reasonably practicable of any information that each may obtain or learn concerning any Product or package complaint or any serious unexpected side effect, injury, toxicity, or sensitivity reaction or any unexpected incidence of severity thereof associated with the clinical uses, studies, investigations, tests and marketing of the Products, whether or not determined to be attributable to the Products. "Serious" as used in this Section 11.1 refers to an experience which results in death, permanent or substantial disability, in-patient hospitalization, prolongation of existing in-patient hospitalization, a congenital anomaly or cancer, or a result of an overdose or life threatening condition. "Unexpected" as used in this Section 11.1 refers to (i) conditions or developments not previously submitted to governmental Agencies or encountered during clinical studies of the Products and not reflected in the Product Promotional Materials or the Product Labeling, or (ii) conditions or developments occurring with greater frequency, severity, or specificity than shown by information previously submitted to governmental Agencies or encountered during clinical studies of the Products and not reflected in the Product Promotional Materials or the Product Labeling. Each party shall also notify the other in a timely manner of any other adverse experience, i.e., any unfavorable and unintended change in the

structure (signs), function (symptoms) or chemistry (laboratory data) of the body temporally associated with the use of the Products, whether or not considered related thereto.

11.2. Threatened Agency Action. Cardinal Health and Cumberland shall each immediately notify the other party of any information that each may obtain or learn regarding any threatened or pending action by an Agency which may affect the Products. Cardinal Health shall, at the request of Cumberland and at the cost and expense of Cumberland, cooperate with Cumberland in formulating a procedure for taking appropriate action in response to such information. Unless compelled by law, Cardinal Health shall not respond to an Agency without the prior written consent of Cumberland.

11.3. Training. Cardinal Health and Cumberland shall develop appropriate instructions in the Training Program for Representatives as to handling of information received or obtained subject to Sections 11.1 and 11.2.

ARTICLE XII
RETURN/RECALL

12.1. Returned Products.

(a) Cumberland shall be responsible for handling all returned Products, including shipment and compensation or credit for the returned Products. Any Products inadvertently returned to Cardinal Health shall be shipped to Cumberland or at its direction, in compliance with Cumberland's returned goods policy, and Cardinal Health shall advise the customer who made the return that the Products have been returned to Cumberland. Cumberland shall reimburse Cardinal Health's out-of-pocket shipping costs arising from its handling of such returned Products within 30 days of delivery to Cumberland of Cardinal Health's statement for such costs. Upon request Cardinal Health shall provide Cumberland with documentation relating to such costs.

(b) At Cumberland's request, Cardinal Health shall assist Cumberland in obtaining and receiving any Products that have been recalled, and any costs incurred by Cardinal Health, agreed upon in advance by Cumberland, with respect to participating in any such recall shall be reimbursed by Cumberland within 30 days of delivery to Cumberland of Cardinal Health's statement for such costs.

ARTICLE XIII
CONFIDENTIAL INFORMATION

13.1 Mutual Obligation. Cardinal Health and Cumberland agree that they will not disclose the other party's Confidential Information (defined below) to any third party without the prior written consent of the other party except as required by law, regulation or court or administrative order; provided, however, that prior to making any such legally required disclosure, the party making such disclosure shall give the other party as much prior notice of the requirement for and contents of such disclosure as is practicable under the circumstances. Notwithstanding the foregoing, each party may disclose the other party's Confidential Information to any of its Affiliates that (A) need to know such

Confidential Information for the purpose of performing under this Agreement, (B) are advised of the contents of this Article, and (C) agree to be bound by the terms of this Article.

13.2 Definition. As used in this Agreement, the term **"Confidential Information"** includes all such information furnished by Cardinal Health or Cumberland, or any of their respective representatives or Affiliates, to the other or its representatives or Affiliates, whether furnished before, on or after the date of this Agreement and furnished in any form, including but not limited to written, verbal, visual, electronic or in any other media or manner. Confidential Information includes all proprietary technologies, know-how, trade secrets, discoveries, inventions and any other Intellectual Property (whether or not patented), analyses, compilations, business or technical information and other materials prepared by either party, or any of their respective representatives, containing or based in whole or in part on any such information furnished by the other party or its representatives. Confidential Information also includes the existence of this Agreement and its terms.

13.3 Exclusions. Notwithstanding Section 13.2, Confidential Information does not include information that (A) is or becomes generally available to the public or within the industry to which such information relates other than as a result of a breach of this Agreement, or (B) is already known by the receiving party at the time of disclosure as evidenced by the receiving party's written records, or (C) becomes available to the receiving party on a non-confidential basis from a source that is entitled to disclose it on a non-confidential basis, or (D) was or is independently developed by or for the receiving party without reference to the Confidential Information, as evidenced by the receiving party's written records.

13.4 No Implied License. The receiving party will obtain no right of any kind or license under any patent application or patent by reason of this Agreement. All Confidential Information will remain the sole property of the party disclosing such information or data.

13.5 Return of Confidential Information. Upon written request or termination of this Agreement, the receiving party shall promptly return within thirty (30) days all such information, including any copies thereof, and cease its use or, at the request of the disclosing party, shall promptly destroy the same and certify such destruction to the disclosing party; except for a single copy thereof, which may be retained for the sole purpose of determining the scope of the obligations incurred under this Agreement.

13.6 Survival. The obligations of this Article 13 will terminate five (5) years from the expiration of this Agreement.

ARTICLE XIV
TERM AND TERMINATION

14.1. Term. This Agreement shall take effect as of September 5, 2006 and shall continue in effect until August 30, 2008 (the "Initial Term"), unless terminated earlier as set forth herein. Notwithstanding the foregoing, Cumberland may, at its option upon written notice to Cardinal Health at least ninety (90) days prior to the expiration of the Initial Term, and with the written consent of Cardinal Health, extend the Initial Term for one additional year (the "Renewal Term"). If Cumberland desires to exercise the Renewal Term, parties shall negotiate in good faith provisions of Section 3.1 regarding Service Fees. References in this Agreement to the term of this Agreement include both the Initial Term and the Renewal Term, if applicable.

14.2. Bankruptcy: Insolvency. Either party may terminate this Agreement upon notice to the other upon the occurrence of: (a) the entry of a decree or order for relief by a court of proper jurisdiction in an involuntary case of the other party under the Federal Bankruptcy Code, as now constituted or hereafter amended, or any other applicable federal or state insolvency or other similar laws, and the continuance of any such decree or order in effect for a period of sixty (60) consecutive days; or (b) the filing by the other party of a petition for relief under the Federal Bankruptcy Code, as now constituted or hereafter amended, or any other applicable federal or state insolvency or similar laws.

14.3 Termination For Breach. Subject to Section 3.2 and other continuing obligations, either party may terminate this Agreement (i) in the event of a material breach of the other party's obligations under this Agreement, provided that such breach has not been cured within thirty (30) days after written notice thereof from the non-breaching party.

14.4 Termination Due To Regulatory And Other Problems. If the Product is not being marketed due to regulatory problems, court or administrative proceedings, product liability claims, recalls, raw materials shortages, or similar factors beyond the control of Cumberland, then, subject to Section 3.2, either party may terminate this Agreement upon thirty (30) days written notice to the other.

14.5 Termination Due To Assignment or Change in Control. In the event of a Change of Control (defined herein), the party that has had a Change In Control (the "Affected Party") shall give written notice to the other party (the "Non-Affected Party") within thirty (30) days of the occurrence of such Change In Control. If the Change In Control involves a material and direct competitor of the Non-Affected Party, the Non-Affected Party may terminate this Agreement by written notice to the Affected Party within 60 days after receipt of the Notice of a Change In Control . If the Change In Control does not involve a material and direct competitor of the Non-Affected Party, this Agreement may not be terminated by the Non-Affected Party. For purposes of this Section, "Change In Control" includes a purchase, assignment or transfer of a controlling interest in the Affected Party or substantially all of its business and assets and any merger or consolidation involving the Affected Party or any Affiliate of the Affected Party that requires a vote of the stockholders of the Ultimate Parent of the Affected Party. "Ultimate Parent" for Cardinal Health is Cardinal Health, Inc. and the Ultimate Parent for Cumberland is its stockholders.

14.6. Termination: Phase Out. In the event that this Agreement is terminated pursuant to Sections 14.2 through 14.5, and at Cumberland's request, the parties shall discuss in good faith an appropriate phase-out of Cardinal Health's Detailing activities.

14.7 Termination: Written Notice. Cumberland may terminate the Agreement, with or without cause, upon 60 days prior written notice.

14.8. Termination: Continuing Rights. The termination or expiration of this Agreement shall not affect Cumberland's obligation to reimburse or pay Cardinal Health any amount then due and owing under this Agreement. Further, the termination or expiration of this Agreement

shall not affect any rights or obligations of any party under this Agreement which are intended by the parties to survive such termination. The Service Fee paid by Cumberland for the month in which this Agreement is terminated shall be prorated based on the number of days in that month, and Cardinal Health shall refund any overpayment to Cumberland.

14.9 Termination; Return of Materials. Within sixty (60) days following the termination or expiration of this Agreement, Cardinal Health shall return to Cumberland all Confidential Information, Product Promotional Materials, marketing plans, forms, territory lists, reports and any and all other tangible items provided to Cardinal Health by Cumberland.

ARTICLE XV
RECORDKEEPING; AUDIT RIGHTS

15.1. Cardinal Health Record Keeping; Inspection by Cumberland. Cardinal Health shall keep accurate records in sufficient detail as to costs and expenses for which Cumberland must reimburse Cardinal Health under this Agreement. Upon Cumberland's reasonable request made during or within one (1) year after the term of this Agreement, and at Cumberland's expense, Cardinal Health shall permit Cumberland's designated employees or agents to have access during ordinary business hours to records of such costs and expenses in order to verify the accuracy of amounts reimbursed by Cumberland to Cardinal Health. Cumberland and its designated employees or agents shall maintain in confidence all such cost and expense records of Cardinal Health.

ARTICLE XVI
INDEMNIFICATION

16.1 Definitions. As used in this Article 16 and this Agreement, "Damages" shall mean all liabilities, damages, assessments, levies, losses, fines, penalties, costs, and expenses, including, without limitation, reasonable attorneys', accountants', investigators', and experts' fees and expenses, sustained or incurred as a result of any claims, suits, liabilities, or actions by any third party.

16.2. Indemnification by Cardinal Health. Except to the extent that any of the following Damages arises from the negligence or willful misconduct of Cumberland or breach of this Agreement by Cumberland, Cardinal Health shall indemnify and hold Cumberland, its Affiliates, directors, officers, employees and agents harmless from and against any and all Damages arising directly or indirectly from:

(a) Cardinal Health's breach of or failure to comply with any of its obligations under this Agreement;

(b) any inaccuracy in or breach or failure of any representation, warranty, or covenant made by Cardinal Health in this Agreement;

(c) any negligent or wrongful act or omission on the part of Cardinal Health or its employees or agents;

(d) Cardinal Health's violation of or failure to comply with all applicable laws relating to the promotion, distribution and sale of the Products, including but not limited to the Act, the PDMA, the Medicare and Medicaid Anti-Kickback Act (42 U.S.C. § 1320a-7b(a)), the Civil False Claims Act (31 U.S.C. § 3729(a)), Sections 1128A, 1128B, and 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7a, -7b, and 1395nn), the Health Care Fraud Act (18 U.S.C. § 1347), and the Criminal False Claims Act (18 U.S.C. § 287), as amended from time to time, as well as similar applicable state laws;

(e) Detailing of the Products, except to the extent such Damages arise from a negligent or wrongful act or omission of Cumberland;

(f) any federal or state claim or assessment for nonpayment or late payment by Cardinal Health of any tax or contribution based on the status of any Representatives as employees of Cardinal Health:; or

(g) except as limited by Section 2.3(a) or by Cumberland's indemnification obligations, any employment actions and/or employment related claims alleging violation of any state or federal employment laws arising out of any action taken or omission made independently by Cardinal Health.

16.3. Indemnification by Cumberland. Except to the extent that any of the following Damages arise from the negligence or willful misconduct of Cardinal Health or breach of this Agreement by Cardinal Health, Cumberland shall indemnify and hold Cardinal Health and its Affiliates, directors, officers, employees and agents harmless from and against any and all Damages arising directly or indirectly from:

(a) Cumberland's breach of or failure to comply with any of its obligations under this Agreement;

(b) any inaccuracy in or breach or failure of any representation, warranty, or covenant made by Cumberland in this Agreement;

(c) any negligent or wrongful act or omission on the part of Cumberland or its employees or agents;

(d) Cumberland's violation of or failure to comply with all applicable laws relating to the manufacture, sale, distribution, possession and use of the Product, the Program and this Agreement, including but not limited to the Act, the PDMA, the Medicare and Medicaid Anti-Kickback Act (42 U.S.C. § 1320a-7b(a)), the Civil.False Claims Act (31 U.S.C. § 3729(a)), Sections 1128A, 1128B, and 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7a, -7b, and 1395nn), the Health Care Fraud Act (18 U.S.C. § 1347), and the Criminal False Claims Act (18 U.S.C. § 287), as amended from time to time, as well as similar applicable state laws;

(e) Detailing of the Products, except to the extent such Damages arise from a negligent or wrongful act or omission of Cardinal Health;

(f) the accuracy or completeness of the Product Labels, Product Promotional Materials, or the Training Program;

(g) any claims or liabilities for injury to or death of persons, regardless of when such claim or liability is asserted or incurred, resulting from or arising out of the manufacture, use, sale, distribution, possession of the Products, or a manufacturing design or defect of the Products, or any failure to warn or inadequacy of warning regarding the Products;

(h) Cumberland's failure to pay when due or to reimburse Cardinal Health for any Taxes (as defined in Section 5.3);

(i) any negligent or wrongful acts or omissions on the part of Cumberland with respect to Cardinal Health's employees or Representatives or those individuals who have made application to be Representatives of Cardinal Health;

(j) any federal or state claim or assessment for nonpayment or late payment by Cumberland of any tax or contribution based on the status of any former Representatives as employees or agents of Cumberland; or

(k) the use by Cardinal Health, in the performance of its duties hereunder and as specified or directed by Cumberland, of any trademark, trade name, copyright, patent or other rights which use actually or allegedly infringes on the rights of any third party.

16.4. Indemnification Procedures. A party (the "Indemnitee") which intends to claim indemnification under this Article 16 shall promptly notify the other party (the "lndemnitor") in writing of any action, claim or liability in respect of which the lndemnitee or any of its employees or agents are entitled to indemnification. The Indemnitee shall permit, and shall cause its employees and agents to permit, the Indemnitor at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement or defense does not adversely affect the lndemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth in this Agreement. The Indemnitee, its employees, and agents, shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability subject to indemnification. The Indemnitee shall have the right, but not the obligation, to be represented by counsel of its own selection and at its own expense: in connection with any indemnified claim.

16.5. Limitation on Cardinal Health Liability. In no event shall Cardinal Health's total liability under this Agreement exceed an amount equal to the total fees paid to Cardinal Health under this Agreement.

16.6 No Consequential Damages. Notwithstanding any provision of this Agreement to the contrary, and except with regard to claims by third parties, neither party shall be liable to the other for any special, indirect, incidental or consequential damages (other than liability for personal injury as provided in this Article 16), including lost profits.

ARTICLE 17
NOTICE

All notices and other communications hereunder shall be in writing and shall be deemed given: (A) when delivered personally; (B) when delivered by facsimile transmission (receipt verified); (C) when received or refused, if mailed by registered or certified mail (return receipt requested), postage prepaid; or (D) when delivered if sent by express courier service,

to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided, that notices of a change of address shall be effective only upon receipt thereof):

To Cumberland:	A.J. Kazimi, CEO Cumberland Pharmaceuticals Inc. 2525 West End Avenue, Suite 950 Nashville, Tennessee 37203 Facsimile (615) 255-0094
With a copy to:	Adams and Reese / Stokes Bartholomew LLP 424 Church Street, Suite 2800 Nashville, Tennessee 37219 Attn. Martin S. Brown, Jr. Facsimile (615) 259-1470
To Cardinal Health:	Cardinal Health PTS, LLC 7000 Cardinal Place Dublin, Ohio 43017 Attn: Thomas Dimke, SVP/GM Cardinal Health Contract Sales and Services Facsimile: (614) 757-6117
With a copy to:	Cardinal Health, Inc. 7000 Cardinal Place Dublin, Ohio 43017 Attn: Associate General Counsel, Pharmaceutical Technologies and Services Facsimile: (614) 757-5051

ARTICLE 18
MISCELLANEOUS

18.1 Entire Agreement; Amendments. This Agreement, the attachments, and any amendments thereto constitute the entire understanding between the parties and supersede any

contracts, agreements or understanding (oral or written) of the parties with respect to the subject matter hereof. No term of this Agreement may be amended except upon written agreement of both parties, unless otherwise provided in this Agreement.

18.2 Captions. The captions in this Agreement are for convenience only and are not to be interpreted or construed as a substantive part of this Agreement.

18.3 Further Assurances. The parties agree to execute, acknowledge and deliver such further instruments and to take all such other incidental acts as may be reasonably necessary or appropriate to carry out the purpose and intent of this Agreement.

18.4 No Waiver. Failure by either party to insist upon strict compliance with any term of this Agreement in any one or more instances will not be deemed to be a waiver of its rights to insist upon such strict compliance with respect to any subsequent failure.

18.5 Severability. If any term of this Agreement is declared invalid or unenforceable by a court or other body of competent jurisdiction, the remaining terms of this Agreement will continue in full force and effect.

18.6 Independent Contractors. The relationship of the parties is that of independent contractors, and neither party will incur any debts or make any commitments for the other party except to the extent expressly provided in this Agreement. Nothing in this Agreement is intended to create or will be construed as creating between the parties the relationship of joint ventures, co-partners, employer/employee or principal and agent.

18.7 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties, their successors and permitted assigns. Neither party may assign this Agreement, in whole or in part, without the prior written consent of the other party, except that either party may, without the other party's consent, assign this Agreement to an Affiliate or to a successor to substantially all of the business or assets of the assigning company.

18.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Tennessee, excluding its conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

18.9 Alternative Dispute Resolution. If any Dispute arises between the parties, such Dispute shall be presented to the respective presidents or senior executives of Cardinal Health and Cumberland for their consideration and resolution. If such parties cannot reach a resolution of the Dispute, then such Dispute shall be resolved by binding alternative dispute resolution in accordance with the then existing commercial arbitration rules of CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017. Arbitration shall be conducted in the jurisdiction of the defendant party.

18.10 Prevailing Party. In any dispute resolution proceeding between the parties in connection with this Agreement, the prevailing party will be entitled to its reasonable attorney's fees and costs in such proceeding.

18.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same

instrument. Any photocopy, facsimile or electronic reproduction of the executed Agreement shall constitute an original.

18.12 Publicity. Neither party will make any press release or other public disclosure regarding this Agreement or the transactions contemplated hereby without the other party's express prior written consent, except as required under applicable law or by any governmental agency, in which case the party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other party as to the form, nature and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.

18.13 Setoff. Without limiting Cardinal Health's rights under law or in equity, Cardinal Health and its Affiliates, parent or related entities, collectively or individually, may exercise a right of set-off against any and all amounts due to Cardinal Health from Cumberland. For purposes of this Article, Cardinal Health, its Affiliates, parent or related entities shall be deemed to be a single creditor.

18.14 Survival. The rights and obligations of the parties shall continue under Articles 6 (Confidentiality), 7 (Intellectual Property), 9 (Indemnification), 10 (Limitations of Liability), 11 (Insurance), to the extent expressly stated therein, 13 (Notice), 14 (Miscellaneous) and Section 12.3 (Effect of Termination), notwithstanding expiration or termination of this Agreement.

18.15 Force Majeure. Except as to payments required under this Agreement, neither party shall be liable in damages for, nor shall this Agreement be terminable or cancelable by reason of, any delay or default in such party's performance hereunder if such default or delay is caused by events beyond such party's reasonable control including, but not limited to, acts of God, regulation or law or other action or failure to act of any government or agency thereof, war or insurrection, civil commotion, destruction of production facilities or materials by earthquake, fire, flood or storm, labor disturbances, epidemic, or failure of suppliers, public utilities or common carriers; provided however, that the party seeking relief hereunder shall immediately notify the other party of such cause(s) beyond such party's reasonable control. The party that may invoke this section shall use all reasonable endeavors to reinstate its ongoing obligations to the other. If the cause(s) shall continue unabated for one hundred eighty (180) days, then both parties shall meet to discuss and negotiate in good faith what modifications to this Agreement should result from this force majeure.

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

CARDINAL HEALTH PTS, LLC		CUMBERLAND PHARMACEUTICALS INC.	
By:	/s/ Thomas G. Dimke	By:	/s/ AJ Kazimi
Name:	Thomas G. Dimke	Name:	AJ Kazimi
Title:	SVP/GM HCSS	Title:	C.E.O.
Date:	5-18-06	Date:	5-17-06

Schedule 1.1(k)

List of Products

CeraLyte®
Kristalose®

Schedule 1.1(o)

Definition of Territory

The mutually agreed upon headquarter locations for the twenty four representatives are as follows:

Atlanta, GA
Birmingham, AL
Boston, MA
Charlotte, NC
Chicago, IL
Dallas, TX
Dayton, OH
Detroit, MI
Hartford, CT
Houston, TX
Knoxville, TN
Lafayette, LA
Long Island, NY
Manhattan, NY
Miami, FL
Mobile, AL
Newark, NJ
Philadelphia N, PA
Philadelphia S, PA
Cleveland, OH
San Antonio, TX
Tampa, FL
Washington, DC
Yonkers, NY

Each Territory shall include the Target Customers identified by Cumberland and Cardinal Health.

Schedule 3.1

Service Fees and Payment Schedule

With respect to the Program defined herein, the following fees shall apply:

A. As compensation for the satisfactory performance by Cardinal Health of its obligations under the Agreement, Cumberland agrees to pay Cardinal Health Service Fees at the annual rate of three million one hundred one thousand seven hundred eighty four dollars ($3,101,784.00). The Service Fees shall be billed in monthly installments on the last day of each month during the term hereof. Each such installment shall be in the amount of two hundred fifty-eight thousand four hundred eighty-two dollars ($258,482.00) or pro rata portion thereof in the event of early termination. The payment schedule for the term is as follows:

Invoice Date	Payment
September 30, 2006	$258,482.00
October 31, 2006	$258,482.00
November 30, 2006	$258,482.00
December 31, 2006	$258,482.00
January 31, 2006	$258,482.00
February 28, 2006	$258,482.00
March 31, 2006	$258,482.00
April 30, 2007	$258,482.00
May 31, 2007	$258,482.00
June 30, 2007	$258,482.00
July 31, 2007	$258,482.00
August 31, 2007	$258,482.00
September 30, 2007	$258,482.00
October 31, 2007	$258,482.00
November 30, 2007	$258,482.00
December 31, 2007	$258,482.00
January 31, 2008	$258,482.00
February 28, 2008	$258,482.00
March 31, 2008	$258,482.00
April 30, 2008	$258,482.00
May 31, 2008	$258,482.00
June 30, 2008	$258,482.00
July 31, 2008	$258,482.00
August 31, 2008	$258,482.00

B. In addition to the Service Fees, Cardinal Health will invoice Cumberland for the following pass through costs:

(i) bonuses to Representatives in amounts as agreed in writing by Cardinal Health and Cumberland before payment and based upon well-defined performance criteria (typically [***] of salaries); and

(ii) actual expenses associated with regular territory business travel for Detailing, training meetings, and plan of action meetings including airfare, hotels, meals, meeting rooms, A/V equipment, materials, parking and tolls, each of which is subject to the Territory Budget as set forth in the Agreement

C. The expiration or termination of this Agreement shall not release Cumberland from any obligation to pay Cardinal Health any amounts accrued under this Agreement in connection with activities completed, expenses accrued prior to the effective date of such expiration or termination; provided that the Service Fee paid by Cumberland for the month in which this Agreement is terminated shall be prorated based on the number of days in that month, and Cardinal Health shall refund any overpayment to Cumberland.

D. Performance Incentive. Cardinal Health shall be eligible to receive a Performance Incentive based upon Cardinal Health's performance resulting in Kristalose sales during the term hereof in excess of a mutually agreed upon threshold which is based on sales to targeted physicians, over which Cardinal Health will be paid a maximum of [***] in Performance Incentives according to the scale below:

[***]

EXHIBIT 10.5

* Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

FIRST AMENDMENT TO
CONTRACT SALES AND SERVICES AGREEMENT

This First Amendment to Contract Sales and Services Agreement (the "Amendment"), between Cardinal Health PTS, LLC ("Cardinal Health") and Cumberland Pharmaceuticals, Inc. ("Cumberland") is entered into by and between Cardinal Health and Cumberland to modify the terms of the Contract Sales and Services Agreement between the parties dated May 16, 2006 ("Agreement"). All capitalized terms used in this Amendment shall have the meaning ascribed to them in the Agreement.

1. Amendments.

A. Section 2.1 of the agreement is hereby amended to the add the following to the end of Section 2.1:

In addition to the twenty-four Representatives dedicated to Detailing Products for Cumberland under this Section, Cardinal Health shall also provide Cumberland with access to a syndicated sales force which will provide Details for Cumberland products as well as products of other Cardinal Health customers ("Syndicated Sales Force"). Upon agreement of the parties, the Syndicated Sales Force shall provide Details in accordance with terms set forth in amendments to Schedule 3.1 of this Agreement. Such amendment shall set forth the details of the Details, priority of Details, Products, services and fees to be provided by Cardinal Health through the Syndicated Sales Force. The provisions of Sections 2.3(a) and 3.2 shall not apply with respect to the Syndicated Sales Force. Cumberland agrees that it will not recruit, solicit or hire any Representative which is a member of the Syndicated Sales Force during the Term of this Agreement and for one year thereafter.

B. Section 2.2 of the Agreement is hereby amended to add the following to the end of Section 2.2:

The two Managers shall be responsible for oversight of the dedicated sales force and not the Syndicated Sales Force. The Syndicated Sales Force shall continue to be managed by individuals appointed by Cardinal Health to manage the Syndicated Sales Force.

C. Schedule 3.1 is hereby amended to add the following at the end:

SYNDICATED SALES FORCE

Cardinal Health's Syndicated Sales Force will make Calls on Target Customers identified by Cumberland within the territory currently served by the Syndicated Sales Force. The Syndicated Sales Force will Detail up to 3 Cumberland products during calls that are dedicated exclusively to Cumberland. For purposes of this Agreement, a "Call" means a visit by a Representative or Manager to a Target Customer in which multiple Products shall be Detailed to the Target Customer, with the understanding that a small number (less than 10%) of Calls may not involve the

Detailing of all required Products (i.e., where Target Customers will not listen to all Details).

The Call schedule shall begin on July 1, 2006 and end on June 30, 2007. Cardinal will deliver [***] during this period. The service fee schedule will be as follows:

Month	Invoice Amount
July, 2006	37,500
August	37,500
September	37,500
October	37,500
November	37,500
December	37,500
January, 2007	37,000
February	37,500
March	37,500
April	37,500
May	37,500
June, 2007	37,500
	$450,000

Cardinal Health will invoice Cumberland the amount set forth in the above table on the last day of each month for service fees.

Cardinal Health will also have the ability to earn up to [***] in performance incentive for mutually agreed upon sales achievement levels on the target audience.

The following expenses shall be direct pass-through to Cumberland for the syndicated program:

Actual travel expenses for all required participation in any subsequent POA meetings.

Actual promotional expenses and percentage of representative sample storage cost. The parties will agree upon and manage to a budget based upon marketing programs and storage requirements.

2. **Effective Date.** This Amendment shall be effective upon full execution hereof ("Effective Date"). Except as otherwise amended herein, the terms and conditions of the Addendum shall remain in full force and effect.

CUMBERLAND PHARMACEUTICALS, INC.

By: /s/ James D. Aderhold, Jr
Name: James D. Aderhold, Jr
Title: V-P
Date: 7/13/06

CARDINAL HEALTH PTS, LLC.

By: /s/ Thomas G. Dimke
Name: Thomas G. Dimke
Title: SVP/GM
Date: 7/19/06

EXHIBIT 10.6

SECOND AMENDMENT TO
CONTRACT SALES AND SERVICE AGREEMENT

This Second Amendment to Contract Sales and Service Agreement (the "Second Amendment") is entered into this 1st day of June, 2007 by and between Inventiv Commercial Services, LLC ("Inventiv") and Cumberland Pharmaceuticals Inc. ("Cumberland").

WHEREAS, Cardinal Health PTS, LLC ("Cardinal Health") entered into that certain Contract Sales and Service Agreement (the "Agreement") with Cumberland on May 16, 2006; and

WHEREAS, Cardinal Health and Cumberland previously executed a First Amendment to Contract Sales and Service Agreement wherein the parties amended the Agreement and the schedules to the Agreement; and

WHEREAS, Cardinal Health sold its Healthcare Marketing Services division and Cumberland previously consented to an assignment of all of Cardinal Health's rights, title, interest and obligations under the Agreement, as amended by the First Amendment, to PG Holding Corporation; and

WHEREAS, Inventiv, as successor in interest to PG Holding Corporation, desires to assume all of PG Holding Corporation's rights, title interest and obligations under the Agreement, as amended by the First Amendment, and Cumberland desires to consent to such assignment.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. Inventiv shall assume all rights, title, interest and obligations under the Agreement of Cardinal Health, as amended by that certain First Amendment and herein, arising from and after June 1, 2007.

2. Capitalized terms not defined in this Second Amendment shall have the meaning set forth in the Agreement. It is mutually agreed that all covenants, conditions and agreements set forth in the Agreement (as amended hereby) shall remain binding upon the parties and inure to the benefit of the parties hereto and their respective successors and assigns.

Signature page follows.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Contract Sales and Services Agreement as of the day and year first written above.

INVENTIV COMMERCIAL SERVICES, LLC

By: /s/ Paul Mignon
Name: Paul Mignon
Its: President & COO [illegible]

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ Jean W. Marstiller
Name: Jean W. Marstiller
Its: Senior Vice President,
Administrative Services

EXHIBIT 10.7

* Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

DISTRIBUTION SERVICES AGREEMENT

This agreement is made as of August 3, 2000, between Cumberland Pharmaceuticals Inc., a Tennessee corporation ("Cumberland"), and CORD Logistics, Inc., an Ohio corporation ("CORD").

Background Information

A. Cumberland is a Tennessee-based company formed primarily to acquire and market a portfolio of niche pharmaceutical products to specific physician segments in the United States, the District of Columbia and Puerto Rico (the "Territory").

B. CORD is in the business of distributing pharmaceutical products to wholesalers, specialty distributors, physicians, clinics, hospitals, retail pharmacies, and other health care providers in the Territory, and of providing Information Systems and other services that support its customers' use of its distribution capabilities (collectively, the "Services").

C. Cumberland desires to engage CORD as its exclusive distribution agent (described below) for the pharmaceutical products described on the exhibits attached hereto (each, a "Product") and, with respect to each Product, to perform certain other services described in this agreement, all upon the terms and conditions set forth in this agreement. This agreement is being entered into pursuant to a letter of intent from CORD dated April 5, 2000, which was accepted and executed by Cumberland as of April 10, 2000.

Statement of Agreement

Cumberland and CORD (the "Parties") hereby acknowledge the accuracy of the above Background Information and agree as follows:

§1. Appointment. Upon the terms and conditions described in this agreement, Cumberland hereby appoints CORD as its exclusive distribution agent in and for the Territory for distribution of each Product (including samples) to Cumberland's direct customers ("Customers").

The Services for each Product or group of Products identified on the same Product-specific exhibit to this agreement shall be implemented pursuant to the Implementation Schedule included in such exhibit (each, an "Implementation Schedule"), with distribution of each Product to begin on the date specified in the Implementation Schedule for such Product (the "Commencement Date"). In performing the Services, CORD will provide, at its discretion, the services of either the Vice President and General Manager, Director of Sales or other such representative as mutually agreed to by Cumberland and CORD. CORD's designated representative will be the primary liaison with Cumberland, unless otherwise agreed to by the parties.

§2. Product Supply, Warehousing and Storage. Cumberland shall ship each Product to CORD at CORD's distribution facility currently located at 15 Ingram Boulevard, Suite 100, La Vergne, TN 37086 or to such other distribution facility as may be designated by CORD (individually or collectively, the "CORD Facility") and agreed by Cumberland, in sufficient quantities to meet Cumberland's anticipated Customer orders. CORD shall visually inspect each shipment of each Product for external damage or loss in transit and, in the event of any such damage or loss, shall, within a commercially reasonable period of time following discovery of such damage or loss by CORD, notify Cumberland that such damage or loss has occurred.

With respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement: (a) Cumberland shall, during the Product Term set forth on such exhibit, provide CORD with applicable regulatory storage and handling requirements and projections of such Product's volume requirements not less often than quarterly, at least 30 days in advance of the quarter and written instructions setting forth the storage and handling requirements applicable to such Product; and (b) CORD shall store such Product in the CORD Facility and comply with applicable regulatory storage and handling requirements and the storage and handling requirements applicable to such Product, as such requirements may be supplemented or amended from time to time in writing by Cumberland with reasonable prior notice to CORD and its prior approval, which approval shall not be unreasonably withheld or delayed. If CORD notifies Cumberland in good faith that any such supplement or amendment will require any material modification to the CORD Facility or CORD's procedures or requirements which are unique and specific to the Product or the Services resulting in a material increase to CORD's anticipated costs and expenses, then Cumberland and CORD shall consult regarding such reasonable costs and expenses (hereinafter, simply "unique costs") and Cumberland shall pay such unique costs resulting from that modification.

Cumberland shall pay all costs and expenses of delivering each Product to the CORD Facility. CORD will never take title to any Product, even when such Product is located at the CORD Facility.

§3. Standard Product Distribution. With respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, and during the Product Term set forth on such exhibit, all Customer orders shall be taken by CORD as described in the Operating Guidelines (defined in §6, below). CORD shall confirm the receipt of and process each order and, so long as the ordered Product is then in stock at the CORD Facility and the orders are received no later than 2:00 p.m. local time at the CORD Facility, routinely have that order available for shipment within 24 hours of CORD's receipt of the order (exclusive of holidays and weekends) or such longer period as may be designated or permitted by Cumberland.

Customer orders will be delivered by a courier mutually chosen by Cumberland and CORD. CORD will invoice Cumberland for such handling services and freight cost on a monthly basis. CORD will use best efforts to manage any claims by Cumberland against the courier, provided, however, that Cumberland shall be responsible for all lost or damaged shipments.

In addition, Cumberland shall reimburse CORD for all documented costs and expenses of packaging material used for shipping the Product and all business forms unique to Cumberland (e.g., packing slips, invoices, etc.); provided that the use of such packaging material and business forms is authorized in advance by Cumberland.

Each Product shall be shipped on a "first expiration date, first out" basis or as otherwise directed by Cumberland. In addition, CORD shall establish (and Cumberland shall approve) procedures for the processing and shipment of emergency orders on weekends and holidays, provided that Cumberland shall separately pay all increased costs resulting from such orders.

§4. Product Prices. With respect to each Product or group of Products identified in the same Product-specific exhibit to this agreement, Cumberland shall, upon execution of such exhibit, deliver to CORD a price list for Customers who purchase such Product or Products (the "Customer Price List"). Cumberland shall notify CORD of any change in the Customer Price List not less than 10 business days prior to the effective date of any such change. The Parties hereby acknowledge that Cumberland, and not CORD, is the seller of each Product to Customers.

§5. Financial Support Services.

(a) Subject to Section 5(b), during each Product Term set forth on the Product-specific exhibits to this agreement, CORD shall perform the customer credit research, billing, cash application, collections, and reporting services described in the Operating Guidelines in accordance with the policies and procedures set forth in such Operating Guidelines, as such policies and procedures may be supplemented or amended from time to time by Cumberland with reasonable prior notice to CORD and with its prior approval (the "Financial Support Services"); provided that if CORD notifies Cumberland in good faith that any such supplement or amendment will require any material modification to CORD's procedures or requirements for providing the Services, then Cumberland shall pay all unique costs resulting from that modification.

(b) CORD shall have no obligation to pay for any Product or to reimburse Cumberland for any losses incurred in connection with the failure of any Customer to pay Cumberland any amount due.

(c) Customers shall be directed to make payments for the Products in accordance with the Operating Guidelines.

§6. Operating Guidelines. As soon as practicable after the date of this agreement, CORD and Cumberland shall develop operating guidelines relating to the Products and the Services, which guidelines (the "Operating Guidelines") will be in writing, in a form satisfactory to CORD and Cumberland, and will define and document the responsibilities of CORD and Cumberland in support of the relationship described in this agreement. All Operating Guidelines shall be developed and implemented in good faith and in a commercially reasonable manner, subject to the qualifications set forth therein; provided that in the event of any inconsistency between the Operating Guidelines and the other provisions of this agreement (including each Product-specific exhibit to this agreement), the other provisions of this agreement shall control. The Operating Guidelines may be amended from time to time upon the mutual agreement of CORD and Cumberland.

§7. Returns and Recalls. Pursuant to this agreement and any applicable Operating Guidelines, CORD shall assist in the processing of Product returns (excluding recall returns, which will be dealt with as described below) in coordination with the third party returns company chosen by Cumberland to facilitate return of Product. No such assistance will involve handling by CORD of the Product being returned. The fees to be paid to CORD for these return services are described in Section 8.

CORD shall process Customer Product return authorizations and credits as set forth in the Operating Guidelines. The fee for such Services by CORD will be included as a part of the Customer Service Fees described in Section 8.

If Cumberland is required to recall, or on its own initiative recalls, any Product, CORD will assist Cumberland with that recall as reasonably requested by Cumberland; provided that Cumberland shall pay to CORD an amount equal to all costs incurred by CORD in connection with any such recall.

§8. Fees. As compensation for services being provided by CORD in connection with the development and implementation of the infrastructure for the relationship contemplated by this agreement, including CORD's information system development (separate from the Information System Access Fees described below) and implementation for Cumberland's use, Cumberland shall pay CORD a one-time implementation fee of [***] (the "Implementation Fee"), one-half of which shall be payable on the first anniversary of the date of this agreement and one-half of which shall be payable on the second anniversary of the date of this agreement. Cumberland's obligation to pay the Implementation

Fee is not contingent upon the acquisition by Cumberland of any Product marketing and distribution rights and shall survive the termination of this agreement. However, the Implementation Fee shall not be due and payable if this Agreement is terminated early for any reason other than breach by Cumberland.

In addition, with respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, Cumberland shall pay CORD, as compensation for the Services related to such Product or Products, the fees described in such exhibit (the "Fees"). CORD will use commercially reasonable efforts to keep total fees in line with industry standards. The Fees shall include:

(a) *Storage/Distribution Fees.* The Storage and Distribution Fees shall be in the amounts set forth in each applicable Product Exhibit. This component of the Fees shall cover storage of Product and distribution services, which fees (the "Storage and Distribution Fees"), with respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, shall be in the amount specified in such exhibit.

The Storage Fees shall be based upon the average weekly number of pallets in storage. The Distribution Fees, for each calendar month during the Term of this Agreement, shall be based upon the aggregate number of units (or cases) shipped by CORD from the warehouse. Cumberland shall be charged an initial price per unit or case (collectively referred to as "pick") on the first pick of each order placed by Cumberland each month, and then a recurring amount per pick for each incremental pick shipped from the same order thereafter. For example, for the distribution of Reglan and Donnatal, on a monthly basis, Cumberland shall be charged the sum of [***] per pick of each order of product shipped that month and the sum of [***] per pick for each incremental pick from the same order.

(b) *Information System Access Fees.* This component of the Fees shall cover Cumberland's access to CORD's or an affiliate of CORD's standard Information Systems, consisting of the computer hardware and software and other components described in the attached Schedule 8(c)-1 (the "System"), and other services relating to Cumberland's access to the System as described in Schedule 8(c)-1, which fees (the "System Access Fees"), with respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, shall be in the amount specified in such exhibit. Access to the System shall be provided pursuant to a System Access Agreement in the form of the attached Schedule 8(c)-2, which agreement (the "System Access Agreement") shall be executed by the Parties concurrently with this agreement. Access to the System shall be made available to Cumberland's facility for each Product at the prices set forth in the exhibit for such Product, so long as Cumberland first has in place a local area network sufficient to support all Cumberland terminals and personal computers which will have access to the System and a centralized server sufficient for data storage related to Cumberland's access to the System. All costs and expenses associated with establishing initial hook-up of all communication and electronic information lines necessary for interface of the System with Cumberland's information systems located at Cumberland's address set forth at the end of this agreement are included in the Implementation Fee and are separate from the services and costs and expenses covered by the System Access Fees. Cumberland shall have sole responsibility for payment of all costs and expenses of maintaining all such communication and electronic information lines. CORD and Cumberland shall each assign knowledgeable and qualified employees to facilitate the access to the System as contemplated by this agreement.

(c) *Financial Support Services Fees.* This component of the Fees shall be payment for cash application, collections and chargeback processing services (including chargeback system access) described in the Operating Guidelines, which fees (the "Financial Support Services Fees"), with respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, shall be in the amount specified in such exhibit.

(d) *Customer Service Fees.* This component of the Fees shall be payment for the customer services performed by CORD pursuant to the Operating Guidelines, which fees (the "Customer Support Fees"), with respect to each Product or group of Products identified in the same Product-specific exhibit to this agreement, shall be in the amount specified in such exhibit.

(e) *EDI Set-up, Maintenance, Access Fees.* This component of the Fees shall be payment for services related to the set-up and maintenance of Electronic Data Interchange ("EDI") transaction capabilities between Cumberland and its Customers and access and use of a mutually agreed upon EDI provider. These fees are included in the System Access Fees described in §8(b) above.

With respect to each Product or group of Products identified on the same Product-specific exhibit to this agreement, following the end of each calendar month with respect to Product Term set forth on such exhibit, CORD shall issue an invoice to Cumberland for the Fees payable with respect to CORD's performance of the Services for the prior month. The Fees or other amounts owed to CORD by Cumberland under this agreement shall be payable within 30 days of the date of CORD's invoice for such Fees or other amounts.

The Fees shall be held firm for the first contract year. Thereafter, CORD shall adjust the price not more often than once per contract year by not more than the increase in the Producer Price Index — All Commodities published by the United States Department of Labor, Bureau of Statistics, as amended from time to time.

Notwithstanding the above Price Increase, if CORD can demonstrate that the costs for providing the Services have materially increased, or are likely to materially increase in the coming year due to the adoption of any applicable law or regulation, or any material change in the interpretation or administration thereof, then upon notice from CORD, the Parties agree to meet in good faith and negotiate a mutually acceptable adjustment to the Fees, which compensates CORD for the change.

§9. Term and Termination.

(a) The initial term of this agreement shall begin upon the day Cumberland signs a letter of intent to acquire its first Product and shall continue for a period of three (3) years (the "Initial Term"), unless terminated earlier pursuant to this agreement. Thereafter, this agreement shall automatically renew for additional terms of one (1) year each, unless written notice of termination is given by either Party at least 90 days prior to the end of the Initial Term, or such other term, in which case this agreement shall terminate at the end of the relevant term. Any reference in this agreement to the "term of this agreement" shall include the Initial Term and any such renewal terms. Upon termination of this agreement or upon the written request of Client, all Product shall be expeditiously returned to the Client or a designee of the Client.

(b) Either Party shall have the right to terminate this agreement or any Product-specific exhibit to this agreement upon the breach by the other Party of a material provision of this agreement or such exhibit and that Party's failure to cure such breach within 60 days following written notice thereof from the non-breaching Party or, in the event such failure is not capable of being cured within such 60-day period, the non-breaching Party's failure to continue to diligently prosecute such cure thereafter; provided, that, with respect to any failure to make any payment when due under this agreement or any Product-specific exhibit to this agreement, such period in which to cure shall be reduced to 30 days.

(c) Either Party shall have the right to terminate this agreement or any Product-specific exhibit to this agreement immediately upon notice to the other Party following the commencement of any bankruptcy or insolvency proceeding (whether voluntary or involuntary) with respect to such other Party or its assets, the general assignment for the benefit of creditors by such other Party, or the appointment of a receiver, trustee or liquidator by or for such other Party.

(d) Sections 8 and Sections 14 through 17, inclusive, of this agreement shall survive the termination or expiration of this agreement and each Product-specific exhibit to this agreement, and except as set forth herein, no termination of this agreement or any Product-specific exhibit to this agreement shall affect any liabilities arising, or based upon acts or omissions occurring, prior to the date of such termination.

§ 10. Audits. In connection with any services being provided pursuant to this Agreement, CORD agrees to maintain written records and data during and after the term of this Agreement in compliance with all applicable legal and regulatory requirements, including without limitation applicable requirements of the United States Food and Drug Administration. Further, CORD shall furnish Cumberland within thirty (30) days following each March 31, June 30, September 30, and December 31 of each calendar year a complete and accurate statement for the immediately preceding calendar quarterly period of (a) the number of units of Products sold; (b) information as to returns actually credited; (c) current inventory levels for Products; and (d) such other information as Cumberland may reasonably request. In order to verify compliance, CORD shall provide Cumberland with such records and agrees to permit representatives of Cumberland to visit facilities of CORD at which Services are being performed during normal business hours (i.e., 8:00 a.m. to 5:00 p.m. local time), upon 15 business days prior notice, to: (a) review and audit CORD's records relating directly to Product received at and shipped from the CORD Facility; and (b) conduct, together with representatives of CORD, an inventory of the Product at the CORD Facility.

§11. Compliance With Laws. Each Party shall conduct its activities in connection with this agreement in substantial compliance with all applicable laws, rules, regulations, and orders of governmental entities.

§ 12. Representations and Warranties.

(a) *Mutual Representations and Warranties.* Each Party represents and warrants to the other that: (i) it has full power and authority to enter into this agreement and perform and observe all obligations and conditions to be performed or observed by it under this agreement without any restriction by any other agreement or otherwise; (ii) the execution, delivery and performance of this agreement have been duly authorized by all necessary corporate action of that Party; and (iii) this agreement constitutes the legal, valid and binding obligation of that Party.

(b) *Cumberland Representations and Warranties.* Cumberland further represents and warrants to CORD that (i) each Product is and shall be manufactured in conformity with the Food, Drug, and Cosmetic Act, as amended, and all other applicable laws, rules, regulations and orders of governmental entities, and (ii) as of the effective date of any Product-specific exhibit hereto, Cumberland will have (and will have provided CORD with written documentation in form reasonably satisfactory to CORD that Cumberland has, as of such effective date) title to such Product or Products and the right to market and distribute such Product or Products as contemplated hereby.

(c) *CORD Representations and Warranties.* CORD hereby represents and warrants that it has the experience, capability and resources, including without limitation, sufficient personnel and supervisors, to perform the Services offered hereunder in a commercially reasonable manner in conformity with applicable regulations of any governmental authority, including the United States Food and Drug Administration. CORD further represent that it will at all times devote the necessary personnel and supervisors to perform the Services in such a manner.

CORD shall not make any representations, warranties, or guarantees to Customers with respect to the Products that are inconsistent with information provided by Cumberland to CORD, including without limitation, representations, warranties, and guarantees concerning specifications, features, efficacy, prices, or availability of the Products.

§13. Taxes. Cumberland shall pay when due all sales, use, gross receipts, excise, personal property taxes associated with each Product (excluding any personal property tax associated with CORD's equipment used in connection with the Services), and other taxes or similar charges now or hereafter imposed as a result of the transactions contemplated by this agreement, none of which have been included in the fees payable to CORD under this agreement; provided that the amounts payable by Cumberland under this section shall not include taxes based on the net income of CORD.

§ 14. Trademarks and Proprietary Rights.

14.1 Neither party hereto shall have the right to use the trademarks, service marks, logos, or other similar marks of the party hereto, or any of its affiliates, in any manner except with the prior written approval of the party that has rights to such intellectual property.

14.2 All materials, documents, information, inventions, improvements, data, programs and suggestions of every kind and description, whether or not patentable, and all copyrightable works supplied to CORD by Cumberland pursuant to this Agreement shall be the property of Cumberland solely and exclusively (the "Cumberland Property"); provided that any and all information, processes, documents, computer software or other proprietary information used, owned, licensed or developed by CORD shall be the property of CORD.

§15. Master Agreement. This agreement is being entered into pursuant to the Strategic Alliance Agreement dated June 6, 2000, between Cardinal Health (as defined below) and Cumberland (the "Master Agreement"), and this agreement (including any and all exhibits hereto, whether entered into now or hereafter) constitutes an Addendum, as defined in the Master Agreement. In the event of any conflict or inconsistency between the terms of this agreement (including any and all exhibits hereto) and the terms of the Master Agreement, the terms of this agreement shall govern. For purposes of this agreement, "Cardinal Health" means the following affiliated operating companies: Cardinal MarketForce, a division of RedKey, Inc., an Ohio corporation (Dublin, OH); CORD Logistics, Inc., an Ohio corporation (Dublin, OH); and any other subsidiary of Cardinal Health, Inc., an Ohio corporation ("CHI"), as may be designated by CHI and agreed by client in writing.

§ 16. Indemnification. Each Party shall indemnify and hold harmless the other and its parent and affiliates, and each of their respective directors, officers, employees, agents, and representatives from and against all claims, liabilities, losses, damages, costs, and expenses (including without limitation reasonable attorneys' fees) arising directly or indirectly out of any failure of that Party to perform and observe fully all obligations and conditions to be performed or observed by that Party pursuant to this agreement or any breach of any warranty made by that Party in this agreement. Cumberland further agrees to indemnify and hold harmless CORD and its parent and affiliates and each of their respective directors, officers, employees, agents and representatives from and against all claims, liability, losses, damages, costs, and expenses (including without limitation reasonable attorney's fees) arising directly or

indirectly out of injury or death to person or property alleged to have been caused by any defect in any Product. **NOTWITHSTANDING THE FOREGOING, OR ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR OTHER SIMILAR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, AND IN NO EVENT SHALL CORD'S LIABILITY HEREUNDER EXCEED CORD'S INSURANCE LIMITS SET FORTH BELOW IN SECTION 17(b)(i).**

§17. Insurance.

(a) Promptly after Cumberland acquires rights to distribute its first Product and for as long thereafter as necessary to cover claims resulting from this agreement, Cumberland shall obtain and maintain: (i) product liability and commercial general liability insurance having a limit of not less than $10 million; and (ii) property damage insurance at replacement value for each Product located at the CORD Facility or in transit to or from the CORD Facility, pursuant to one or more insurance policies with reputable insurance carriers. Cardinal Health, Inc. and its subsidiaries shall be designated as "additional insureds" under the product liability and commercial general liability insurance policy(ies), and as "loss payees" under the property damage insurance policy(ies). Prior to CORD's receipt of Product, Cumberland shall deliver to CORD certificates evidencing such insurance. Cumberland shall not cause or permit such insurance to be canceled or modified to materially reduce its scope or limits of coverage during the term of this agreement or thereafter as provided above. Except for any losses resulting from the negligence or intentional misconduct of CORD, Cumberland shall bear all risk of loss or damage with respect to each Product, whether located at the CORD Facility or otherwise.

(b) Promptly after Cumberland acquires rights to distribute its first Product and for as long thereafter as necessary to cover claims resulting from this agreement, CORD shall obtain and maintain: (i) product liability and commercial general liability insurance having a limit of not less than $1 million; and (ii) property damage insurance at replacement value for each Product located at the CORD Facility or in transit to or from the CORD Facility, pursuant to one or more insurance policies with reputable insurance carriers. Cumberland shall be designated as "additional insureds" under the product liability and commercial general liability insurance policy(ies), and as "loss payees" under the property damage insurance policy(ies). Prior to CORD'S receipt of Product, CORD shall deliver to Cumberland certificates evidencing such insurance. CORD shall not cause or permit such insurance to be canceled or modified to materially reduce its scope or limits of coverage during the term of this agreement or thereafter as provided above.

§18. Relationship of the Parties. The relationship among the Parties is and shall be that of independent contractors. This agreement does not establish or create a partnership or joint venture among the Parties.

§19. Notices. Any notice or other communication required or desired to be given to any Party under this agreement shall be delivered in writing to the address or facsimile number set forth beneath the authorized signatures on this agreement and shall be deemed given: (a) three business days after such notice is deposited in the United States mail, first-class postage prepaid, and addressed to that Party at the address for such Party set forth at the end of this agreement; (b) one business day after delivered to Federal Express, Airborne, or any other similar express delivery service for delivery to that Party at that address; or (c) when sent by facsimile transmission, with electronic confirmation, to that Party at its facsimile number set forth at the end of this agreement. Any notice delivered by facsimile transmission will be deemed delivered upon electronic confirmation provided the notice is also deposited in the U.S. mail, first-class postage prepaid. Any Party may change its address or facsimile number for notices under this agreement by giving the other Parties notice of such change.

§20. Alternative Dispute Resolution.

The Parties agree to use good faith efforts to resolve all disputes within ninety (60) days of written notice that such a dispute exists. If dispute under this Agreement cannot be resolved by the Parties within such sixty (60) day period, the Parties agree to refer the matter to one executive from each Party not directly involved in the dispute for review and resolution. A copy of the terms of this Agreement, agreed upon facts and areas of disagreement, and a concise summary of the basis for each side's contentions will be provided to both executives who shall review the same, confer, and attempt to reach a mutual resolution of the issue within forty-five (45) days after receipt of the materials referenced above. If the matter has not been resolved within such forty-five (45) day period, either or both Parties may pursue resolution of the matter through litigation or other process available under law or equity.

§21. Remedies. Each Party acknowledges that in the event of any violation by that Party of any of the provisions of Section 14 of this agreement or Article III., Sections D or E of the Master Agreement, the other Party would suffer irreparable harm and its remedies at law would be inadequate. Accordingly, in the event of any violation or attempted violation of any such provisions by either Party, the other Party shall be entitled to a temporary restraining order, temporary and permanent injunctions, specific performance, and other equitable relief, without any showing of irreparable harm or damage or the posting of any bond. The rights and remedies of each Party under this agreement shall be cumulative and in addition to any other rights or remedies available to such Party, whether under any other agreement, at law, or in equity.

§22. Governing Law. All questions concerning the validity or meaning of this agreement or relating to the rights and obligations of the Parties with respect to performance under this agreement shall be construed and resolved under the laws of the State of Tennessee , without regard to principles of conflicts of laws. The parties agree that any claims asserted in any legal proceeding by one party against the other shall be commenced and maintained in any state or federal court in Nashville, Tennessee or Columbus, Ohio and the parties submit to the jurisdiction of these courts.

§23. Severability. The intention of the Parties is to comply fully with all laws and public policies, and this agreement shall be construed consistently with all laws and public policies to the extent possible. If and to the extent that any court of competent jurisdiction determines that it is impossible to construe any provision of this agreement consistently with any law or public policy and consequently holds that provision to be invalid, such holding shall in no way affect the validity of the other provisions of this agreement, which shall remain in full force and effect.

§24. Non-waiver. No failure by either Party to insist upon strict compliance with any term of this agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of the other Party shall affect, or constitute a waiver of, the first Party's right to insist upon strict compliance, to exercise that option, to enforce that right, or to seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this agreement shall affect, or constitute a waiver of, that Party's right to demand strict compliance with all provisions of this agreement.

§25. Force Majeure. If the performance of any part of this agreement by either Party shall be affected for any length of time by fire or other casualty, government restrictions, war, riots, strikes or labor disputes, lock out, transportation delays, acts of God, or any other causes which are beyond the control of the Parties, such Party shall not be responsible for delay or failure of performance of this agreement for such length of time, provided, however, that the obligation of one Party to pay amounts due to any other Party shall not be subject to the provisions of this section

§26. Genders and Numbers. Where permitted by the context, each pronoun in this agreement includes the same pronoun in the other genders or numbers and each noun used in this agreement includes the same noun in other genders.

§27. Complete Agreement. This agreement (together with the Master Agreement, the Product-specific exhibits hereto, and the other documents referred to herein, all of which are hereby incorporated herein by reference) contains the entire agreement between the Parties and supersedes all prior or contemporaneous discussions, negotiations, representations, warranties, or agreements relating to the subject matter of this agreement. CORD and Cumberland agree to comply with the obligations of confidentiality set forth in Article III, Section E of the Master Agreement. No changes to this agreement shall be made or be binding on either Party unless made in writing and signed by both Parties.

§28. Successors. This Agreement may not be assigned or transferred by a party without the prior written consent of the other party hereto, provided, however, that either party may assign this Agreement to any subsidiary, affiliate or an entity which acquires substantially all of it's assets and business that is not in direct competition with CORD. Any such assignment shall not materially or adversely affect the rights or obligations of either party to this Agreement.

CUMBERLAND PHARMACEUTICALS, INC.

/s/ A.J. Kazimi
A.J. Kazimi
Chief Executive Officer
Initials: /s/ AJK

209 10th Avenue South
Nashville, TN 37203

Facsimile No. (615) 255-0094

CORD LOGISTICS, INC.

/s/ Frank C. Wegerson
Frank C. Wegerson
Vice President and General Manager
Initials: /s/ FCW

15 Ingram Blvd, #100
LaVergne, TN 37086

Facsimile No. (615) 793-4783

Schedule 8 (c) -1

OPERATING SYSTEM BASE PACKAGE

A. System Access

Includes access to CORD's processor and operating system Monday through Friday, excluding holidays, 12 hours per day (5:30 am to 5:30 p.m., Pacific local time).

B. Software Access and Maintenance

Includes access to CORD's or an affiliate of CORD's standard software. CORD or an affiliate of CORD shall perform at it's own expense any necessary modification to bring the systems in compliance with the standard functionality described below.

- **Customer service**
- **Reports necessary to perform Medicaid rebate calculations**
- **Billing (Customization of invoicing/packing slips)**
- **Inventory tracking and reporting**
- **Lot tracking**
- **Order entry**
- **Warehousing**
- **Returns processing**
- **Ability to download system data to Cumberland's processors for reporting writing**
- **All standard reports**
- **Contracts/Pricing maintenance and chargeback processing**

Systems Development/Additional Services:

Cumberland bears financial responsibility for customization beyond the standard systems functionality described above. Such customization performed by CORD or its representatives (exclusive of the base package) in connection with this agreement shall be billed to Cumberland as follows:

- Systems and software development—$120 per hour per person, plus travel.
- On-site training—$120 per hour per person, plus travel.
- Supplies, equipment and other, to be agreed upon by both parties.

SYSTEM ACCESS AGREEMENT

This agreement is made as of July ___, 2000, between CORD Logistics, Inc., an Ohio corporation ("Licensor"), and Cumberland Pharmaceuticals Inc., a Tennessee corporation ("Licensee"), who hereby agree as follows:

1. System Access; Maintenance Obligations. On the terms and subject to the conditions described in this agreement and the Distribution Services Agreement having the same date as this agreement between Licensor and Licensee (the "Distribution Agreement"), Licensor hereby grants to Licensee a nonexclusive license (the "License") to utilize Licensor's Order Entry System, consisting of the computer hardware, software and other components described in Schedule 8(c)-1 to the Distribution Agreement (collectively, the "System"), for the information processing needs of Licensee in connection with the Services to be provided by Licensor under the Distribution Agreement. Licensee shall maintain during the term of this agreement the network and local area network (including without limitation centralized server) requirements for the System described in the Distribution Agreement.

During the term of this agreement, Licensee shall employ reasonable security measures and policies designed to safeguard the integrity, accessibility, and confidentiality of all of Licensee's data resident on the System and establish reasonable disaster and emergency recovery plans designed to minimize disruption from System operation interruptions. Licensee shall have the right to review the operation of the System from time to time upon reasonable prior notice from Licensee to Licensor; provided that such reviews shall be conducted in a manner to avoid disruption of Licensor's business operations to the extent possible.

2. Proprietary Rights. Licensee shall have the right to use the System during the term of this agreement as expressly provided in paragraph 1 of this agreement, but not otherwise. Licensee shall not assign or otherwise transfer, disclose, copy, modify, or decompile the System or any part thereof without prior written consent of the Licensor. The System and all parts thereof, in all of their tangible and intangible manifestations, all existing or new enhancements, developments, derivative works, and other adaptations or modifications to the System (or any part thereof), and all related proprietary rights, are and shall remain the exclusive property of Licensor. Except for the License, Licensee shall have no right, title, or interest in or to the System or any part thereof. Upon termination of this agreement, Licensee shall promptly return to Licensor all portions of the System then in Licensee's possession or under its control.

3. Warranties. Licensee acknowledges that it has had adequate opportunity to review the System and its features and operation and Licensee accepts the System "AS IS" for its use as contemplated in the Distribution Agreement. **EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE DISTRIBUTION AGREEMENT, LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED RELATING DIRECTLY OR INDIRECTLY TO THE SYSTEM OR ANY PART THEREOF, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.**

4. Limitation On Liability. **LICENSOR SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, OR OTHER SIMILAR DAMAGES ARISING DIRECTLY OR INDIRECTLY OUT OF THE USE OR INABILITY TO USE THE SYSTEM OR ANY PART THEREOF, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER CLAIMED UNDER CONTRACT, TORT, OR ANY OTHER LEGAL THEORY.**

IF ANY OF THE LIMITATIONS ON THE LIABILITY OF LICENSOR CONTAINED IN THIS AGREEMENT ARE FOUND TO BE INVALID OR UNENFORCEABLE FOR ANY REASON THEN LICENSOR AND LICENSEE EXPRESSLY AGREE THAT THE MAXIMUM AGGREGATE LIABILITY OF LICENSOR FOR ALL CLAIMS RELATING TO THE SYSTEM SHALL NOT EXCEED 100% OF THE AGGREGATE BASE PACKAGE FEES PAID BY LICENSEE TO LICENSOR FOR LICENSEE'S USE OF THE SYSTEM UNDER THE DISTRIBUTION AGREEMENT.

5. Taxes. Licensee shall pay when due all sales, use, gross receipts, excise, property, and other taxes or similar charges (other than taxes based upon Licensor's net income) now or hereafter imposed as a result of the transactions contemplated by this agreement.

6. Term. The term of this agreement shall begin upon Licensee's initial use of the System as evidenced by the first entry of inventory into the System (which may be a date earlier than the Commencement Date specified for the Distribution Agreement) and shall end: (a) automatically upon the termination of the Distribution Agreement (for any reason), or (b) on any earlier date specified by Licensee in notice to Licensor given not less than 180 days prior to

the specified termination date; provided that: (i) paragraph 2 through 5 inclusive, and paragraph 8 of this agreement shall survive the termination of this agreement, and (ii) no termination of this agreement shall affect any liabilities arising, or based upon acts or omissions occurring, prior to such termination.

Licensee shall continue to have access to the System for a reasonable period of time (not be exceed 60 days) following termination of this agreement solely for purposes of retrieving and transferring to a separate system Licensee's data relating to its pre-termination operations, and Licensor shall reasonably cooperate with Licensee to preserve the integrity and accessibility of Licensee's data during such period; provided that, during such period, Licensee shall continue to pay the full Base Package and other fees payable by Licensee under the Distribution Agreement and comply with all other requirements imposed upon Licensee under this agreement.

7. Notices. Any notice or other communication required or desired to be given to either party under this agreement shall be in writing and shall be deemed given: (a) three days after mailing, if deposited in the United States mail, first-class postage prepaid, and addressed to that party at its address set forth at the end of this agreement; (b) when received if delivered to Federal Express or any other similar overnight, delivery service for delivery to that party at that address; or (c) when sent by facsimile transmission, with electronic confirmation, to that party at its facsimile number set forth at the end of this agreement. Either party may change its address or facsimile number for notices under this agreement by giving the other party notice of such change.

8. Remedies. Licensee shall indemnify Licensor and its affiliates, directors, officers, employees, agents, and representatives against all claims, liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising directly or indirectly out of any failure of Licensee to perform and observe fully all obligations and conditions to be performed or observed by Licensee pursuant to this agreement. Licensee acknowledges that in the event of any violation by it of any of the provisions of paragraph 2 of this agreement, Licensor would suffer irreparable harm and its remedies at law would be inadequate. Accordingly, in the event of any violation or attempted violation of any such provisions by Licensee, Licensor shall be entitled to a temporary restraining order, temporary and permanent injunctions, specific performance, and other equitable relief, without any showing of irreparable harm or damage or the posting of any bond, in addition to any other rights or remedies which may be available to Licensor.

9. Force Majeure. Notwithstanding any other provisions of this agreement or the Distribution Agreement to the contrary, each party's obligations under this agreement (exclusive of payment obligations) shall be excused if and to the extent that any delay or failure to perform such obligations is due to fire or other casualty, material shortages, strikes or labor disputes, acts of God, or other causes beyond the reasonable control of that party.

10. Successors. Licensee shall not assign or otherwise transfer this agreement or any of its rights or obligations under this agreement without the prior written consent of Licensor, which consent shall not be unreasonably withheld. Subject to the preceding sentence, this agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors and assigns of each party.

11. Interpretation. This agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. If and to the extent that any court of competent jurisdiction determines that it is impossible to construe any provision of this agreement consistently with any law or public policy and consequently holds that provision to be invalid, such holding shall in no way affect the validity or the other provisions of this agreement, which shall remain in full force and effect.

12. Complete Agreement. This agreement (together with the Distribution Agreement, which is hereby incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter of this agreement and supersedes all prior or contemporaneous discussions, negotiations, representations, warranties, or agreements relating to the subject matter of this agreement. This agreement may not be amended or otherwise modified except by a written instrument signed by each party.

CUMBERLAND PHARMACEUTICALS, INC.

By: /s/ A.J. Kazimi
A.J. Kazimi
Chief Executive Officer
Initials: /s/ AJK

209 10th Avenue South, Suite 332
Nashville, TN 37203

Facsimile No. (615) 255-0094

CORD LOGISTICS, INC.

By: /s/ Frank C. Wegerson
Frank C. Wegerson
Vice President and General Manager
Initials: /s/ FCW

15 Ingram Blvd., #100
LaVergne, TN 37086

Facsimile No. (615) 793-4783

Exhibit A

CUMBERLAND PHARMACEUTICALS

PROPOSED FEE SCHEDULE

Program Implementation		
One Time Start-up Fee	$	***
Distribution Services		
Monthly per pallet ambient storage	$	***
Per bottle ambient product pick/pack/stage — first bottle (1)	$	***
Per bottle ambient product pick/pack/stage — each add'l bottle (1)	$	***
Per case *ambient product pick/pack/stage* — first case (1)	$	***
Per case ambient product pick/pack/stage — each add'l case (1)	$	***
Per unit return goods *processing*	$	***
Monthly distribution system access *and use* ***(2)***	$	***
Monthly account management fee	$	***
Packing/Shipping Supplies (includes ordering, receiving, storage)	Cost plus ***% handling fee	
Shipping Charges ***(3)***	List minus ***%	
Customer Service		
Monthly fixed fee	$	***
Per order fee	$	***
Preprinted Forms	Cost plus ***% handling fee	
Financial Services		
Monthly fixed fee Accounts Receivable Management	$	***
Per order fee Accounts Receivable Management	$	***
Monthly fixed fee Chargeback Management	$	***
Per submission Chargeback Processing & Government Reporting	$	***
Preprinted Forms	Cost plus ***% handling fee	

Note (1): This proposal is based on the distribution of Reglan and Donnatal only, any additional products requiring distribution services will be quoted separately. The pricing will be based on the buying patterns of the wholesalers.

Note (2): System access fee includes licenses for two concurrent users. Any additional licenses required by Cumberland Pharmaceuticals will Increase the monthly fee by $*** per concurrent user.

Note (3): List minus ***% is incorporated to UPS and FedEx rates only, all other freight carriers will be billed back at cost plus ***%.

Note (4): The implementation fee will be paid in two equal installments at the beginning of contract year two and three. The monthly fixed fees will be assessed at a ***% discount in year one and a ***% increase in year three.

EXHIBIT 10.8

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

STRATEGIC ALLIANCE AGREEMENT

THIS AGREEMENT is made and entered into as of the 21st day of July, 2000.

BY AND BETWEEN:

CUMBERLAND PHARMACEUTICALS INC., a corporation organized and existing under the laws of Tennessee, with its principal offices located at 209 Tenth Avenue South, Suite 332, Nashville, Tennessee, 37203 (hereinafter referred to as "**CUMBERLAND**")

AND:

F.H. FAULDING & CO. LIMITED (ABN 88 007 870 984), a corporation organized under the laws of South Australia, with its principal place of business located at 115 Sheriff Street, Underdale, South Australia 5032 (hereinafter referred to as "**FAULDING**");

WHEREAS, CUMBERLAND is the owner of intellectual property rights, formulations and know- how related to intravenous formulations of a certain pharmaceutical product set forth in Schedule I;

WHEREAS, FAULDING has the expertise and the manufacturing facility suitable for the pharmaceutical preparation and production of the Drug Product;

WHEREAS, CUMBERLAND wishes to have FAULDING manufacture the Drug Product and FAULDING wishes to supply the Drug Product to CUMBERLAND;

WHEREAS, CUMBERLAND will appoint FAULDING as its preferred manufacturer for CUMBERLAND's products;

WHEREAS, FAULDING and CUMBERLAND will explore opportunities to collaborate on the manufacture and distribution of other pharmaceutical products of CUMBERLAND;

NOW, THEREFORE, in consideration of the premises and the undertakings, terms, conditions and covenants set forth below, the parties hereto agree as follows:

1. DEFINITIONS

1.1 BUFFER SOLUTION shall mean the buffer solution selected by CUMBERLAND for the manufacture of the Drug Product.

1.2 BULK DRUG SUBSTANCE shall mean the active ingredients in the Drug Product.

1.3 cGMP or **GMP** shall have the meaning set forth in Schedule I.

1.4 CONFIDENTIAL INFORMATION shall have the meaning set forth in Paragraph 9.

1.5 DEVELOPMENT shall mean all work necessary to develop a process to manufacture the Drug Product in full accord with cGMP and to supply the Drug Product conforming to the Specifications. Development activities shall include, but not be limited to, pilot batches, scale- up batches, validation of the manufacturing process, and successful completion of the Drug Product manufacture and delivery as defined in Schedule I attached hereto.

1.6 DRUG PRODUCT shall mean the Ibuprofen for injection pharmaceutical product developed by Cumberland and marketed under the trade name AMELIOR™.

1.7 EXCIPIENT shall mean any inert substance selected by CUMBERLAND and used to give the Drug Product proper consistency.

1.8 FDA shall mean the United States Food and Drug Administration (FDA).

1.9 IN-PROCESS SOLUTION shall mean all Buffer Solutions and Excipients needed to produce Drug Product in the finished dosage form set forth in Schedule I.

1.10 INVENTION shall have the meaning set forth in Paragraph 9.4.

1.11 LABELING shall mean all labels and other written, printed, or graphic matter upon: (i) the Drug Product or any container or wrapper utilized with the Drug Product or (ii) any written material accompanying the Drug Product, including without limitation, package inserts.

1.12 MANUAL shall mean the Manufacturing Project Manual attached as Schedule II to this Agreement and reviewed and accepted by CUMBERLAND and FAULDING, the terms and provisions of which are incorporated by reference as though fully set forth herein.

1.13 SPECIFICATIONS shall mean those specifications set forth in Attachment I to the Manual.

2. DEVELOPMENT AND MANUFACTURING

2.1 Initiation: Upon request by CUMBERLAND, FAULDING shall proceed with the schedule for completing Development of the Drug Product. Upon request by CUMBERLAND, FAULDING shall manufacture the Drug Product in the batch size set forth in Schedule I in accordance with the terms hereof, the Specifications, and all applicable laws and regulations. Prior to distributing and selling the Drug Product, CUMBERLAND shall prepare and file submissions to the FDA in order to obtain and maintain during the term hereof regulatory approval of the Drug Product. FAULDING shall prepare and test the Drug Product in accordance with cGMP.

2.2 Processing and Manufacturing: FAULDING shall manufacture and package the Drug Product in accordance with Schedules I and II hereto.

2.3 Documentation: Subject to CUMBERLAND's prior consent pursuant to Paragraph 5.5 hereof to reimburse FAULDING for all out-of-pocket expenses and reasonable internal costs, FAULDING shall provide CUMBERLAND with required supporting documentation for the Development of the Drug Product in a form suitable for CUMBERLAND's submission to the FDA or applicable governmental authorities for any country into which the Drug Product will be distributed with the prior written consent of FAULDING, which consent shall not be unreasonably withheld or delayed.

2.4 Bulk Drug Substance Supply: FAULDING shall be responsible for the supply of all Bulk Drug Substance in accordance with Schedules I and II hereto; provided that the supply of Bulk Drug Substance shall be exclusively from such suppliers and in such grades as have been approved in writing by CUMBERLAND as reflected on an approved list to be attached hereto as Schedule III, and provided further that such suppliers and grades may not be changed without CUMBERLAND's prior written consent.

2.5 Supply of Components: FAULDING shall be responsible for the supply of all components in accordance with Schedules I and II hereto; provided that the supply of components shall be exclusively from such suppliers and in such grades as have been approved in writing by CUMBERLAND as reflected on an approved list to be attached hereto as Schedule III, and provided further that such suppliers and grades may not be changed without CUMBERLAND's prior written consent.

2.6 Delivery Terms: All deliveries of Drug Product under this Agreement shall be made by FAULDING to CUMBERLAND in the manner set forth in Schedule I. CUMBERLAND shall, within twenty (20) working days after its receipt of any shipment, notify FAULDING in writing, of any claim relating to a Drug Product not conforming to the Specifications, and, failing such notification, notwithstanding Paragraph 5.1 of this Agreement, CUMBERLAND shall be deemed to have accepted the Drug Product. If FAULDING disputes CUMBERLAND's claim that the Drug Product is non-conforming, then such dispute shall be resolved by an independent testing organization of recognized repute within the pharmaceutical industry mutually agreed upon by FAULDING and CUMBERLAND, the appointment of which shall not be unreasonably withheld by either party. In such event, CUMBERLAND shall ship the testing organization representative samples of the Drug Product from the disputed production lot, and the fees and costs of such testing organization and related shipping and supply costs shall be borne by the party whose position is not sustained by the testing organization. CUMBERLAND's sole remedy for non-conforming product (other than indemnification under Paragraph 10.2) is to be provided with replacement Drug Product free of charge, including compensation for all CUMBERLAND inputs and all freight charges.

2.7 Payment for the Drug Product: At the time of each shipment, FAULDING shall invoice CUMBERLAND for FAULDING's manufacturing services at the cost per batch as set forth in Schedule I. Payment shall be made in Australian dollars of the latter of the invoice date or

CUMBERLAND's acceptance of shipment of conforming Product at its designated receiving facility.

2.8 Price Variations:

(i) Prices are as set on Schedule I for the term hereof unless changed pursuant to Paragraph 2.8(ii).

(ii) A party may request not less than two months prior to the second anniversary of the effective date of this Agreement and each anniversary thereof thereafter to renegotiate the price per batch having regard to varying costs of manufacture. The requesting party shall provide the other party with evidence of varying costs of manufacture if an increase or decrease in price is sought. Any increase in price shall not exceed the twelve (12) month percent increase in the Consumer Price Index as published by the Australian government and shall be further subject to a maximum of [***] percent ([***]%) unless (a) CUMBERLAND consents in writing to an increase in excess of such Consumer Price Index and (b) FAULDING provides CUMBERLAND with evidence that the proposed increase in price per batch is equivalent to FAULDING's increased cost of manufacturing per batch (excluding non-manufacturing overhead) as calculated in accordance with generally accepted accounting principles consistently applied. If CUMBERLAND does not consent in writing to an increase in excess of such Consumer Price Index within thirty (30) days of written notification thereof, then FAULDING may withdraw the proposed amount of the increase in excess of the Consumer Price Index or may terminate this Agreement upon at least ninety (90) days prior written notice.

3. TERM AND TERMINATION

3.1 Term: This Agreement shall commence on the date first above written and will continue until the fifth anniversary of the date on which the FDA grants approval to market and sell the Drug Product, unless sooner terminated pursuant to Paragraph 3.2 herein. The Agreement shall be automatically renewed for successive three-year terms unless either party notifies the other party in writing at least twelve (12) months in advance of the expiration of the then current term that the party is terminating the Agreement.

3.2 Termination: This Agreement may be terminated at any time upon the occurrence of any of the following events:

(a) Default: Forty-five (45) days following written notice, by either party to the other party, in the event that the other party breaches any provision of this Agreement, and such party fails to remedy the breach prior to the expiration of the forty-five (45) day period.

(b) Insolvency: Written notice by either party to the other upon insolvency or bankruptcy of the other party, and the failure of any such insolvency or bankruptcy to be dismissed within sixty (60) days.

(c) If, as a result of causes described in Paragraph 7.1, either party is unable to fully perform its obligations hereunder for a period of one hundred eighty (180) consecutive days, the other party shall have the right to terminate this Agreement upon at least thirty (30) days prior written notice; provided that if the required performance is met during that thirty-day period, this Agreement shall continue in full force and effect as if the notice had not been given.

Termination, expiration, cancellation or abandonment of this Agreement, through any means and for any reason, shall not relieve the parties of any obligation accruing prior thereto and shall be without the prejudice to the rights and remedies of either party with respect to any antecedent breach of any of the provisions of this Agreement or CUMBERLAND's purchase order issued hereunder.

3.3 Survival: Paragraphs 5, 6, 9, and 10 shall survive the termination or cancellation of the Agreement for any reason.

4. CERTIFICATES OF ANALYSIS AND MANUFACTURING COMPLIANCE

4.1 Certificates of Analysis: FAULDING shall perform, or cause to be performed, certain tests requested by CUMBERLAND as indicated in the Specifications on each batch of the Drug Product manufactured pursuant to this Agreement before delivery to CUMBERLAND.

A certificate of analysis for each batch delivered shall be delivered with each batch and shall set forth the items tested, specifications, and test results. FAULDING shall also indicate on the certificate of analysis that all batch production and control records have been reviewed and approved by the appropriate quality control unit. FAULDING shall send, or cause to be sent, such certificates to CUMBERLAND prior to the shipment of the Drug Product. CUMBERLAND shall test, or cause to be tested, prior to final release, each batch of the Drug Product as meeting the Specifications. As required by the FDA (see Paragraph 5.2 below), CUMBERLAND shall assume full responsibility for final release of each lot of the Drug Product.

4.2 Manufacturing Compliance: FAULDING shall advise CUMBERLAND immediately if an authorized agent of any regulatory body visits FAULDING's manufacturing facility and makes an inquiry regarding FAULDING's method of manufacture of the Drug Product for CUMBERLAND. Upon receipt of any Form 483 Notice of Inspectional Observations issued by the FDA or notice of deficit from any other regulatory inspection after a visit to FAULDING's manufacturing facility, FAULDING shall immediately send CUMBERLAND a copy thereof; provided that it may redact any language that is subject to a legally enforceable confidentiality agreement between FAULDING and a third party.

4.3 Regulatory Agency Requirements: FAULDING shall prepare and test the Drug Product in conformity with GMP. Subject to the allocation of responsibility for regulatory compliance as set forth in Paragraph 5.2, each party shall consult with the other party hereto before implementing additional regulatory agency requirements concerning the control of Drug Product components, manufacture of the Drug Product, or storage and handling of the Drug Product. The full text of regulatory agency requests or comments will be provided by the party receiving such requests or comments to the other party hereto. The parties will mutually agree on how to respond to such requests and comments and on the allocation of the costs thereof; provided that FAULDING shall be liable only for its reasonable internal costs and not for any out-of-pocket expenses or extraordinary costs required in connection with implementing such regulatory requirements other than the ordinary costs of compliance with GMP.

4.4 Regulatory Documents: Each party will advise the other party hereto of its intention to change any Drug Product regulatory documents prior to submission of the document to any regulatory body. If the change affects the rights and obligations of a party hereto under this Agreement, such party may seek to review or alter any part of the document at any time within ten (10) business days after receipt of notification thereof; provided that if no alterations are submitted to the other party within such ten-day period, each party will be deemed to have consented to the alteration. CUMBERLAND shall reimburse FAULDING for all out-of-pocket expenses and reasonable internal costs of changes to Drug Product regulatory documents, subject to CUMBERLAND's prior consent pursuant to Paragraph 5.5.

5. REPRESENTATIONS AND WARRANTIES

5.1 Conformity with Specifications: FAULDING warrants that, at the time of manufacture, the Drug Product is prepared and tested in accordance with cGMP and meets the Specifications. Because FAULDING has no control of the conditions under which the Drug Product is used, the diagnosis of the patient before or after treatment with the Drug Product, the

method of use or administration of the Drug Product, and handling of the Drug Product after delivery to CUMBERLAND, FAULDING does not warrant either a good effect, or against an ill effect, following the use of the Drug Product. The foregoing warranty is exclusive and in lieu of all other warranties either written, oral, or implied. THERE ARE NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. No representative of FAULDING may change any of the foregoing warranties and CUMBERLAND accepts the Drug Product subject to all terms hereof.

5.2 Compliance: CUMBERLAND assumes responsibility for coordinating all contact with the FDA and other regulatory bodies, pertaining specifically to Drug Product. FAULDING authorizes CUMBERLAND's representatives to supervise and inspect the methods used in and facilities used for manufacturing, processing, packaging, and handling of the Drug Product, but CUMBERLAND shall have no such obligation under this Agreement. Except as otherwise required by applicable regulations, CUMBERLAND's inspections shall be limited to two per year, each to occur upon seven days notice and to be conducted during normal business hours; provided that CUMBERLAND may also inspect such facilities promptly after any regulatory inspection thereof.

5.3 Debarring: FAULDING represents and warrants that it has not been debarred in the United States within the meaning of 21 U.S.C. § 335a(a) and 335a(b), nor will it use in any capacity the services of any person debarred pursuant to subsections 3.06(a) or 3.06(b) of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. Section 335(a) and (b).

5.4 FDA Submission: FAULDING represents and warrants that it has submitted to the FDA information about the manufacturing site to be used for the Drug Product and the facilities, operating procedures, and personnel at such site.

5.5 Reimbursement: FAULDING shall not incur any development costs for which it intends to seek reimbursement from CUMBERLAND for the manufacturing facility, equipment, or manufacturing method unless FAULDING has the prior written consent of CUMBERLAND.

5.6 Exclusivity: FAULDING will not sell, give away, or deliver to any other person, firm, or corporation any Drug Product without CUMBERLAND's prior written consent while this Agreement is effective and for two years after the termination of this Agreement. In the event of breach, CUMBERLAND shall have the right, in addition to other rights, to seek injunctive relief.

6. DRUG PRODUCT RECALLS

6.1 Drug Product Recalls: In the event: (a) any government authority issues a request, directive or order that the Drug Product be recalled, or (b) a court of competent jurisdiction orders such a recall, (c) CUMBERLAND determines that the Drug Product should be recalled because the Drug Product does not conform to Specifications, or (d) FAULDING recommends to CUMBERLAND that a recall be initiated, the parties shall take all appropriate corrective actions. In the event that FAULDING recommends a recall of Drug Product by CUMBERLAND, such recommendation must take the form of a notice as per Paragraph 14.1, and CUMBERLAND shall respond promptly indicating to FAULDING whether the Drug

Product will be recalled. In no event, however, shall FAULDING have responsibility for regulatory compliance in connection with any recall, except to the extent and under the circumstances set forth in the Manual or any other written agreement between the parties hereto or as required by law. All costs and expenses incurred in connection with such recall shall be the responsibility of CUMBERLAND unless caused by the negligence of FAULDING.

7. FORCE MAJEURE; FAILURE TO SUPPLY

7.1 Force Majeure Events: Failure of either party to perform under this Agreement (except the obligation to make payments) shall not subject such party to any liability to the other if such failure is caused by acts such as, but not limited to, acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labor trouble, compliance with any order or regulation of any government entity, or by any cause beyond the reasonable control of the parties, provided that written notice of such event is promptly given to the other party.

7.2 Failure to Supply; Delivery Dates; Forecasts: FAULDING shall supply all of the Drug Product ordered by CUMBERLAND within sixty (60) days of receipt of a written order from CUMBERLAND. On the date that CUMBERLAND makes its first order, CUMBERLAND will supply FAULDING with a non-binding forecast of its future orders of Drug Product for each of the eleven calendar months following the month in which the initial order is made. CUMBERLAND will update the forecasts on the first day of the calendar month and on a monthly basis thereafter throughout the term of this Agreement. The quantity of any Drug Product ordered pursuant to this Agreement shall not be less than seventy percent (70%) nor more than one hundred thirty percent (130%) of the quantity indicated in the most recent monthly forecast provided hereunder for the month in which the order is placed. If CUMBERLAND fails to provide orders, or forecasts by agreed dates, FAULDING shall not be required to deliver the quantity ordered by CUMBERLAND within sixty (60) days. The provisions of this Paragraph 7.2 shall be without prejudice to CUMBERLAND's rights under Paragraph 3.2 and remedies provided for thereunder.

8. IMPROVEMENTS

8.1 Changes by CUMBERLAND:

When CUMBERLAND seeks to change the Drug Product Specifications, such change shall be incorporated within the Specifications only with the prior written consent of FAULDING, such consent not to be unreasonably withheld or delayed. The price of the Drug Product may be adjusted for such change, and CUMBERLAND shall pay FAULDING the agreed costs associated with such change, including any development work, if necessary, based upon FAULDING's then-prevailing development rates. Such prices and costs shall be set forth in a written amendment to this Agreement. It is the responsibility of CUMBERLAND to ensure that proper regulatory agencies approve the suggested changes. CUMBERLAND will notify FAULDING if it intends to change the process or test specifications related to the preparation of the Bulk Drug Substance.

8.2 Changes by FAULDING:

FAULDING shall inform CUMBERLAND in writing of all proposed changes in the manufacturing facility, equipment, or manufacturing methods and labeling of the Drug Product, each as approved by applicable regulatory authorities, including the FDA, in advance of the time such changes are intended to be made to allow CUMBERLAND sufficient time to provide any notice required by FDA regulations. FAULDING shall not implement any such changes without prior written authorization by the FDA or other applicable regulatory authorities and the prior written consent of CUMBERLAND, which consent shall not be unreasonably withheld or delayed. FAULDING shall be liable only for its reasonable internal costs and not for extraordinary costs in connection with such manufacturing changes.

9. CONFIDENTIALITY

9.1 Confidential Information: "Confidential Information" means collectively Confidential Information of CUMBERLAND (as defined herein) and Confidential Information of FAULDING (as defined herein).

9.2 Confidential Information of CUMBERLAND: "Confidential Information of CUMBERLAND" means all information obtained or developed by FAULDING or any third party which related to CUMBERLAND's business or the Drug Product, regardless of the form in which such information is transmitted. The following shall not be considered Confidential Information of CUMBERLAND for purposes hereof:

(a) Information that is already in the possession of FAULDING at the time it is received from CUMBERLAND or developed on CUMBERLAND's behalf, if FAULDING notifies CUMBERLAND of its belief that the information is excepted under the terms of this subsection;

(b) Information received by FAULDING from a person which has the right to disclose the same, when FAULDING notifies CUMBERLAND of its belief that the information is excepted under the terms of this subsection;

(c) Information that is or becomes published, or is or becomes otherwise publicly available without the fault of FAULDING; or

(d) An Invention as defined in Paragraph 9.4.

In the event of a dispute regarding the applicability of the above exceptions to the definition of Confidential Information of CUMBERLAND, FAULDING shall have the burden of producing clear and convincing proof that the information should be excepted from the definition of Confidential Information of CUMBERLAND. FAULDING shall not use or permit the use of the Confidential Information of CUMBERLAND other than for the limited purposes expressly permitted by or consistent with this Agreement. Recipients of Confidential Information of CUMBERLAND shall be granted access thereto strictly on a "need-to-know" basis. FAULDING shall take all reasonable steps to ensure that recipients comply with the terms of this Agreement, including all restrictions on use, disclosure and dissemination of Confidential

Information of CUMBERLAND. FAULDING shall notify CUMBERLAND immediately upon becoming aware of any breach hereof and shall take all reasonable steps to prevent any further disclosure or unauthorized use.

Upon termination or expiration of this Agreement, FAULDING shall deliver to CUMBERLAND all Confidential Information of CUMBERLAND, all copies thereof, and all documents or data storage media containing such Confidential Information of CUMBERLAND, except as expressly set forth herein or in any other written agreement between the parties.

9.3 Confidential Information of FAULDING: "Confidential Information of FAULDING" means all information obtained by CUMBERLAND which relates to FAULDING's business, regardless of the form in which such information is transmitted. The following shall not be considered Confidential Information of FAULDING for purposes hereof:

(a) Information that is already in the possession of CUMBERLAND at the time it is received from FAULDING, if CUMBERLAND notifies FAULDING of its belief that the information is excepted under the terms of this subsection; or

(b) Information received by CUMBERLAND from a person which has the right to disclose the same, when CUMBERLAND notifies FAULDING of its belief that the information is excepted under the terms of this subsection; or

(c) Information that is or becomes published, or is or becomes otherwise publicly available without the fault of CUMBERLAND.

In the event of a dispute regarding the applicability of the above exceptions to the definition of Confidential Information of FAULDING, CUMBERLAND shall have the burden of producing clear and convincing proof that the information should be excepted from the definition of Confidential Information of FAULDING. CUMBERLAND shall not use or permit the use of the Confidential Information of FAULDING other than for the limited purposes expressly permitted by or consistent with this Agreement. Recipients of Confidential Information of FAULDING shall be granted access thereto strictly on a "need-to-know" basis. CUMBERLAND shall take all reasonable steps to ensure that recipients comply with the terms of this Agreement, including all restrictions on use, disclosure and dissemination of Confidential Information of FAULDING. CUMBERLAND shall notify FAULDING immediately upon becoming aware of any breach hereof and shall take all reasonable steps to prevent any further disclosure or unauthorized use.

Upon termination or expiration of this Agreement, CUMBERLAND shall deliver to FAULDING all Confidential Information of FAULDING, all copies thereof, and all documents or data storage media containing such Confidential Information of FAULDING, except as expressly set forth herein or in any other written agreement between the parties.

9.4 Invention: CUMBERLAND owns all intellectual property rights in any improvement to or derived from the Drug Product and any existing or further developments or modifications of the Drug Products ("Invention"), except to the extent that a manufacturing

process used therewith is developed exclusively by FAULDING, in which case the intellectual property rights for such process shall be retained by FAULDING.

9.5 Disclosure: The parties agree that the existence of this Agreement may be disclosed to third parties but that the contents of this Agreement shall not be disclosed to any third party except (i) the controlling companies of the parties, (ii) the companies controlled by the parties, (iii) individuals and entities providing paid services to either of the parties, and (iv) governmental regulatory agencies, including, but not limited to, environmental protection authorities, without prior written consent of the other party.

9.6 Retention of Records: Notwithstanding the restrictions set forth in this Agreement, FAULDING shall retain production records (a) for batches of Drug Products manufactured prior to establishment by CUMBERLAND of an expiry date (CTM and validation batches) for three (3) years after (i) issuance of regulatory approval of the Drug Product necessary for distribution thereof or (ii) withdrawal of the IND (Notice of Claimed Investigational Exemption for a New Drug) and (b) for batches of Drug Product manufactured after establishment by CUMBERLAND of an expiry date for a period of at least one year after the respective expiry date for each batch. These records will be stored by appropriate means, including without limitation, optical disk or microfilm in a secure manner in compliance with current GMP with duplicate copies submitted to CUMBERLAND promptly after the creation thereof and shall be made available on request of the FDA or any other authorized regulatory body.

9.7 Confidential Information Upon Termination: Upon termination of this Agreement for whatever reason, FAULDING shall return to CUMBERLAND originals, copies, and derivative forms of disclosed or developed information relating to the purpose of this Agreement; except that one copy of such information may be retained as required by regulation or law for future reference. The Confidential Information shall remain confidential and not be disclosed by either party for a period of ten (10) years following the date of expiration or termination of this Agreement.

10. INDEMNIFICATION

10.1 Indemnification by CUMBERLAND: CUMBERLAND shall indemnify and hold FAULDING (and any parent, subsidiary, or affiliate company or corporation, and their officers, directors, shareholders, agents, and the employees and insurers of any of them and/or their successors and assigns thereto), free and harmless from any and all claims, demands, liability, actions or causes of actions, and any and all expenses associated therewith (including, without limiting the generality of the foregoing, attorney's fees), arising out of or in connection with, as a result of, or otherwise related to any third party claims arising from: (i) any negligence or recklessness of CUMBERLAND, its agents, or employees; (ii) the promotion, distribution, use, misuse or sale or effects of the Drug Product except to the extent the alleged Drug Product defects were caused by FAULDING; (iii) CUMBERLAND's non-compliance with any applicable FDA or other applicable regulations; or, (iv) any failure of CUMBERLAND to perform, in whole or in part, any of its obligations hereunder in each case, unless caused by the acts or omissions of FAULDING. Beginning prior to use of the Drug Product in humans and

continuing until the third anniversary of termination of this Agreement, CUMBERLAND shall maintain products liability insurance with limits of liability of not less than [***] and shall name FAULDING as additional insured under said policy.

10.2 Indemnification by FAULDING: FAULDING will indemnify and hold CUMBERLAND (and any parent, subsidiary, or affiliate company or corporation, and their officers, directors, shareholders, agents, and the employees and issuers of any of them and/or their successors and assigns thereto), free and harmless against any and all claims, demands, actions or causes of action, and any and all expenses associated therewith (including, without limiting the generality of the foregoing, defense costs and attorney's fees), arising out of or in connection with, as a result of, or otherwise related to any third party claims arising from (i) any negligence or recklessness of FAULDING, its agents or employees; (ii) personal injury (including death) or property damage arising out of or in connection with FAULDING's manufacture or handling of the Drug Product otherwise than in accordance with the Specifications and CUMBERLAND'S written directions; (iii) FAULDING's non-compliance with any applicable FDA or other applicable regulations; provided that CUMBERLAND perform its obligations under Paragraph 2.1, or (iv) any failure of FAULDING to perform any of its obligations hereunder, unless caused by the acts or omissions of CUMBERLAND. Beginning prior to delivery of the first order for Drug Product pursuant to this Agreement and continuing until the third anniversary of termination of this Agreement, FAULDING shall maintain products liability insurance with limits of liability of not less than [***] and shall name CUMBERLAND as additional insured under said policy.

10.3 Patent Indemnity: Subject to Paragraph 5.1, CUMBERLAND further warrants that importation, manufacture (excluding manufacturing not specific to the manufacture of the Drug Product to be performed by FAULDING for CUMBERLAND), use, supply, and sale of the Drug Product and Bulk Drug Substance will not infringe any patent rights or any other third-party intellectual property rights and that CUMBERLAND will indemnify, defend, and hold FAULDING free and harmless from any damage, judgment, liability, loss, cost or expense, including legal expenses, arising from claims that the Drug Product and Bulk Drug Substance infringe patent rights of a third party or any third-party intellectual property rights.

10.4 Conditions of Indemnification: If either party seeks indemnification from the other under Paragraphs 10.1, 10.2, or 10.3, it shall promptly give written notice to the other party of any such claim or suit threatened, made or filed against it, which forms the basis for such claim of indemnification and shall cooperate fully with the other party in the defense of all such claims or suits. No settlement or compromise shall be binding on a party hereto without its prior written consent.

10.5 Disclaimer of Warranties; Limited Liability: Under no circumstances shall either party be liable to the other on account of any claim (whether based upon principles of contract, warranty, negligence, or other tort, breach of any statutory duty, principles of indemnity, the failure of any expressly limited remedy to achieve its essential purpose) for any special, consequential, incidental or exemplary damages, or including but not limited to lost profits.

11. APPOINTMENT AS PREFERRED MANUFACTURER

Until the expiration or earlier termination of this Agreement, CUMBERLAND agrees to provide FAULDING with the first opportunity to negotiate to manufacture each CUMBERLAND pharmaceutical product to be sold anywhere in the world in addition to the Drug Product; provided that the foregoing shall not apply to pharmaceutical products in respect of which CUMBERLAND is unable to enter into a manufacturing arrangement with FAULDING, due to contractual obligations applicable to CUMBERLAND or where to enter into such an arrangement with FAULDING would adversely affect any existing regulatory approval or application for regulatory approval for the product, in either case as reasonably determined by CUMBERLAND having regard to documented evidence which CUMBERLAND shall provide to FAULDING or FAULDING's advisers for review at FAULDING's request. Except as set forth to the contrary in the preceding sentence, CUMBERLAND agrees not to manufacture, or to have manufactured, such a product anywhere in the world unless CUMBERLAND first notifies FAULDING of the opportunity hereunder and unless CUMBERLAND negotiates in good faith with FAULDING for sixty (60) days after providing such notice in an attempt to enter into a written agreement on substantially the same terms as this Agreement with respect to such additional product.

12. LICENSING AND DISTRIBUTION OF CUMBERLAND PRODUCTS

Until the expiration or earlier termination of this Agreement, CUMBERLAND agrees to provide FAULDING with the first opportunity to negotiate to license and distribute each pharmaceutical product of CUMBERLAND in Australia, New Zealand, Canada, and mutually agreed Southeast Asian and Latin American countries; provided that the foregoing shall not apply to pharmaceutical products in respect of which CUMBERLAND is unable to enter into a license and distribution arrangement with FAULDING, due to contractual obligations applicable to CUMBERLAND as reasonably determined by CUMBERLAND having regard to documented evidence which CUMBERLAND shall provide to FAULDING or FAULDING's advisers for review at FAULDING's request, and further provided that CUMBERLAND shall use good faith efforts to initiate such negotiations with FAULDING as soon as such a product is reasonably available for license and distribution in such territory. Except as set forth to the contrary in the preceding sentence, CUMBERLAND agrees not to license or distribute such a product in such territory unless CUMBERLAND first notifies FAULDING of the opportunity hereunder and unless CUMBERLAND negotiates in good faith with FAULDING for sixty (60) days after providing such notice in an attempt to enter into a written agreement with respect to the services that are being negotiated.

13. REGULATORY SUPPORT

If requested by CUMBERLAND, and at CUMBERLAND'S cost at reasonable fees to be agreed by the parties, FAULDING shall provide CUMBERLAND with reasonable assistance in relation to the Development of, and applications for regulatory approval for, pharmaceutical products other than the Drug Product which are identified by CUMBERLAND, including but not limited to the preparation of development reports, stability reports, manufacturing documentation and

instructions for use necessary to support applications for regulatory approval.

14. GENERAL PROVISIONS

14.1 Notices: Any notice permitted or required by this Agreement may be sent by facsimile with the original document being sent by certified (or registered) mail, return receipt requested, or overnight delivery and shall be effective when received (or refused) via facsimile or mail or overnight if faxed and sent and addressed as follows (or to such other facsimile number or address as may be designated by a party in writing):

If to CUMBERLAND:

Cumberland Pharmaceuticals Inc.
209 Tenth Avenue South, Suite 332
Nashville, Tennessee 37203
Attn: Chief Executive Officer
Telephone: 615-255-0068
Facsimile: 615-255-0094

If to FAULDING:

F.H. Faulding & Co. Limited
115 Sherriff Street
Underdale, South Australia 5032
Attn: Company Secretary
Telephone: 61-8-8205-6500
Facsimile: 61-8-8234-8380

14.2 Entire Agreement: Amendment: The parties hereto acknowledge that this Agreement sets forth the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof; provided that the Confidentiality Agreement dated August 1, 1999, between FAULDING and CUMBERLAND shall remain in effect and that the terms thereof shall supersede any conflicting term of Paragraph 9 hereof. No modification of any of the terms of this Agreement, or any amendments thereto, shall be deemed to be valid unless in writing and signed by both parties hereto. No course of dealing or usage of trade shall be used to modify the terms and conditions herein.

14.3 Waiver: None of the provisions of the Agreement shall be considered waived by any party hereto unless such waiver is agreed to, in writing, by both parties. The failure of a party to insist upon strict conformance to any of the terms and conditions hereof, or failure or delay to exercise any rights provided herein or by law shall not be deemed a waiver of any rights of any party hereto.

14.4 Obligations to Third Parties: Each party warrants and represents that this Agreement is not inconsistent with any contractual obligations, expressed or implied, undertaken with any third party.

14.5 Assignment: This Agreement shall be binding upon and inure to the benefit of the successors or permitted assigns of each of the parties and may not be assigned, transferred, or

subcontracted by either party without the prior written consent of the other, which consent will not be unreasonably withheld or delayed, except that no consent shall be required in the case of a transfer to a wholly-owned subsidiary or transaction involving the merger, consolidation or sale of substantially all of the assets of the party seeking such assignment or transfer and such transaction relates to the business covered by this Agreement and the resulting entity assumes all the obligations under this Agreement.

14.6 Independent Contractor: FAULDING shall act as an independent contractor for CUMBERLAND in providing the services required hereunder and shall not be considered an agent of or joint venturer with CUMBERLAND. Unless otherwise provided herein to the contrary, FAULDING shall furnish all expertise, labor, supervision, machining and equipment necessary for performance hereunder and shall obtain and maintain all building and other permits and licenses required by public authorities.

14.7 Governing Law: This Agreement is subject to and shall be governed by the laws of the State of Tennessee. The parties hereby submit to the jurisdiction of the courts of the State of Tennessee in respect to all disputes arising out of or in connection with this Agreement and waive any and all objections to such venue.

14.8 Severability: In the event that any term or provision of this Agreement shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, or otherwise be unenforceable, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

14.9 Headings, Interpretation: The headings used in this Agreement are for convenience only and are not part of this Agreement.

14.10 Conflict: In the event of conflict between the terms and provisions of this Agreement and the terms and provisions of the Manual, the terms of this Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized representatives effective as of the date first above written.

CUMBERLAND PHARMACEUTICALS INC.	F.H. FAULDING & CO. LIMITED
/s/ A.J. Kazimi	/s/ Alex Bell
Authorized Signature	Authorized Signature
Printed Name	Printed Name
A.J. Kazimi	Alex Bell
Printed Name	Printed Name
	Title
CEO	V.P. Tech Ops.
Title	

SCHEDULE I

DEVELOPMENT ACTIVITIES AND PRICING

Development of the Drug Product for use in Clinical Studies and for sale will consist of the following:

Product -	Amelior™. Ibuprofen for intravenous injection.
Timing -	CUMBERLAND shall provide FAULDING with non-binding forecasts of its requirements in the manner set forth in Paragraph 7.2 of this Agreement. FAULDING shall manufacture the number of batches of Drug Product corresponding to each purchase order therefor within 60 days of receipt of any such order.
Special Issues -	All product contact components must be dedicated or disposed of after use. CUMBERLAND may be present for manufacturing. The initial batches are for an FDA submission, and may subsequently be used in clinical studies or sold. FAULDING shall provide process validation (scale-up and three validation batches) in accordance with this Agreement and the Schedules thereto.
cGMP or GMP -	GMP or cGMP shall mean the current good manufacturing practices as defined from time in regulations promulgated under the Federal Food, Drug and Cosmetic Act of the United States or any successor laws or regulations governing the manufacture of the Drug Product.

Storage -

1. FAULDING shall store and handle Bulk Drug Substance and finished Drug Product at 20E to 25E C.

Composition, Process & Container

[***]

Preparation - Additional details regarding preparation shall be incorporated herein upon adoption thereof by written agreement of FAULDING and CUMBERLAND.

[***]

Disposal - Method of disposal is incineration. Any disposal costs incurred by FAULDING will be charged back to CUMBERLAND; provided that CUMBERLAND shall not be required to reimburse FAULDING for such costs if the Drug Product is disposed of because of FAULDING's negligence or breach of this Agreement. FAULDING shall prepare and provide CUMBERLAND with complete documentation of disposal throughout the chain of custody.

Documentation by FAULDING –

1. Master batch record for review and approval by FAULDING and CUMBERLAND.
2. Product specific validation summaries.
3. Executed batch records.
4. Analytical records.
5. Inventory records.
6. Disposal records.

Compensation - The price to be paid by CUMBERLAND to FAULDING for the satisfactory performance of its obligations under this Agreement are as follows:

[***]

Reimbursement of Development Costs - CUMBERLAND shall reimburse FAULDING for development costs incurred and approved as agreed by the parties.

Reimbursement of Regulatory Costs - CUMBERLAND shall reimburse FAULDING for regulatory costs incurred and approved as agreed by the parties.

Reimbursement of Inspection and Audit Costs - CUMBERLAND shall reimburse FAULDING for inspection and audit costs incurred and approved as agreed by the parties.

SCHEDULE II

MANUFACTURING PROJECT MANUAL

(To be expanded by mutual written consent of F.H. Faulding & Co., Limited ("FHF") and Cumberland Pharmaceuticals, Inc. ("CPI"))

Documentation/Activity	Responsibility		
	FHF	CPI	Comments
GMP certificate and other permits	/		
Active Pharmaceutical Ingredient ("API")			
Supply of API	/		CPI to identify source
Provide specifications		/	
Approval of API specifications	/	/	
Provide sampling and testing methods		/	
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documents	/	/	
Starting Materials (except API)			
Supply of starting materials	/		CPI to identify arginine source
Provide specifications of starting materials		/	
Approval of starting materials specifications	/	/	
Providing sampling and testing methods	/		
Approval of sampling and testing materials	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/	/	
Manufacturing Formula			
Development of manufacturing formula	/	/	
Approval of manufacturing formula	/	/	
Processing Instructions			
Development of processing instructions	/		
Approval of processing instructions	/	/	

	FHF	CPI	Comments
Bulk Product			
Supply of Bulk Product	/		
Provide specifications of Bulk Product	/	/	
Approval of Bulk Product specifications	/	/	
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Prepare stability data for Bulk Product	/		
Storage of documentation	/		
Packaging			
Supply of packaging materials	/		
Provide packaging materials specifications	/		
Approval of specifications	/		
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/	/	
Batch Processing Records			
Preparation of batch processing records	/		
Review of batch processing records	/		
Release of batch processing records	/	/	
Storage of batch processing records	/	/	
Product			
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/	/	
Prepare stability data for Product	/		

Supply of Materials

Documentation/Activity	Supplier (check one): FHF	CPI	Comments
Starting Materials			
Active Pharmaceutical Ingredient	/		CPI will identify source
Other Starting Materials			
(Auxiliaries, fluids, gases, etc.):			
Excipients	/		
WFI	/		
N2	/		
Packaging Materials			
Vials	/		
Stoppers	/		
Seals	/		
Boxes	/		
Shippers	/		
Labeling	/		

Quality Control

Distribution of responsibilities:

F.H. Faulding & Co. (FHF) shall ensure that all quality control measures follow the applicable cGMP guidelines. The responsibilities shall be distributed between FAULDING and CPI as follows:

Documentation/Activity	Supplier (check one): FHF	CPI	Comments
Active Pharmaceutical Ingredient			
Providing sampling and testing methods	/	/	
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/	/	
Starting Materials (except API)			
Providing sampling and testing methods	/	/	
Approval of sampling and testing methods	/	/	

Documentation/Activity	Supplier (check one): FHF	CPI	Comments
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/		
Bulk Product			
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples			
Storage of documentation	/	/	
Prepare stability data for Bulk Product	/	/	
Packaging Materials			
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples	/		
Storage of documentation	/	/	

	FHF	CPI	Comments
Batch Documentation			
Assignment of batch numbers	/		
Preparation of batch processing records	/		
Review of batch processing records		/	
Release of batch processing records	/		
Storage of batch processing records	/	/	
Product			
Providing sampling and testing methods	/		
Approval of sampling and testing methods	/	/	
Sampling and testing	/		
Release	/		
Storage of samples			
Storage of documentation	/	/	
Prepare stability data for Product	/		

ATTACHMENT I

BULK DRUG SUBSTANCE
AND DRUG PRODUCT SPECIFICATIONS
AND PROCEDURES

Bulk Drug Substance -
To be agreed.

Drug Product Specifications and Procedures -
To be decided.

SCHEDULE 3

Ibuprofen Injection 100mg/ml

[***]

EXHIBIT 10.9

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

KRISTALOSE AGREEMENT

Between

CUMBERLAND PHARMACEUTICALS INC.

And

INALCO BIOCHEMICALS, INC.

And

INALCO S.P.A.

APRIL 2006

TABLE OF CONTENTS

THIS AGREEMENT, by and among CUMBERLAND PHARMACEUTICALS INC. (“CUMBERLAND”), a corporation organized and existing under the laws of the State of Tennessee, U.S.A., with its principal place of business located at 2525 West End Avenue, Suite 950, Nashville, Tennessee, U.S.A., 37203, and INALCO BIOCHEMICALS, INC., a corporation organized and existing under the laws of California, with its principal place of business located at 3440 Empresa Drive, Suite A, San Luis Obispo, California 93401 (“INALCO U.S.”), and INALCO S.p.A., a corporation organized and existing under the laws of Italy, with its principal place of business located at Via Calabiana 18, 20139 Milan, Italy (“INALCO ITALY”) (INALCO U.S. and INALCO ITALY are hereinafter collectively referred to as “INALCO”) is entered into as of the day of April, 2006 (the “Execution Date”).

RECITALS

WHEREAS, INALCO is negotiating the acquisition of the Kristalose Trademark from Mylan Laboratories Inc. and this Agreement is conditional upon the successful acquisition of the Kristalose Trademark;

WHEREAS, INALCO owns or has the right to use all Intellectual Property Rights related to the Product (each as defined herein);

WHEREAS, CUMBERLAND is a pharmaceutical company with capabilities in the marketing, development, registration and distribution of various pharmaceutical products in the Territory;

WHEREAS, INALCO has obtained and is willing to seek all necessary regulatory approvals for the marketing and distribution of the Product in the Territory (as defined herein);

WHEREAS, CUMBERLAND wishes to acquire the exclusive distribution and marketing rights to the Product in the Territory, in accordance with and subject to the terms and conditions set forth in this Agreement;

WHEREAS, INALCO is willing to grant an exclusive license to CUMBERLAND to market and distribute the Product in the Territory;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is agreed by the parties as follows:

1. DEFINITIONS

1.1 Affiliate shall mean, with respect to any Person, any other Person that controls, is controlled by or is under common control with, such Person. A Person shall be regarded as in control of another Person if such Person owns, or directly or indirectly controls, more than fifty percent (50%) of the voting securities (or comparable equity interests) or other ownership interests of the other Person, or if such Person directly or indirectly possesses the power to direct or cause the direction of the management or policies of the other Person, whether through the ownership of voting securities, by contract or any other means whatsoever.

1.2 Agreement shall mean this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; “herein”, “hereof”, “hereto”, “hereunder” and similar expressions mean and refer to this Agreement and not to any particular Article, Section, Subsection or other subdivision; “Article”, “Section”, “Subsection” or other subdivision of this Agreement means and refers to the specified Article, Section, Subsection or other subdivision of this Agreement.

1.3 ANDA shall mean any Abbreviated New Drug Application covering the Product and filed with the FDA pursuant to the U.S. Federal Food, Drug, and Cosmetic Act, as amended, or any regulations thereunder.

1.4 Calendar Quarter shall mean each three (3) month period ending March 31, June 30, September 30, and December 31.

1.5 Certificate of Analysis means a document which is signed and dated by a duly authorized representative of INALCO certifying that the Product conforms with the Product Specifications.

1.6 Competent Authority shall mean each and every Governmental Body from which approvals are required for the manufacture, marketing, distribution or sale of the Product within the Territory.

1.7 Confidential Information shall have the meaning set forth in Subsection 5.1(A) hereof.

1.8 Delivery Date is the date of delivery for Products agreed to by the parties.

1.9 Effective Date shall mean the date on which an authorized representative of INALCO certifies in a writing delivered to CUMBERLAND that INALCO has met all requirements in order to transfer exclusive marketing and distribution rights to the Product in accordance with this Agreement, including without limitation, obtaining all rights to the Trademarks from Mylan Pharmaceuticals, Inc.; provided that such certificate must be in a form reasonably satisfactory to CUMBERLAND.

1.10 FDA shall mean the U.S. Food and Drug Administration.

1.11 Governmental Body shall mean (i) any domestic or foreign national, federal, provincial, state, municipal or other government or body, (ii) any international or multilateral body, (iii) any subdivision, ministry, department, secretariat, bureau, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies, (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing governments or bodies, or (v) any domestic, foreign, international, multilateral, or multinational judicial, quasi-judicial, arbitration or administrative court, grand jury, tribunal, commission, board or panel.

1.12 Independent Analyst is an analyst which is acceptable to the parties for the purposes of Sections 2.7(C) or 2.10.

1.13 Intellectual Property Rights shall mean whether or not reduced to writing, all discoveries, inventions, all rights to inventions, patents, patent applications and issued patents, data, including patient records, proprietary formulation, non-clinical and clinical data, FDA registrations, market information and plans, designs, design applications and design registrations, trade marks, trade mark applications, trade mark registration, trade names, trade dresses, service marks, logos (whether registered or unregistered), copyright, copyright applications and registrations, and all other rights and intellectual property relating to the Product now or hereafter owned, held or used by INALCO or any of its Affiliates or Subsidiaries; without limiting the generality of the foregoing, Intellectual Property Rights shall include the Patent Rights, the Trademarks, the Know-How (each as defined herein) and all other rights and intellectual property now or hereafter owned, held or used by INALCO or any of its Affiliates or Subsidiaries.

1.14 Know-How shall mean all know-how, information, data, knowledge, discoveries, trade secrets, works, data, analytical reference materials and confidential or proprietary processes relating to the Product or to the manufacturing, distribution or sale of the Product in the Territory, and other information relating to the Product, owned or developed by, in the possession of, known to or used by INALCO or its Affiliates or Subsidiaries prior to the Effective Date. Without limiting the generality of the foregoing, Know-How shall include all techniques, technology, processes, and know-how related to production and purification of the Product, including systems for fully processing and purifying the Product; types and configuration of processing equipment; lists of suppliers, customers and prospective customers; market research data and reports, customer segmentation reports, detail pieces and any other marketing information relating to Product; development plans; methods of operation and management; cost control methods of setting prices; reporting methods; quality assurance programs; information systems; training manuals; databases; production solutions; financial information; and all other trade secrets of INALCO.

1.15 Labels shall mean all labels and packaging and other written, printed, or graphic matter approved by the Competent Authority upon or containing: (i) the Product or any packaging, container or wrapper utilized with the Product, and (ii) any written material accompanying the Product, including without limitation, package inserts, produced by INALCO with CUMBERLAND's prior written approval.

1.16 Laws shall mean:

(i) all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations, and municipal by-laws, whether domestic, foreign or international;

(ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, and awards of any Governmental Body; and

(iii) all policies, practices and guidelines of any Governmental Body;

in each case binding on or affecting the party or Person referred to in the context in

which such word is used; and "Law" shall mean any one of them.

1.17 Listing means obtaining approval from the relevant pricing authority in the Territory to qualify the Product for price reimbursement and/or (as appropriate) obtaining formulary listing approval in the Territory.

1.18 Minimum Purchases shall mean the minimum number of commercial pouches of the Product that CUMBERLAND must purchase, as set forth in Exhibit A.

1.19 Mylan shall have the meaning set forth in Section 2.5(A).

1.20 Net Sales shall mean the aggregate amount billed by CUMBERLAND for the sale of the Product, less returns, buying group chargebacks, group purchasing organization administrative fees, managed care organization rebates, sales/purchasing discounts, prompt payment discounts, federally mandated discounts or rebates, state medical assistance program rebates and discounts, adjustments for quantities shipped, and other discounts and fees, all as determined on an accrual basis.

1.21 Order is defined in Section 2.6(C).

1.22 Patent Rights shall mean all issued patents and patent applications relating to the Product in the Territory, whether owned by INALCO or its Affiliates or Subsidiaries and/or made available in any other way to INALCO or its Affiliates or Subsidiaries, including those listed in Exhibit B hereto, and every divisional, continuation, continuation-in-part, substitution and confirmation application based thereon, and any reissue or extension based on any of the foregoing.

1.23 Person shall mean an individual, corporation, company, co-operative, partnership, organization or any similar entity.

1.24 Product shall mean INALCO's pharmaceutical product lactulose crystals sold under the Kristalose® trademark or any other trademark agreed by the parties, containing the Label and packaged for sale in 10-gram and 20-gram pouches and all other strengths and dosage forms.

1.25 Product Drug Master File shall mean all confidential reference files submitted to the FDA or other applicable Competent Authorities in the Territory for use in the review of the ANDA or in connection with obtaining or maintaining Regulatory Approval for the Product in the Territory.

1.26 Product Payments shall have the meaning set forth in Section 4.3.

1.27 Product Specifications means the specifications contained in Exhibit D or any later approved specification of the Products by the Competent Authority in the Territory which may also include specifications for packaging material, labeling and product information.

1.28 Regulatory Approval(s) shall mean all approvals, licenses, registrations, or authorizations

of any Competent Authority necessary for the manufacturing, marketing, distribution and/or sale of the Product in the Territory.

1.29 Royalty Payment shall have the meaning set forth in Section 4.2.

1.30 Subcontractor shall mean a Third Person to whom either party hereto has delegated responsibilities under this Agreement.

1.31 Subsidiaries shall mean any and all existing and future subsidiaries of Inalco S.p.A. and/or Inalco Biochemicals, Inc. and their Affiliates, or of Cumberland Pharmaceuticals Inc. and its Affiliates.

1.32 Term shall mean the term of this Agreement, as set forth in Section 3.1.

1.33 Territory shall mean the U.S., subject to potential modifications pursuant to Section 4.2, Exhibit A, and the following understandings:

(a) As of the Effective Date of this Agreement, INALCO does not have Regulatory Approval for the Product in Canada.

(b) INALCO cannot guarantee that Regulatory Approval will be granted for the Product in Canada.

(c) CUMBERLAND and INALCO agree to cooperate reasonably to determine the feasibility of and develop a strategy for registering and commercializing the Product in Canada. Upon mutual agreement between INALCO and CUMBERLAND that commercialization of the Product in Canada is justified, INALCO will act in good faith in order to obtain the Regulatory Approvals required to register the Product in Canada, and at such time as the Regulatory Approvals are obtained, the Territory shall be deemed to include Canada.

(d) In the event that Regulatory Approval in Canada is granted and CUMBERLAND is not actively marketing and distributing the Product in Canada (as evidenced by its distribution of the Product in such country or by entering into an agreement with a Subcontractor to market and distribute the Product) within two (2) years of the date of issuance of Regulatory Approval for the Product in Canada, then INALCO has the right to remove Canada from the defined Territory upon ninety (90) days written notice to CUMBERLAND.

1.34 Third Person shall mean any Person other than one of the parties hereto or an Affiliate or Subsidiary of one of the parties hereto.

1.35 Trademarks shall mean all trademarks, trademark applications and registrations, trade names, trade dresses, service logos and other designations of origin owned by INALCO or its Affiliates or Subsidiaries pursuant to Section 6 and used on or in connection with the Product, whether registered or not, including without limitation, Kristalose®.

1.36 U.S. shall mean the United States of America and each of its territories and possessions.

1.37 Valid Claim shall mean, with respect to the Patent Rights; (i) a claim of an issued and unexpired patent that has not been revoked or held unenforceable or invalid by a decision of a court or other Governmental Body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (ii) a claim included in a pending patent application that is actively prosecuted and which has not been cancelled, withdrawn, finally determined to be unallowable by the applicable Governmental Body pursuant to an unappealable decision and/or abandoned in accordance with the terms hereof.

1.38 Year shall mean the twelve (12) month period commencing on the first date that INALCO delivers an order of Product to CUMBERLAND pursuant to this Agreement, and each twelve month period beginning on the anniversary thereof.

2. REGULATORY APPROVAL, MARKETING AND DISTRIBUTION

2.1 Regulatory Approval. INALCO shall, at INALCO's expense, secure with the least possible delay, and maintain Regulatory Approval for the Product from all relevant Competent Authorities in the Territory, and fulfill any reasonable additional requirements for approval from the Competent Authorities in the Territory. All registrations and approvals obtained shall be the sole and exclusive property of INALCO. INALCO agrees to provide additional information in its possession or control to support CUMBERLAND in answering or attending to any queries or requests of the Competent Authorities in relation to the Product.

2.2 Know-How. INALCO hereby grants to CUMBERLAND, and CUMBERLAND hereby accepts, an exclusive license to use the Know-How to the extent reasonably required by CUMBERLAND in order to market, distribute, advertise, promote and sell the Product in the Territory in accordance with and subject to the terms and conditions set forth herein.

2.3 Trademarks. INALCO is negotiating the acquisition of the Kristalose Trademark from Mylan Laboratories Inc. and this Agreement is conditional upon the successful acquisition of the Kristalose Trademark. INALCO hereby grants to CUMBERLAND, and CUMBERLAND hereby accepts, an exclusive license to use the Trademarks on the Product and in connection with the marketing, advertisement, promotion, distribution and sale of the Product in the Territory during the Term. In order to have authority to grant such license to CUMBERLAND, INALCO agrees to obtain all rights to the Trademarks from Mylan Pharmaceuticals, Inc., prior to the Effective Date hereof.

2.4 Patent Rights. INALCO hereby grants to CUMBERLAND, and CUMBERLAND hereby accepts, an exclusive license to the Patent Rights for purposes of marketing, distribution, and sale of the Product in the Territory during the Term.

2.5 Certain Responsibilities of INALCO.

A. Transition Plan. Prior to the Effective Date, INALCO will submit to CUMBERLAND for consideration a transition plan for Mylan Pharmaceuticals Inc. ("Mylan") to transfer commercial responsibilities for the Product to CUMBERLAND, which plan will include accurate and complete customer lists, customer data, customer contracts, and market, financial and other information relating to the Product, as well as provisions for transitioning Product inventory, Product returns and chargebacks processing, government reporting, and regulatory reporting. The transition plan will also include Mylan's commitment to processing and payment of rebates, returns and chargebacks for Product sold by Mylan. The transition plan shall also include Mylan's commitment to provide information necessary to comply with the CMS Medicaid Drug Rebate Program Release Number 48, which requires that a termination date be supplied equal to the shelf life of the last lot sold under the old NDC number, as well as pricing data extending four (4) Calendar Quarters beyond the shelf life. The transition plan shall be finalized after INALCO and CUMBERLAND agree to any amendments thereto, and in any event, the parties hereto agree to finalize the transition plan on or before the thirtieth (30th) day after the Effective Date. The transition plan shall be attached hereto as Exhibit C when it is completed and shall be a part of this Agreement effective as of the date thereof. INALCO shall complete all of its responsibilities under the transition plan. At all times until such transition plan has been completed, INALCO shall make best efforts to resolve any outstanding items in the transition plan as promptly as possible.

B. Exclusive Appointment. INALCO hereby appoints CUMBERLAND as exclusive (even as to INALCO) distributor, marketer, advertiser, promoter, and seller of the Product in the Territory during the Term. INALCO will not without CUMBERLAND's prior written approval, itself promote, sell or distribute, nor appoint nor allow any third party to promote, sell or distribute in the Territory any presentation of the Product nor any product which competes with the Product; provided that INALCO may make sales in the Territory of its liquid lactulose products in existence as of the date hereof. INALCO will ensure that its Affiliates and licensees do not supply the Products to any other party which it knows, or has reasonable grounds for suspecting, will store, promote, sell or distribute the Products in or to the Territory.

C. Maintenance of Patent Rights and Trademark. INALCO shall diligently prosecute and maintain Patent Rights and the Trademarks at its own expense throughout the Territory in accordance with Article 6.

D. Supply of the Product. INALCO shall manufacture, package or have packaged, and supply the Product to CUMBERLAND for resale during the Term. Except as otherwise set forth in the transition plan pursuant to Section 2.5(A) for the first one-hundred-twenty (120) days of the Term, INALCO shall manufacture, label, store, and ship the Product with existing packaging from Mylan. At the end of one hundred twenty (120) days or sooner pursuant to the written agreement of both parties hereto, INALCO shall manufacture, label, store, and ship the Product with packaging designed by CUMBERLAND. INALCO shall deliver the Product to CUMBERLAND in finished packages that shall include the CUMBERLAND NDC number and logo.

E. Provide Promotional Pouches. INALCO shall provide up to 1,000,000 promotional pouches of Product to CUMBERLAND per Year upon request at a price per pouch as

set forth in Section 4.3 for Promotional Unit Payments. In the event that CUMBERLAND identifies the need for additional promotional pouches in any given Year, the parties agree to negotiate in good faith regarding the price and delivery of such additional pouches.

F. Product Specifications. INALCO shall manufacture all Product in compliance with (i) the Product DMF as submitted to the FDA, (ii) the FDA's Good Manufacturing Practices, as promulgated under the U.S. Food, Drug and Cosmetic Act, as amended, (iii) the Abbreviated New Drug Application for the Product, (iv) the Patent Rights, and (v) all other applicable Laws, requirements and regulations of the FDA or other applicable Competent Authorities. In no event will INALCO implement any alteration (that requires approval of the Competent Authority) to the materials or processes described in the Drug Master File in relation to any of the Products supplied to CUMBERLAND under this Agreement until INALCO has provided reasonable prior written notice of such alteration to CUMBERLAND and the Competent Authority in the Territory has approved all requisite amendments to the applicable Regulatory Approval. INALCO will not change the Product Specifications during the Term without CUMBERLAND's prior written consent. INALCO shall provide for or arrange on-site inspections of each of the facilities related to manufacturing or packaging the Product at least one time per year by authorized representatives of CUMBERLAND at any time during regular business hours and shall provide all reasonably requested information to confirm that the Product is manufactured and packaged in accordance with the Specifications.

G. Fulfillment of Regulatory Requirements. INALCO shall maintain all Regulatory Approvals for the Product required to enable the Product to be sold in the Territory at its own expense. INALCO shall maintain and fulfill all applicable regulatory requirements with respect to the Product, including reporting and pharmacovigilance in the Territory, and shall fully cooperate with CUMBERLAND to fulfill and meet all requirements imposed by applicable law. INALCO shall inform CUMBERLAND of any governmental submissions relating to the Product.

H. Adverse Events. INALCO shall promptly notify CUMBERLAND of any event that materially affects or could materially affect the marketing of the Product. With respect to adverse events, the parties hereto shall report such events to Competent Authorities per Exhibit E, Adverse Event Reporting.

I. Additional Markets. At any time during the Term, CUMBERLAND may notify INALCO of its interest in distributing the Product in a country outside of the Territory for which INALCO does not, as of the date of such notice, already have a distribution arrangement in effect or pending, as evidenced by a fully executed letter of intent. For up to ninety (90) days after providing such notice, the parties hereto shall negotiate in good faith toward developing an agreement for marketing and distribution rights for the Product in the relevant country(ies).

J. Delivery of Product. INALCO shall deliver Product to Cumberland in a timely manner and in compliance with specifications for the Product and its packaging in accordance with Section 2.11, et seq.

2.6 Certain Responsibilities of CUMBERLAND.

A. Marketing Plans. Within sixty (60) days after the Effective Date, CUMBERLAND shall provide INALCO with a summary of marketing plans for the Product in the Territory, including five (5) year sales forecasts. CUMBERLAND shall provide updated marketing plans thereafter on an annual basis.

B. Package Design. Except as otherwise set forth in Section 2.5(D), CUMBERLAND, at its expense, shall design all labeling and exterior packaging to be used on the Product. CUMBERLAND shall provide such package designs to INALCO within thirty (30) days of the Effective Date. In the event of a change in the package design for the Product, CUMBERLAND shall notify INALCO of the package design at least one hundred fifty (150) days prior to its required use thereof. All labeling and packaging designs for the Product must be in compliance with the rules and regulations of all Competent Authorities. CUMBERLAND shall not implement any changes in labeling and packaging for the Product unless CUMBERLAND has INALCO's prior written consent, not to be unreasonably withheld or delayed. INALCO and CUMBERLAND agree to work together to minimize cost increases related to packaging design changes.

C. Purchase Orders. CUMBERLAND shall submit to INALCO a purchase order setting forth the quantity of Product ordered, Delivery Date, destination, and any other delivery instructions at least ninety (90) days in advance of its requested Delivery Date for such purchase order. INALCO will respond to CUMBERLAND promptly after receipt of any purchase order, and each such response shall (i) accept the Delivery Date or (ii) reject the Delivery Date and propose an alternative Delivery Date. When such a purchase order for Product is accepted in writing or by facsimile, it shall become binding upon INALCO and CUMBERLAND, and shall not be changed or cancelled by CUMBERLAND without written approval of INALCO. Such approval shall not be unreasonably withheld or delayed.

D. Rolling Forecasts. Within thirty (30) days after the Effective Date, and every thirty (30) days thereafter, CUMBERLAND shall complete and provide INALCO a twelve (12) month rolling forecast of its projected monthly purchases of the Product and shall adjust them thereafter on a monthly basis.

E. Minimum Purchases. CUMBERLAND agrees to meet Minimum Purchases annually in accordance with Exhibit A.

F. Sales Reports. Within thirty (30) days after each month in which CUMBERLAND sells any Product to a third party, CUMBERLAND shall prepare and provide INALCO with a monthly sales report for the Product.

G. Compliance. CUMBERLAND shall market, distribute, and sell the Product in the Territory in accordance with applicable Laws.

H. Adverse Drug Experiences. CUMBERLAND shall provide reasonable cooperation and assistance to INALCO in the investigation of complaints and adverse events with respect to the Product (see Exhibit E). Each party will bear its own expenses associated with its duties set forth in Exhibit E.

I. Interaction with DDMAC. CUMBERLAND shall be responsible for interacting with the FDA Division of Drug Marketing, Advertising and Communication regarding the Product.

J. Formulary Listings. CUMBERLAND shall be responsible for filing and maintaining Listings to obtain formulary listing approval from states or localities in the Territory.

K. Rebate and Managed Care Programs. CUMBERLAND shall have administrative responsibility for the Product in any rebate and managed care programs through which the Product is made available in the Territory.

L. Product Returns. CUMBERLAND shall be responsible for administering returns, discounts, and chargebacks involving third-party purchasers of the Product during the Term in the Territory.

M. Non-Compete Obligation. CUMBERLAND will not without INALCO's prior written approval, itself promote, sell or distribute in the Territory during the Term hereof, any laxative product which competes with the Product.

N. Inspections. CUMBERLAND shall provide for or arrange on-site inspections of all facilities related to the storage and distribution of the Product at least one time per year by authorized representatives of INALCO at any time during regular business hours and shall provide all reasonably requested information to confirm that the Product is stored, handled, and distributed in accordance with all applicable rules and regulations of Competent Authorities.

2.7 Certain Responsibilities of Both Parties.

A. Insurance. Beginning on the Effective Date, both CUMBERLAND and INALCO shall have in place, and shall maintain during the Term and until the third anniversary of the expiration or earlier termination of this Agreement, comprehensive product liability insurance in amounts not less than $5,000,000 U.S. per incident and $5,000,000 U.S. annual aggregate. The minimum amounts of insurance coverage required shall not be construed to create or limit CUMBERLAND's or INALCO's liability with respect to its indemnification under this Agreement. Both INALCO and CUMBERLAND shall provide evidence of insurance to one another on or within thirty (30) days after the Effective Date and each anniversary date thereof.

B. Publicity. Either party may issue a press release or other public announcement relating to the existence or terms of this Agreement, subject to the prior review and written approval of the other party, which approval shall not be unreasonably withheld or delayed; except where required by Law, in which event the parties

will use all reasonable efforts to consult with each other and cooperate with respect to the wording of any such announcement. The parties shall cooperate in issuing (an) initial public release(s) with respect to the signing of this Agreement, either separately or as a joint release.

C. Recalls:

(i) If either party determines that any quantity of the Product should be recalled for any reason, that party will give to the other party written notice of its intention to recall that quantity and specify its reasons.

(ii) If within three (3) days of the receipt of the notice the parties are unable to agree upon the need to carry out the recall, the parties agree to submit a sample of the Product to an Independent Analyst for a report.

(iii) The costs of the report of the Independent Analyst and of the recall will be paid by the party against which the report is unfavourable.

(iv) Notwithstanding paragraphs (i) to (iii), CUMBERLAND will administer any such recall in the Territory.

(v) Any Product recall initiated by a Competent Authority due to the negligence or breach of warranty by a party hereto shall be the responsibility of such party at its sole cost.

(vi) Each of CUMBERLAND and INALCO agrees to comply with the obligations set forth in Exhibit E with respect to any adverse drug event (as defined therein) or any similar event described in Exhibit E for the Product.

(vii) If a recall results from a cause other than 2.7C (v), then INALCO and CUMBERLAND will share equally all out-of-pocket costs to administer the recall.

2.8 Subcontractors. CUMBERLAND may make such arrangements with Subsidiaries, Affiliates or Third Persons as it, in its reasonable judgment, believes is necessary to assure the diligent and adequate registration, approval, release testing (if applicable), distribution and sale of the Product in the Territory. Any such Third Persons or Affiliates or Subsidiaries engaged by CUMBERLAND shall be referred to as "Subcontractors."

2.9 Delivery:

A. Prior to shipping, INALCO will submit to CUMBERLAND appropriate shipment notification documents for signature and approval to ship. These documents shall include CUMBERLAND's Approval to Ship form, packing slip, Certificate of Analysis, and any required FDA shipment notification.

B. Following receipt of CUMBERLAND approval to ship, INALCO will deliver the Products to CUMBERLAND F.O.B. the facility of INALCO's packager, which facility shall be located in the U.S. or Canada unless otherwise agreed in writing by INALCO and CUMBERLAND, to such location in the Territory as is designated by CUMBERLAND in the applicable purchase order.

C. All risk of loss or of damage to, and title to the Product, will pass to CUMBERLAND upon delivery of the Products to the, freight company specified by CUMBERLAND in the purchase order in accordance with the terms of Article 2 of this Agreement.

D. CUMBERLAND shall be responsible for all costs of transportation from the facility of INALCO's packager to the location in the Territory as designated by CUMBERLAND in the applicable purchase order, except that INALCO shall be responsible for any costs associated with Customs Clearance at an international border (including but not limited to brokers' fees, import duties, taxes, permits, and licenses).

2.10 Acceptance of the Products:

A. INALCO will supply a Certificate of Analysis with each delivery of the Products.

B. If CUMBERLAND does not notify INALCO in accordance with the following paragraph, then CUMBERLAND will, for the purposes of this Section 2.10 only, be deemed to have accepted the Products upon the expiration of the thirty (30) day period referred to in that paragraph.

C. If CUMBERLAND notifies INALCO within thirty (30) days of the receipt of any shipment of the Product that CUMBERLAND believes any of the Product does not conform to the warranty set out in Section 2.11 ("Defective Product") the parties agree to consult with each other in order to resolve the issue (during which time INALCO may conduct its own retention sample testing). If such consultation does not resolve the discrepancy within a further thirty (30) days from receipt of the notice, the parties agree to nominate an Independent Analyst within the Territory, acceptable to both parties, that will carry out tests on representative samples taken from such shipment, and the results of such tests will be binding on the parties.

D. If the Independent Analyst determines that the Defective Product does not conform to the warranty set out in Section 2.11:

(i) INALCO will, at its expense, replace any such Defective Product and reimburse CUMBERLAND for the costs of the Independent Analyst; and

(ii) all quantities of Defective Product will, at INALCO's election and expense be either:

a. returned to INALCO, and packed and shipped according to

instructions provided by INALCO; or

b. destroyed by CUMBERLAND under INALCO's direction.

E. If the Independent Analyst determines that the Defective Product does conform to the warranty set out in Section 2.11, CUMBERLAND will for the purposes of Section 2:10 only, be deemed to have accepted the Product and will reimburse INALCO for the costs of the Independent Analyst.

F. Replacement of Defective Product is in addition to any other obligations, indemnities or warranties given by INALCO under this Agreement.

2.11 Product Warranties:

A. INALCO represents and warrants that:

(i) any Product supplied under this Agreement will, upon delivery to CUMBERLAND, have a shelf life of at least two (2) years nine (9) months;

(ii) any Product supplied under this Agreement will upon delivery:

a. conform in all respects to the Product Specifications and to any applicable Regulatory Approval in the Territory;

b. be manufactured, identically labelled and identically packaged for the Territory and tested in accordance with applicable laws and regulations in the Territory relating to the manufacture, labelling, packaging and testing of the Product, subject to any alterations required by law or applicable regulations; and

c. will not be adulterated or misbranded in contravention of applicable Law;

(iii) it will, at its expense, apply for, prosecute, maintain, defend and enforce the Trademarks, the Patent Rights, and any Intellectual Property Rights concerning the Product which are owned by or licensed to it to the maximum extent commercially feasible and will also apply for any appropriate extension of term for any patents covering the Product in accordance with the laws and regulations in the Territory.

B. Product Defects:

(i) Any quantities of the Product that do not conform with Section 2.11(A) or that contravene applicable Law, regulations, or Regulatory approvals will, for the purposes of this Agreement, be deemed to have a defect.

(ii) If either party becomes aware of any defect in the Product, it will immediately notify the other party and provide it with a full disclosure of that defect.

(iii) Where any defect in the Product arises either partially or wholly as a result of a defect in raw material supplied to INALCO by a third party, INALCO will make best efforts to ensure that the third party conforms to any demands of the Competent Authority concerning the defect.

(iv) Except as otherwise set forth in this Agreement, INALCO's remedy for breach of warranty pertaining to the Product provided hereunder shall be limited solely to replacement of such Product.

C. UNLESS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, IRRESPECTIVE OF WHETHER ATTRIBUTABLE TO CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE.

3. TERM AND TERMINATION

3.1 Term.

A. Condition for Commencement of Term. Notwithstanding any other provision hereof, the commencement of the Term is subject to the satisfaction as of the Effective Date of the following conditions: (i) the termination of any letter agreements currently in effect between Mylan Bertek Pharmaceuticals Inc. (f/k/a Bertek Pharmaceuticals Inc.) ("Mylan Bertek") and CUMBERLAND (the "Letter Agreements"), and (ii) the full and final mutual release of Mylan Bertek and Mylan by CUMBERLAND and of CUMBERLAND by Mylan Bertek and Mylan for any and all obligations and/or liabilities in connection with the Co-Promotion Agreement between CUMBERLAND and Mylan Bertek dated January 4, 2002, as amended (the "Co-Promotion Agreement"), and the Letter Agreements; provided that the sections listed as surviving provisions in Section 11.6 of the Co-Promotion Agreement survive the termination and release set forth hereinabove.

B. Duration. This Agreement shall commence on the Effective Date and will continue until the fifteenth (15'h) anniversary thereof. Thereafter, subject to Section 3.2 hereof, the Agreement will automatically renew for successive terms of three (3) years unless either party gives written notice of its intention not to renew this Agreement to the other party at least twelve (12) months prior to the expiration of the period.

3.2 Termination. This Agreement may be terminated prior to expiration of the Term under the following circumstances:

A. Material Breach. In the event that one party commits a material breach of this Agreement, the non-breaching party may, at its option, terminate this Agreement by giving the breaching party written notice pursuant to Section 8.2 of its election

to terminate as of a stated date, but not less than forty-five (45) days from the date of the notice. Such notice shall state the nature of the breach claimed by the non-breaching party. The breaching party, during said forty-five (45) day period or such longer period as may be indicated by the other, may correct any breach stated in said notice and if such breach is corrected, this Agreement shall continue in full force and effect as if such notice had not been given. If the breaching party does not cure the breach to the reasonable satisfaction of the notifying party within said forty-five (45) day period, or such longer period indicated by the non-breaching party, then the notifying party may terminate this Agreement. For purposes hereof, "material breach" shall mean failure by CUMBERLAND to comply with any of its obligations under Sections 2.6(G), 2.6(M), 4.1, 4.2, or 4.3 hereunder or failure by INALCO to comply with any of its obligations under Section 2.5(B),(C), (D), (F), and (G).

B. Anniversary. If CUMBERLAND gives INALCO written notice at least ninety (90) days prior to the fourth anniversary of the Effective Date or any subsequent such anniversary during the Term, CUMBERLAND may terminate the Agreement on the day immediately preceding such anniversary date without any further liability except as expressly set forth herein. Notwithstanding the foregoing, in no event shall termination under this Section 3.2.B. terminate or modify CUMBERLAND's obligations to make the payments set forth in Section 4.1.

3.3 Effect of Expiration or Termination. Upon expiration or termination of this Agreement,

A. CUMBERLAND shall cease the sale of all Product for the Territory; provided, however, that CUMBERLAND may continue to store, promote, sell and distribute its stock on hand and fill all orders accepted by it prior to the expiration or termination of the Agreement. INALCO will fill all orders accepted by INALCO hereunder prior to expiration or termination of the Agreement. All applicable provisions of this Agreement shall survive termination for such purpose; and

B. all rights, title and interest in and to the Product and the Intellectual Property Rights in the Product and the Know-How and the Patent Rights and the Trademarks that INALCO owned prior to this Agreement shall revert to INALCO.

3.4 Remedies Not Limited. Except as otherwise provided herein, the termination of this Agreement by either party shall not limit remedies that may be otherwise available, including without limitation, injunctive relief.

3.5 Survival. Expiration or termination of this Agreement for any reason shall not relieve either party of its obligations that have accrued prior to the expiration or termination of this Agreement. Without limiting the generality of the foregoing, Sections 2.11, 5.1, 5.2, and 5.3 and Article 3 of this Agreement shall survive expiration or termination of this Agreement.

3.6 Expectation of Profits. Except as otherwise provided herein, both parties acknowledge and agree that they have no expectations and have received no assurances that any investment by them in the development, marketing or distribution of the Product will be recovered or recouped, or that they shall obtain any anticipated amount of profit by virtue of this Agreement.

3.7 Option Regarding Transfer. CUMBERLAND shall have the first opportunity to negotiate to acquire all rights to the Product in the Territory. Each party hereto shall negotiate in good faith if the parties undertake discussions regarding such option. INALCO agrees not to transfer any rights to the Product in the Territory unless INALCO first notifies CUMBERLAND of the opportunity hereunder and unless INALCO negotiates in good faith with CUMBERLAND for sixty (60) days after providing such notice in an attempt to enter into a written agreement with respect to the rights that are being negotiated.

4. PAYMENTS

4.1 Payments. Subject to the terms and conditions contained in this Agreement, in consideration for rights granted to CUMBERLAND hereunder, CUMBERLAND shall pay Eleven Million Dollars to INALCO in the following installments:

A. First Installment. Six Million Five Hundred Thousand U.S. Dollars ($6,500,000 U.S.), payable upon the Effective Date of this Agreement;

B. Second Installment. One Million Five Hundred Thousand U.S. Dollars ($1,500,000 U.S.), payable upon the first anniversary of the Effective Date of this Agreement; and

C. Third Installment. Three Million U.S. Dollars ($3,000,000 U.S.), payable upon the third anniversary of the Effective Date of this Agreement.

4.2 Royalty Payment. In further consideration of the rights granted to CUMBERLAND hereunder, CUMBERLAND shall pay INALCO an amount equal to the following percentage of Net Sales during the preceding [***] (each such payment shall hereinafter be referred to as a "Royalty Payment"), within [***] of the end of each [***]:

A. [***] during first Year of the Term;

B. [***] during each of the second, third, and fourth Years of the Term; and

C. [***] for each Year thereafter during the Term;

provided that the accrual of any obligation to make Royalty Payments shall cease immediately with respect to Net Sales in a country within the Territory if a generic equivalent to the Product receives Regulatory Approval, and is commercially available in such country.

4.3 Payment for Product. Subject to Section 2.10, CUMBERLAND shall pay INALCO,

within [***] of receipt of Product under Section 2.5(D) during the first year of the Term, and within [***] of receipt of Product thereafter, (a) an amount equal to [***] 10-gram pouch and [***] per 20-gram pouch for each unit of Product supplied pursuant to purchase orders submitted in accordance with Section 2.6(C) ("Product Payments"), and (b) an amount equal to [***] per pouch for each 10-gram pouch and [***] per pouch for each 20-gram pouch of Product pursuant to requests for promotional units submitted in accordance with Section 2.5(E) ("Promotional Unit Payments").

[***]

Promotional Unit Prices are based upon a packaging configuration and cost that is equivalent to the existing 30-count Commercial and/or 7-count Sample. If a new Sample package configuration is required, then INALCO has the right to adjust the "per pouch" price to reflect any increased direct costs incurred with such reconfiguration. Promotional Units will be ordered under a unique Purchase Order Number, and such orders are subject to the terms of Paragraph 2.6C.

4.4 Payment Currency. All payments under Article 4 hereof shall be made in U.S. dollars.

4.5 Records. CUMBERLAND shall maintain complete and accurate records sufficient to enable accurate calculation of Royalty Payments due to INALCO under this Agreement. CUMBERLAND shall, at INALCO's request and expense, provide certified statements from CUMBERLAND's auditors, concerning Royalty Payments due pursuant to this Agreement. Once a calendar year, INALCO shall have the right to request that a certified public accountant, the selection of whom shall be subject to CUMBERLAND's prior written consent, not to be unreasonably withheld or delayed, inspect, on reasonable notice and during regular business hours, the records of CUMBERLAND to verify INALCO's statements and payments of Royalty Payments due pursuant to this Agreement. The entire cost for such inspection shall be borne by INALCO, unless there is a discrepancy of greater than 5% in INALCO's favor, in which case CUMBERLAND shall bear the entire cost of the inspection. Records shall be preserved by CUMBERLAND for three (3) years after preparation thereof for inspection by INALCO.

4.6 Acquisition. In the event that INALCO or CUMBERLAND is acquired by a Third Person or in any other way transfers all of its assets, including this Agreement to a Third Person, all obligations of this Agreement, including the foregoing Royalty Payment terms, shall be binding upon the party acquiring this Agreement.

4.7 Manner of Payment. All payments hereunder shall be made by bank wire transfer of immediately available funds to the account of INALCO or such other reasonable method as INALCO may request. Each party hereto shall be responsible for and pay all fees and other charges imposed by its own bank in connection with any such bank wire transfer. Where required to do so by Law, CUMBERLAND shall withhold taxes required to be paid to a taxing authority on account of such income to INALCO, and CUMBERLAND shall furnish INALCO with satisfactory evidence of such withholding and payment in order to permit INALCO to obtain a tax credit or other relief as may be available under the Law.

5. CONFIDENTIALITY

5.1 Protection of Confidential Information. The parties recognize that during the Term, it may be necessary that one party and/or its Affiliates or Subsidiaries hereto be given access to certain Confidential Information (as defined herein) of the other party and/or its Affiliates or Subsidiaries hereto. Each party must ensure that the following Subsections shall be applicable to such Confidential Information and the words "Recipient" and "Disclosing Party" shall be interchangeable as between each of the parties and/or their Affiliates or Subsidiaries hereto as appropriate under the circumstances:

A. Title to Confidential Information and Related Documents. Recipient hereby acknowledges that the Confidential Information and all, including without limitation, related documents, drawings, designs, products, or samples disclosed or furnished hereunder by or on behalf of the Recipient are the sole and exclusive property of Disclosing Party. Recipient hereby agrees to return all such documents, drawings, designs, products, or samples furnished to it hereunder, together with all reproductions and copies thereof and shall delete all references thereto stored electronically promptly under the request of Disclosing Party or upon termination or expiration of this Agreement, except that the Recipient's legal representative may retain one copy of such of the Confidential Information as required solely for the purpose of determining the scope of its obligations under this Agreement.

B. Nondisclosure or Use of Confidential Information. Recipient hereby agrees that it shall hold all Confidential Information disclosed to it in strict confidence and in a secure place, that it will use the same only for the purpose of performing this Agreement and for no other purpose whatsoever, and that it will not disclose the same to any Third Persons (except to its employees or consultants, strictly on a "need-to-know basis," to the extent such disclosure is permitted by or consistent with this Agreement and the Third Persons are subject to written obligations of confidentiality no less onerous than are contained in this Agreement) except to the extent Disclosing Party agrees to it in writing.

C. Definition of Confidential Information. "Confidential Information" as used herein shall include without limitation any and all oral, written, or tangible proprietary or confidential ideas, inventions, information, data, plans, materials, trade secrets and know-how and the like owned, controlled or developed by or on behalf of one party hereto and disclosed to the other party for the purposes of this Agreement; provided however, that Confidential Information shall not include any information, discovery, invention, improvement, or innovation which:

(i) was in the public domain at the time of disclosure to the Recipient, or which becomes generally available to the public after its disclosure through no fault of the Recipient or breach of this Agreement;

(ii) is already known to, or in the possession of, the Recipient prior to disclosure by the Disclosing Party as can be demonstrated by documentary evidence;

(iii) is lawfully disclosed on a non-confidential basis from a Third Person having the right to make such a disclosure; or

(iv) is independently developed by the Recipient or its Subsidiaries as can be demonstrated by documentary evidence.

5.2 Unauthorized Use. In case either party becomes aware or has knowledge of any unauthorized use or disclosure of Confidential Information, it shall promptly notify the other party of such unauthorized use or disclosure and, thereafter, shall take all reasonable steps to assist the other party in attempting to minimize any potential or actual damages or losses resulting from such unauthorized use or disclosure.

5.3 Permitted Disclosure. Each party may disclose Confidential Information of the other party to the Competent Authorities or Listing authorities in the Territory where such disclosure is reasonably necessary in the application, grant, variation, renewal or maintenance of a Regulatory Approval or Listing. Each party may also disclose Confidential Information where it is required to do so under any laws or regulations in the Territory, provided that it gives the other party such notice as is reasonably practicable in the circumstances and allows the other party, at the other party's cost, a reasonable opportunity to resist such requirements.

5.4 Term. The provisions of this Article 5 shall survive the expiration or termination of the Agreement until all of the Confidential Information has fallen within one of the exceptions set forth in Sections 5.I(C) (i) through (iv), inclusive.

6. PROTECTION AND OWNERSHIP OF INTELLECTUAL PROPERTY

6.1 Registration of Trademarks. INALCO shall be responsible, at its expense, for the preparation, filing, prosecution and maintenance of the Trademarks in the Territory and for conducting any interferences, re-examinations, reissues, oppositions, or requests for extension relating thereto. INALCO shall take all steps necessary to maintain the Trademarks in the Territory in good standing. INALCO shall not use any alternative trademark in the Territory on or in connection with the Product. Subject to Section 3.3(A), upon the termination or expiration of this Agreement or CUMBERLAND's right to use the Trademarks, CUMBERLAND shall cease using the Trademarks.

6.2 Patent Filings: Maintenance; Prosecution. INALCO shall be responsible, at its expense, for the preparation, filing, prosecution and maintenance of the Patent Rights in the Territory and for conducting any interferences, re-examinations, reissues, oppositions, or requests for extension relating thereto. INALCO shall take all steps necessary to maintain the Patent Rights in the Territory in good standing. CUMBERLAND agrees to cooperate reasonably with INALCO, at INALCO's expense, when requested, on matters relating to the preparation, filing, prosecution and maintenance of the Patent Rights.

6.3 Infringement by Third Persons.

A. In the event that either party determines that a Third Person is making, using, or selling a product that may infringe the Patent Rights or Trademark, it will promptly notify the other party in writing. INALCO will, at its own cost and to the extent commercially feasible, take all legal action it deems necessary or advisable to eliminate or minimize the consequences of the infringement, but will not without CUMBERLAND's prior written consent enter into any settlement in relation to such matters nor take any step in relation to the potential or alleged infringement which will affect CUMBERLAND's storage, promotion, sale and distribution of the Product in the Territory or other rights under this Agreement. CUMBERLAND shall take all reasonable steps to assist INALCO at INALCO's expense.

B. Upon receiving any written request from CUMBERLAND to do so, INALCO will forthwith disclose to CUMBERLAND all necessary information about the Products, their formulation, use or process of manufacture, to enable CUMBERLAND to:

(i) ascertain whether the storage, promotion, sale or other distribution of the Products in the Territory will infringe any existing patent or other third party intellectual property rights; and

(ii) determine its conduct in relation to any proceedings alleging infringement of a patent or other third party intellectual property rights in the Territory.

C. INALCO represents and warrants that any information disclosed to CUMBERLAND under paragraph (B) above will be a full and accurate disclosure and that INALCO will not withhold any information in its possession which might have a material adverse impact on CUMBERLAND.

D. If INALCO does not take any action to eliminate or minimize the consequences of any such infringement within ninety (90) days of becoming aware of that infringement, CUMBERLAND may take any reasonable action to prosecute such infringement; provided that CUMBERLAND shall not retain legal counsel to prosecute any such infringement without INALCO's prior written consent, not to be unreasonably withheld or delayed. In the event that legal counsel is so retained, INALCO shall reimburse CUMBERLAND for such counsel's reasonable fees and expenses directly related to the prosecution of such infringement.

E. Each party will cooperate fully and promptly with, and provide all reasonable assistance to, the other party in respect of any action brought by the other party under this Agreement in relation to alleged infringement of intellectual property rights in connection with this Agreement and will be entitled to be promptly reimbursed for all costs and expenses incurred in connection with such co- operation and assistance.

7. REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

7.1 Representations and Warranties of CUMBERLAND. CUMBERLAND represents and warrants that:

A. it is a corporation duly organized and validly existing under the laws of Tennessee;

B. the execution and delivery by CUMBERLAND of this Agreement, the performance by CUMBERLAND of all the terms and conditions thereof to be performed by it and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action, and no other act or approval of any person or entity is required to authorize such execution, delivery, and performance;

C. the Agreement constitutes a valid and binding obligation of CUMBERLAND, enforceable in accordance with its terms; and

D. this Agreement and the execution and delivery thereof by CUMBERLAND, does not, and the fulfillment and compliance with the terms and conditions hereof and the consummation of the transactions contemplated hereby will not:

(i) conflict with any of, or require the consent of any person or entity under, the terms, conditions, or provisions of the organizational documents of CUMBERLAND;

(ii) violate any provision of, or require any consent, authorization, or approval under, any Law applicable to CUMBERLAND; or

(iii) conflict with, result in a breach of, or constitute a default under, any material agreement or obligation to which CUMBERLAND is a party.

7.2 Representations and Warranties of INALCO. INALCO ITALY and INALCO U.S. jointly and severally represent and warrant that:

A. INALCO U.S. is a corporation duly organized and validly existing under the laws of California and INALCO ITALY is a corporation duly organized and validly existing under the laws of Italy and;

B. the execution and delivery by INALCO of this Agreement, the performance by INALCO of all the terms and conditions thereof to be performed by it and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action, and no other act or approval of any person or entity is required to authorize such execution, delivery, and performance;

C. the Agreement constitutes a valid and binding obligation by each of INALCO ITALY and INALCO U.S., enforceable in accordance with its terms; and

D. this Agreement and the execution and delivery thereof by INALCO, does not, and the fulfillment and compliance with the terms and conditions hereof and the consummation of the transactions contemplated hereby will not:

(i) conflict with any of, or require the consent of any person or entity under, the terms, conditions, or provisions of the organizational documents of INALCO;

(ii) violate any provision of, or require any consent, authorization, or approval under, any Law applicable to INALCO; or

(iii) conflict with, result in a breach of, or constitute a default under, any material agreement or obligation to which INALCO is a party.

E. the manufacture, storage, promotion, sale or other distribution of the Product in the Territory will not infringe any patent (whether in relation to the Products, their formulation, use or process of manufacture) or infringe upon any other rights of a Third Person;

F. as of the Effective Date, INALCO has not received any notice of opposition, interference, or refusal to register in connection with the Patent Rights in the Territory or elsewhere;

G. as of the Effective Date, INALCO holds, and shall continue to hold for the duration of the Term, valid rights to the Patent Rights and all other Intellectual Property Rights relating to the Product and has the full right, power and authority to grant the rights granted to CUMBERLAND hereunder, free and clear of any mortgage, lien, encumbrance or other Third Person interest of any kind;

H. INALCO has licensed to CUMBERLAND all Intellectual Property Rights necessary for CUMBERLAND to perform its obligations under this Agreement;

I. INALCO has not granted to any other Person in the Territory the rights it is granting to CUMBERLAND hereunder in respect of the Product;

J. INALCO has informed CUMBERLAND about all information in its possession or control concerning the safety and efficacy of the Product, and any side effects, injury, toxicity or sensitivity reactions and incidents associated with all uses, studies, investigations or tests involving the Product (animal or human) throughout the world;

K. as of the Effective Date of this Agreement, INALCO is not aware of any facts that would reasonably lead it to conclude that the Product will be unable to maintain Regulatory Approval in the Territory or that would indicate that future

marketing and sales of the Product in the Territory may be adversely affected in any material respect; and

L. no representations, warranties or covenants made by INALCO in this Agreement or in any document, certificate, exhibit, or schedule furnished or to be furnished in connection with the transactions contemplated hereby, contain or will contain, to the best of INALCO's knowledge, any untrue statement of fact or omit or will omit to state any material fact necessary to make the statement of facts contained therein not misleading to the best of INALCO's knowledge.

7.3 Indemnification by CUMBERLAND. Without affecting any other remedies and recourses available under this Agreement, under law and in equity, CUMBERLAND shall indemnify INALCO and its Affiliates and Subsidiaries, and their respective directors, officers, and employees, from and against claims, suits or demands for liability, damages, costs and expenses (including reasonable attorney fees) arising from or relating to (i) the negligence or willful misconduct of CUMBERLAND or its Affiliates or its Subsidiaries, or their respective directors, shareholders, officers or employees in connection with this Agreement, or (ii) any breach by CUMBERLAND of any of its representations and warranties provided for in Section 7.1; except to the extent that such claims, suits or demands are the result of the fault, negligence or willful misconduct of INALCO and/or its Affiliates and/or its Subsidiaries, or their respective directors, shareholders, officers or employees.

7.4 Indemnification by INALCO. Without affecting any other remedies and recourses available under this Agreement, under law and in equity, INALCO shall indemnify CUMBERLAND and its Affiliates and Subsidiaries, and their respective directors, officers, and employees from and against claims, suits or demands for liability, damages, costs and expenses (including reasonable attorney fees) arising from or relating to (i) the negligence or willful misconduct of INALCO or its Affiliates or Subsidiaries, or their respective directors, shareholders, officers or employees in connection with this Agreement; or (ii) any breach by INALCO of any of its representations and warranties provided for in Sections 2.5(F), 2.11 and 7.2 hereof ; (iii) the export, storage, promotion, sale or other distribution of the Product in the Territory (including the packaging of the Product and associated promotional and like material provided by or on behalf of INALCO, if any) will not infringe any patent (whether in relation to the Products, their formulation, use or process of manufacture) or infringe upon any other rights of a Third Person; except to the extent that such claims, suits or demands are the result of the fault, negligence or willful misconduct of CUMBERLAND or its directors, shareholders, officers or employees.

7.5 Indemnification Procedures. A party (the "Indemnitee") which intends to claim indemnification under this Article 7 shall promptly notify the other party (the "Indemnitor") in writing of the claim, suit or demand for liability with respect to which the claim of indemnification relates. If the Indemnitor wishes to assume the defense it must notify the Indemnitee within sixty (60) days of receipt of such notice. Legal counsel of the Indemnitor must be reasonably satisfactory to the Indemnitee. The Indemnitee shall permit, and shall cause its employees and agents to permit the Indemnitor, at its discretion, to settle any such claim, suit or demand for liability, the

defense and settlement of which shall be under the complete control of the Indemnitor; provided, however, that such settlement shall not adversely affect the Indemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth herein in order for it to exercise those rights. No such claim, suit or demand for liability shall be settled without the prior written consent of the Indemnitee and the Indemnitee shall not be responsible for any legal fees or other costs incurred other than as provided herein. The Indemnitee, its employees and agents shall co-operate fully with the Indemnitor and its legal representatives in the investigation and defense of any claim, suit or demand for liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation, to be represented by counsel of its own selection and expense.

8. GENERAL

8.1 Provisions Contrary to Law. In performing this Agreement, the parties shall comply with all applicable Laws. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to U.S. Laws controlling the export of such commodities and technical data, including all Export Administration Regulations of the United States Department of Commerce. These Laws among other things prohibit or require a license for the export of certain types of technical data to certain specified countries. CUMBERLAND hereby agrees to do all things reasonably requested of it by INALCO to comply with all U.S. Laws controlling the export of commodities and technical data.

Nothing in this Agreement shall be construed so as to require the violation of any Law, and wherever there is any conflict between any provision of this Agreement and any Law, the Law shall prevail, but in such event the affected provision of this Agreement shall be affected only to the extent necessary to bring it within the applicable Law.

8.2 Notices. Any notice permitted or required by this Agreement may be sent by facsimile with the original document being sent by certified (or registered) mail, return receipt requested, or overnight delivery and shall be effective when received (or refused) via facsimile or mail or overnight if faxed and sent and addressed as follows (or to such other facsimile number or address as may be designated by a party in writing):

If to CUMBERLAND:

Cumberland Pharmaceuticals Inc.
2525 West End Ave., Suite 950
Nashville, Tennessee 37203
Fax: 615-255-0094
Attn: Chief Executive Officer

With a copy to:

If to INALCO U.S.:

Inalco Biochemicals, Inc.
3440 Empresa Drive, Suite A
San Luis Obispo, CA 93401
Fax: 805-782-0719
Attn: Eric A. Lowe

Adams and Reese/Stokes Bartholomew LLP
424 Church Street, 28th Floor
Nashville, Tennessee 37219
Fax: 615-259-1470
Attn: Martin S. Brown, Esq.

If to INALCO ITALY:

Inalco S.p.A.
Via Calabiana, 18
20139 Milan
ITALY
Fax: 011-39-02-55213277
Attn: Giovanni Cipolletti

Such notice shall be effective upon the earlier of (i) actual receipt by the party to whom notice is sent, (ii) seven (7) days after deposit into the mail, or (iii) receipt of fax-back confirmation if notice is sent via facsimile.

8.3 Force Majeure. Neither party to this Agreement shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes and labor disputes, acts of war, civil unrest, or intervention of any governmental authority, but any such delay or failure shall be notified to the other party, and remedied by such party, as soon as is reasonably possible.

8.4 Assignments. Except as otherwise set forth herein or in connection with the sale of all or substantially all of the assets or business of either party or as expressly set forth in this Agreement, rights and obligations under this Agreement may not be assigned by either party hereto without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld or delayed; provided, however, that nothing in this Agreement shall limit CUMBERLAND's right to assign its rights or delegate its obligations under this Agreement to a lender to CUMBERLAND in the event of a default in its agreement with such lender.

8.5 Independent Contractors. The parties hereto agree that each is acting as an independent contractor and not as an agent of the other or as joint venturers.

8.6 Waivers and Modifications. The failure of any party to insist on the performance of any obligation hereunder shall not act as a waiver of such obligation. No waiver, modification, release, or amendment of any obligation under this Agreement shall be valid or effective unless in writing and signed by both parties hereto.

8.7 Successors in Interest. This Agreement shall inure to the benefit of and be binding on the parties' permitted assigns or successors in interest.

8.8 Severability. In the event that any term or provision of this Agreement shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, or

otherwise be unenforceable, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

8.9 Exhibits; Headings. All exhibits attached to and incorporated in this Agreement by reference are deemed to be a part hereof. The headings used in this Agreement are for convenience only and are not part of this Agreement.

8.10 Choice of Law. This Agreement is subject to and shall be construed and enforced in accordance with the laws of the State of Delaware, United States of America. The Parties hereby submit to the jurisdiction of the courts of the State of Delaware in respect to all disputes arising out of or in connection with this Agreement and waive any and all objections to such venue.

8.11 Entire Agreement. This Agreement, constitutes the entire agreement between the parties as to the subject matter hereof, and all prior negotiations, representations, agreements and understandings are merged into, extinguished by and completely expressed by this Agreement.

9. ARBITRATION

Any matter or disagreement arising under this Agreement shall be submitted for decision to a panel of three neutral arbitrators with expertise in the subject matter to be arbitrated. One arbitrator shall be selected by each party and the two arbitrators so selected shall select the third arbitrator. The arbitration shall be conducted in accordance with the Rules of the American Arbitration Association. The decision and award rendered by the arbitrators shall be final and binding. Judgment upon the award may be entered in any court having jurisdiction thereof. Any arbitration shall be held in Wilmington, Delaware, or such other place as may be mutually agreed upon in writing by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the date first written above.

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ A.J. Kazimi
A.J. Kazimi
Title: Chief Executive Officer

INALCO BIOCHEMICALS, INC.

By: /s/ Eric A. Lowe
Eric A. Lowe
Title: President

INALCO S.p.A.

By: /s/ Giovanni Cipolletti
Giovanni Cipolletti
Title: President

EXHIBIT A

Minimum Purchases

Year 1: 6,000,000 commercial pouches of Product

Year 2: 7,000,000 commercial pouches of Product

Year 3: 8,000,000 commercial pouches of Product

Year 4: 9,000,000 commercial pouches of Product

Year 5: 10,000,000 commercial pouches of Product

Minimum purchases for subsequent Years shall not be less than 65% of the average purchases in each of the three immediately preceding annual periods.

Provided, however, that none of the minimums set forth in this Exhibit A shall be applicable if a generic equivalent to the Product is introduced for sale in the United States, or if INALCO fails to provide promotional units of Product to CUMBERLAND in accordance with the terms of this Agreement.

If CUMBERLAND fails to meet the minimum in any given Year, CUMBERLAND shall pay INALCO within sixty (60) days after the termination of such Year the profit on the Product Payments that INALCO would have received on the shortfall (i.e., the difference between applicable purchases of the Product and the applicable minimum).

Notwithstanding the foregoing, if INALCO is unable to supply Product for a period of more than sixty (60) days in any Year during the Term, the minimum purchases for the applicable Year shall be reduced twenty-five percent (25%) and an additional ten percent (10%) for each month thereafter when INALCO is unable to supply; provided that the minimum purchases for the applicable Year shall be waived altogether if INALCO fails to supply Product for a period of more than one hundred eighty (180) consecutive days.

EXHIBIT B

Patents

United States Patent
Bimbi

US005480491A
Patent Number: 5,480,491
Date of Patent: Jan. 2, 1996

PROCESS FOR THE PREPARATION OF CRYSTALLINE LACTULOS FROMCOMMERCIAL SYRUPS

Inventor: Giuseppe Bimbi, Pontedera, Italy

Assignee: Inalco S.p.A., Milan, Italy

Appl. No.: 229,559

Filed: April 18, 1994

Foreign Application Priority Data

Apr. 28, 1993 [IT] Italy MI93A0833
Int. Cl[6] C13F 1/00; C13F 1/02
U.S. Cl. 127/61;127/46.2;127/55; 127/56; 127/58
Field of Search 127/61; 58, 56, 127/55, 46.2

References Cited

U.S. PATENT DOCUMENTS

4,555,271 11/1985 Carobbi et al 127/46.2
4,978,397 12/1990 Carobbi et al 127/46.2
5,034,064 7/1991 Deya et al 127/46.2
5,304,251 4/1994 Tomita et al 127/42

FOREIGN PATENT DOCUMENTS

0132509	**2/1985**	**European Pat. Off**	**C13K 13/00**
0159521	**10/1985**	**European Pat. Off**	**CO8F 8/42**
0158148	**6/1988**	**European Pat. Off**	**C13K 13/00**
0284959	**1/1992**	**European Pat. Off**	**CO8F 8/42**
0284960	**6/1992**	**European Pat. Off**	**C08F 8/42**

OTHER PUBLICATIONS

J. Agric. Chem. 1984, 32, 288-292 Jul./Dec. 1983.

Primary Examiner—Paul Lieberman *Assistant Examiner*—Patricia Halley
Attorney, Agent, or Firm—Hedman, Gibson & Costigan

ABSTRACT

The following description sets forth a new process for the preparation of .gtoreq.98.5% pure crystalline lactulose from commercially available aqueous syrups having the following composition: 50-70% by weight of lactulose, 3-9% by weight of lactose, 3-14% by weight of galactose, 4-7% by weight of other carbohydrates, the total content of carbohydrates different from lactulose being of from 10% to 30%.

8 Claims, No Drawings

PROCESS FOR THE PREPARATION OF CRYSTALLINE LACTULOSE FROM COMMERCIAL SYRUPS

FIELD OF THE INVENTION

The present invention relates to a process for the preparation of high-purity crystalline lactulose by crystallization of commercially available aqueous syrups.

PRIOR ART

Lactulose, or 4-0-b-D-galactopyranosyl-D-fructofuranose, is a semisynthetic disaccharide, used in the form of syrup or of crystalline product on account of its laxative action, efficacy in the treatment of hepatic dysfunctions, in particular of portal systemic encephalopathy, and as a sweetener.

Lactulose syrups that are now available on the market are generally not pure, but contain more or less large amounts of other carbohydrates, in particular galactose and lactose, and typically 50% by weight of lactulose; from 5 to 8% by weight of galactose; from 3 to 5% by weight of lactose; from 5 to 10% by weight of other carbohydrates.

As may be seen, the per cent amount of carbohydrates different from lactulose contained in the syrups of commerce is relatively high. The use of products containing other carbohydrates in addition to lactulose for the therapy of disorders requiring administration of lactulose alone, would be prejudicial and raise problems, e.g. in patients suffering from diabetes or requiring a diet without galactose.

Therefore, as lactulose becomes ever more important in pharmaceutical practice, there is a need for an adequate purification of same from contaminating carbohydrates.

As disclosed in U.S. Pat. No. 4,536,221, various processes known for lactulose purification are based on the crystallization from alcoholic solvents, usually ethanol.

However, the lactulose crystals obtained from alcohols always contain a given amount of solvent, probably due to the formation of hydrogen bonds between the OH groups of sugar and the OH groups of the solvent, while the solvent residue cannot be completely removed even by prolonged dryings.

The disadvantage of the crystallization from ethanol is not only that complex process are required for solvent residue elimination, but also that high operating costs are generally involved.

Some process for the direct recovery of lactulose from aqueous solutions based on the concentration of same by drying under vacuum, lyophilization, and spray-drying are also known.

Some of them are mentioned below:

the process disclosed in JP No. 61,104,800, which comprises concentrating an aqueous solution containing at least 60% lactulose, adding the concentrate with crystal seeds at from 60° to 110° C., kneading and pulverizing, thus affording a powder containing lactulose crystals;

the process disclosed in European patent application EP-A-333,295, for the preparation of solid lactulose from an aqueous syrup by high-temperature evaporation to lower the water content to 10% max., followed by cooling, grinding, sieving or crumbling of the resulting solid, whose purity is the same as that of the starting syrup;

the process disclosed in European patent application EP-A-480,519, consisting of lactulose solidification from aqueous solutions by evaporating the water contained therein and conversion of the resulting product into a free-flowing powder. Lactulose solidification may be initiated by addition of crystal seeds, preferably in amounts of from 1% to 5% by weight (on dry residue basis);

the process disclosed in patent application JP No. 2,200,693, (“Derwent” abstract) consisting of lactulose crystallization from a condensed syrup, followed by condensate drying at a reduced pressure and pulverization of the dried product.

The aforementioned processes are essentially based on the evaporation and concentration of the starting syrup and greatly differ from crystallizations in that they simply cause the solute solidification without eliminating—as crystallizations do—the undesirable secondary components present in mother liquors.

Therefore, since the processes based on concentration give lactulose of the same purity as that of the starting syrup, they cannot be utilized for the production of high-purity lactulose from commercial syrups that, as already mentioned, contain high amounts of other carbohydrates. Furthermore, the aforementioned processes can give crystalline lactulose only if combined with crystallization from alcohols.

The only known process which involves a real crystallization from water, with no need of alcoholic solvents, is disclosed in EP-A-318,630 by the Applicant. It is also the only known process that yields highly pure (³ 98%) and non-hygroscopic crystalline lactulose. However, this process cannot be exploited if the lactulose aqueous syrup to be crystallized contains carbohydrates different from lactulose in amounts exceeding 14% by weight of lactulose.

In case of lactulose syrups containing carbohydrates different from lactulose in amounts exceeding said limit value, it was always deemed it necessary to lower the content of said carbohydrates below said limit value and, to this purpose, before crystallization from water, the aqueous syrup was always purified according to one of the other known methods.

The ever growing importance of lactulose in pharmaceutical practice is a spur to the development of new processes to be applied to the industrial production of high-purity crystalline lactulose, without causing the inconveniences of the processes already known.

SUMMARY

The Applicant has now found a new process for lactulose purification that may be exploited on an industrial scale, yielding high-purity crystalline lactulose, in particular having a content of carbohydrates different from lactulose lower than 1% and a purity higher than 98.5%. The present process is based on the crystallization of a commercial lactulose aqueous syrup having a total content of carbohydrates different from lactulose higher than 10% by weight.

In particular, the process of the present invention can be applied to commercial lactulose aqueous syrups having the following composition: from 50% to 70% by weight of lactulose; from 3% to 9% by weight of lactose; from 3% to 14% by weight of galactose; from 4% to 7% by weight of other carbohydrates; the total content of carbohydrate different from lactulose ranging between 10% and 30% by weight.

It has surprisingly been found—and this finding constitutes a fundamental feature of the present invention—that by

adding a commercial lactulose aqueous syrup with trihydrated crystalline lactulose in amounts ranging from 5% to 30% of the total lactulose present, a high-purity lactulose crystallizes in good yields.

As known, in crystallization processes, once the right solvent and the right crystallization conditions in respect of concentration and temperature have been found, few seed crystals are generally enough for initiating the progressive crystallization of the product in solution, according to laws governed by:

product concentration in the concentrated matrix;
crystallization temperature;
residence time.

As far as sugars are concerned, said conditions are generally reached in such long times that a “random self-initiation” of the solutes having lower k_{ps} than the product to be crystallized becomes highly probable: consequently, the crystalline cake recovered is still contaminated by said solutes.

It is, therefore, surprising that the addition to a lactulose aqueous syrup of a large amount of trihydrated lactulose in the crystal state—and not of few seed crystals—can initiate a preferential crystallization of lactulose in respect of the other carbohydrates present in the syrup, yielding a high-purity crystalline lactulose.

Compared with the process disclosed in European patent application EP-A-318630, the process of the present invention has the advantage of giving very-high-purity crystalline lactulose starting from any syrup of commerce.

DETAILED DESCRIPTION OF THE INVENTION

Lactulose crystallization according to the present invention is characterized by the following process: the water content of the lactulose aqueous syrup is lowered to a sugar concentration of from 70° to 80° Brix; the resulting syrup is added at from 5° C. to 20° C. with crystalline trihydrated lactulose, acting as a crystallization initiator, in amounts ranging from 5% to 30% by weight of the lactulose present in the starting syrup, which temperature is maintained for a period of from 20 to 120 hrs. The crystalline solid obtained consisted of trihydrated lactulose having a content of carbohydrates different from lactulose below 1% by weight and a lactulose content of at least 98.5% (on anhydrous basis).

In particular, the process for the preparation of crystalline lactulose according to the present invention comprises the following steps:

a) commercial lactulose aqueous syrup is evaporated under continuous stirring at a temperature of from 50° to 60° C. and at a pressure of 2660 to 6650 Pa, up to a sugar concentration of 70°-80° Brix;

b) the resulting concentrated syrup is cooled to 5° to 20° C. and added with crystalline trihydrated lactulose in an amount of from 5 to 30 parts by weight of the lactulose present in the syrup;

c) the suspension obtained is stirred at said temperature for a period of from 20 to 120 hours and the lactulose present in the syrup is crystallizes in the form of trihydrated lactulose;

d) the crystallized trihydrated lactulose obtained is separated by centrifuging or filtering from mother liquors, washed with cold water, and dried at a pressure of from 6650 to 13300 Pa, at a temperature of from 30° to 60° C., to yield crystalline lactulose having a water content below 0.5%.

The process of the invention gives highly pure (98.5% minimum) crystalline lactulose in yields per cycle greater than 40% of the lactulose present in the starting syrup.

The mother liquors resulting from the separation of crystalline trihydrated lactulose are passed once or several times through columns containing anionic or cationic exchange resins, either individually or in sequence, as illustrated in European patent applications EP-A-132,509, EP-A-158,148, EP-A-159,521, EP-A-284,959, and EP-A-294,960 by the Applicant, so to lower the content of carbohydrates different from lactulose below the aforesaid limits and, therefore, to allow the mixing of same with the commercial starting syrup to be subjected to the process of the present invention.

This operation allows the recycling of the mother liquors and the almost complete recovery of the lactulose present in the syrups of commerce.

In a preferred embodiment of the present invention, the concentrated syrup of step b) has a content of 55% to 62% by weight of lactulose and the crystalline trihydrated lactulose is added in an amount ranging between 5% and 15% by weight of the lactulose present in the commercial syrup (the amount of trihydrated lactulose used as a crystallization initiator is expressed as % by weight of anhydrous lactulose).

A single washing of the crystalline trihydrated lactulose obtained in d) with cold water (3°-5° C.) is generally enough for a satisfactory removal of the residual mother liquors and for obtaining a product of the desired purity.

The following examples illustrate some embodiments of the claimed process.

EXAMPLES

Crystallization of Lactulose Starting From Commercially Available Syrups

Several crystallizations of commercially available lactulose syrups were carried out according to the standard procedure described below.

Syrups characteristics are shown in Table 1 and the results obtained in Table 2.

STANDARD PROCEDURE

A syrup (1000 kg) of composition as shown in Table 1 was concentrated under vacuum at a pressure of from 2660 to 6650 Pa, under continuous stirring, at a temperature of from 50° to 60° C., to a sugar concentration of 70°-80° Brix.

The resulting solution was fed to a crystallizer and cooled to 8° C. under continuous stirring. Once said conditions have been reached, crystalline trihydrated lactulose was fed in the amounts shown in Table 2.

The obtained suspension was slowly stirred at 8° C. for the period indicated in Table 2, then the mother liquors were removed by centrifuging, the crystal cake was squeezed to remove most mother liquors, washed with cold water, and squeezed again.

The resulting product was dried in an air oven at a temperature not exceeding 60° C. and at a pressure of from 6650 to 13300 Pa, until obtaining anhydrous lactulose crystals (i.e. having a maximum water content of 0.5%) of >98.8% purity (on dry basis) (Table 2).

The purity of lactulose crystals was determined on the dried product by HPLC analysis (J. Agric. Food Chem., 32, 288-292, 1984), by means of comparison with standard lactulose produced and sold by MERCK.

TABLE 1

Composition (%) of the aqueous solutions used

Item	LTL	LTS	EPI	GLT	ND	H_2O
I	51.4	4.4	1.2	3.6	6.4	34.0
II	50.6	4.9	2.0	3.8	5.0	33.7
III	51.9	3.1	2.2	7.9	3.1	31.8
IV	51.0	8.2	1.3	3.5	4.0	32.0

Remarks: all quantities are by weight percentages of the solution total weight.

Abbreviations
LTL lactulose;
LTS lactose;
EPI epilactose;
GLT galactose;
ND carbohydrates different from LTL, LTS, EPI, and GLT.

TABLE 2

Experimental results

						LTL as initiator		total LTL	LTL recovered			
Ex.	**Syr a**	**Brixb**	**hc**	**LTL % wd**	**Cone. syr. Xge**	**%f**	**Kgg**	**Kgh**	**Kgi**	**% titl**	**% film**	**yieldn**
1	I	74	72	55.2	931	18.7	**111.6**	610	309	84.2	99.0	42.2
2	I	74	96	55.3	929	7.5	46.1	553	254	83.8	98.9	38.5
3	**I**	74	72	55.3	929	10.0	**61.1**	565	260	84.6	99.2	38.9
4	II	78	120	57.0	888	5.0	30.3	531	212	83.9	99.0	33.5
5	II	74	72	55.0	920	7.5	45.2	544	253	84.1	99.4	38.9
6	II	75	88	55.6	933	7.5	46.5	558	310	83.4	99.0	46.3
7	II	71	88	54.4	954	7.5	46.7	558	255	84.0	98.8	38.4
8	IV	74	56	55.2	924	15.0	69.8	587	238	83.5	99.1	33.9
9	IV	74	72	55.5	919	7.5	45.8	548	248	84.6	98.8	38.3
10	IV	70	72	53.8	948	7.5	45.9	548	213	84.6	98.8	32.9

a Commercial aqueous syrup used

b Brix degrees after syrup concentration

c Residence time in crystallizer at 8° C

d By weight %, amount of LTL after syrup concentration

e Amount of concentrated syrup (kg)

f By weight % amount of trihydrated LTL used as a crystallization initiator

g Weight of trihydrated LTL used as a crystallization initiator

h LTL total weight (LTL of the syrup + LTL used as a crystallization initiator)

i Weight of trihydrated LTL recovered

l titre of anhydrous LTL in trihydrated crystal before drying

m titre of anhydrous LTL after drying

n yield calculated by:
(anhydrous) crystalline LTL recovered (kg)
(anhydrous) total LTL In the system (kg)

I claim:

1. A process for the preparation of crystalline lactulose having a content of carbohydrates which are different from lactulose that is lower than 1% and a lactulose content of more than 98.5%, said process comprising the following steps:

(a) evaporating a part of the water from an aqueous lactulose syrup under continuous stirring at a temperature of from 50° to 60° C. and at a pressure of from 2660 to 6650 Pa to obtain a concentrated lactulose syrup with a sugar concentration of 70°-80° Brix, said aqueous lactulose syrup having a lactulose content of from 50% to about 62% by weight and a content of carbohydrates which are different from lactulose and include lactose, galactose and other carbohydrates, the lactose content being from 3% to 9% by weight; the galactose content being from 3% to 14 % and the other carbohydrate content being from 4% to 7% by weight;

(b) cooling the concentrated syrup obtained in step (a) to a temperature of from 5° to 20° C. prior to adding from 5% to 30% by weight of crystalline trihydrated lactulose based on the total weight of lactulose which is present in said aqueous lactulose syrup;

(c) stirring the product of step (c) for a period of from 20 to 120 hours to crystallize the lactulose which is present as trihydrated lactulose;

(d) separating the crystallized trihydrated lactulose by centrifugation or filtration of the product of Step (c) to obtain a mother liquor and separated crystallized trihydrated lactulose; and thereafter washing said separated crystallized trihydrate of lactulose with cold water prior to drying the separated crystallized trihydrate of lactulose at a temperature of from 30° to 60° C., to obtain crystalline lactulose having a water content of less that 0.5%.

2. The process according to claim 1, wherein the crystalline trihydrated lactulose is added in an amount of between 5% and 15% by weight of the lactulose present in said aqueous lactulose syrup.

3. The process according to claim 1, wherein the mother liquors obtained in step (d) are passed one or more times through columns containing ion exchange resins to reduce the content of carbohydrates which are other than lactulose.

4. The process according to claim 3, wherein the mother liquors which are recovered after the passage through the ion exchange columns are mixed with the aqueous lactulose syrup of step (a).

5. A process for the preparation of crystalline lactulose having a content of carbohydrates which are different from lactulose that is lower than 1% and a lactulose content of more than 98.5%, said process consisting essentially of the following steps:

(a) evaporating a part of the water from an aqueous lactulose syrup under continuous stirring at a temperature of from 50° to 60° C. and at a pressure of from 2660 to 6650 Pa to obtain a concentrated lactulose

syrup with a sugar concentration of 70°–80° Brix, said aqueous lactulose syrup having a lactulose content of from 50% to about 62% by weight and a content of carbohydrates which are different from lactulose and include lactose, galactose and other carbohydrates, the lactose content being from 3% to 9% by weight; the galactose content being from 3% to 14 % and the other carbohydrate content being from 4% to 7% by weight;

(b) cooling the concentrated syrup obtained in step (a) to a temperature of from 5° to 20° C. prior to adding from 5% to 30% by weight of crystalline trihydrated lactulose based on the total weight of lactulose which is present in said aqueous lactulose syrup;

(c) stirring the product of step (c) for a period of from 20 to 120 hours to crystallize the lactulose which is present as trihydrated lactulose;

(d) separating the crystallized trihydrated lactulose by centrifugation or filtration of the product of step (c) to obtain a mother liquor and separated crystallized tri- hydrated lactulose; and thereafter washing said separated crystallized trihydrate of lactulose with cold water prior to drying the separated crystallized trihydrate of lactulose at a temperature of from 30° to 60° C., to obtain crystalline lactulose having a water content of less that 0.5%.

6. The process according to claim 5, wherein the crystal-line trihydrated lactulose is added in an amount of between 5% and 15% by weight of the lactulose present in said aqueous lactulose syrup.

7. The process according to claim 5, wherein the mother liquors obtained in step (d) are passed one or more times through columns containing ion exchange resins to reduce the content of carbohydrates which are other than lactulose.

8. The process according to claim 7, wherein the mother liquors which are recovered after the passage through the ion exchange columns are mixed with the aqueous lactulose syrup of step (a).

* * * * *

United States Patent
Carobbi et al.

Patent Number: **5,003,061**
Date of Patent: **Mar. 26, 1991**

METHOD FOR PREPARING HIGH-PURITY CRYSTALLINE LACTULOSE

Inventors: **Renato Carobbi, Pistoia; Franco Innocenti, Bagno a Ripoli, both of Italy**

Assignee: **SIRAC Srl, Milan, Italy**

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Field of Search 536/1.1, 4.1, 127; 127/30, 46.1, 58

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Attorney, Agent, or Firm—Parkhurst, Wendel & Rossi

ABSTRACT

A method for preparing high-purity crystalline lactulose and the product obtained by the method, which comprises crystallization from aqueous solutions at a temperature of 5'-40' C., the starting aqueous solution having a lactulose concentration of 50-80% w/w, a lactose concentration of less than 5% of the lactulose concentration by weight, a galactose concentration of less than 5% of the lactulose concentration by weight, and a concentration of other sugars of less than 4% of the lactulose concentration by weight.

4 Claims, No Drawings

METHOD FOR PREPARING HIGH-PURITY CRYSTALLINE LACTULOSE

FIELD OF THE INVENTION

This invention relates to a new method for preparing high-purity crystalline lactulose by crystallizing aqueous solutions which contain it and eliminating the secondary components during the crystallization stage, and to the crystalline lactulose obtained in this manner.

PRIOR ART

Lactulose, or 4-O-b-D-galactopyranosyl-D-fructofuranose, is a semisynthetic disaccharide used in the form of a syrup or crystalline product for its laxative effects, for its effectiveness in hepatic disfunctions and particularly in portosystemic encephalopathy, or as a sweetener.

Commercially available lactulose syrup is generally impure, containing variable quantities of other carbohydrates, particularly lactose and galactose.

A typical composition of currently available syrup is the following:

lactulose	**50%by weight**
galactose	**5-8%by weight**
lactose	**3-3%by weight**
other carbohydrates	**5-10%by weight**

in which relatively large percentages of carbohydrates other than lactulose are present. These carbohydrates are also present, generally in lesser quantity, in currently commercially available crystalline lactulose.

Carbohydrates other than lactulose are undesirable in therapeutic applications for which lactulose is intended, and in particular for patients requiring a galactose-free diet and diabetic patients.

There is therefore a requirement for crystalline lactulose of higher purity, in particular with the greatest possible reduction in carbohydrates other than lactulose and with the absence of undesirable residual alcoholic solvent concentrations, which are present when lactulose is crystallized from alcoholic solutions.

The main currently known lactulose purification methods involve the use of alcoholic solvents, generally ethanol, together with complex procedures based on the extreme solubility of lactulose in an aqueous environment, or on various concentration processes by drying.

Crystalline lactulose obtained from alcoholic solvents is known to always contain a considerable percentage of solvent retained by the crystal, probably by the formation of hydrogen bonds between the sugar OH groups and the solvent OH groups, and it is never possible to eliminate the solvent residue even by prolonged drying.

One example of a process of purification by crystallization from ethanol is described in Italian patent No. 1,155,429.

The yield of such processes when calculated with respect to the lactulose contained in the starting syrup is particularly low.

In the present text the term “yield” indicates the amount of crystalline product obtained in a single step, as a weight percentage of the starting lactulose.

Thus, processes for obtaining crystalline lactulose from alcoholic solutions have the drawbacks of greater complication, lower yields and consequent higher cost, and a product from which the undesirable alcoholic solvent traces cannot be eliminated.

Again, processes involving concentration by direct drying of aqueous lactulose solutions, even if of high purity and whatever drying method is used (vacuum, lyophilization, spray drying), are known to lead to a very hygroscopic solid amorphous product or, as described in JP No. 61104800, to a solid containing crystalline lactulose which has to undergo further mixing and grinding before it can be used.

Thus none of the previously used methods has provided crystalline lactulose free both of impurities in the form of other undesirable carbohydrates and of residual concentrations of alcoholic solvent retained by the lactulose crystal.

Up to the present time it has been impossible in practice to directly obtain from aqueous solutions high-purity crystalline lactulose having the characteristics of the lactulose claimed in the present patent.

SUMMARY OF THE INVENTION

In accordance with the present invention we have now discovered a new industrially applicable lactulose purification process which obviates all these drawbacks and enables crystalline lactulose to be obtained in a particularly simple and economical manner with a degree of purity exceeding 98% by weight and practically free of carbohydrates other than lactulose, in particular lactose and galactose, from aqueous solutions which contain it in an impure state due to the presence of carbohydrates other than lactulose, and/or alcohols. If the process of the present invention is applied to lactulose crystallized from alcoholic solutions and then redissolved in water, the crystalline lactulose finally obtained is practically free of any trace of the alcoholic solvent used and thus has a degree of purity considerably higher than that obtainable by any process previously used.

The final yield of the process according to the invention varies according to the crystallization temperature, the crystallization time, the lactulose purity and the solution purity, and lies between 10 and 70%.

In its preferred embodiments, the yield varies from 55 to 70% as indicated hereinafter, and is therefore considerably greater than in all previously used methods, so making this process usable more economically on an industrial scale than previous processes.

The method of the present invention enables crystalline lactulose to be obtained from aqueous solutions which are impure because of the presence of carbohydrates other than lactulose and/or alcohols, and in particular from aqueous solutions having the following characteristics:

(a) lactulose concentration of 50-80% w/w and preferably 65-70% w/w in the aqueous solution;

(b) lactose concentration of less than 5% of the lactulose concentration by weight; (c) galactose concentration of less than 5% of the lactulose concentration by weight;

(d) concentration of other carbohydrates of less than 4% of the lactulose concentration by weight;

(e) total concentration of carbohydrates other than lactulose not exceeding 6% of the lactulose concentration by weight.

The method according to the present invention is characterised by maintaining the crystallization conditions within precise critical values, and more specifi-

cally by simultaneously maintaining all the indicated parameters within the following defined critical values:

a. Crystallization temperature between 5° and 40° C., and preferably between 10° and 15° C.

b. Crystallization time between 10 and 60 hours, and preferably between 24 and 36 hours.

Outside these values an extremely low final process yield is obtained such that the process cannot be used industrially, it being sufficient for only one of these parameters to lie outside the range of values defined by the present invention for the final yield to be such as to make the process unusable industrially.

This process, which is described in detail in the examples, therefore not only enables crystalline lactulose to be obtained directly from sufficiently pure aqueous solutions, but also enables the residual solvent to be completely eliminated from crystalline lactulose obtained by conventional crystallization from alcoholic solvents such as methanol, ethanol and propanol.

The following examples are given as non-limiting illustration of the process according to the invention for purifying and crystallizing lactulose from aqueous solutions.

EXAMPLE 1

1000 kg of a lactulose solution having the following composition:

lactulose	50%
lactose	0.7%
galactose	0.9%
other sugars	0.3%
water	to make up to 100%

are concentrated under vacuum to a lactulose concentration of 70%.

The concentrated solution is then cooled to 13° C. and 1 kg of crystalline lactulose is added.

The mixture is left under agitation for 24 hours maintaining the temperature at 13° C., after which the solid obtained, consisting of crystalline lactulose, is filtered off.

The solid is dried in an air oven at a temperature not exceeding 35° -40° C. to obtain 273 kg of crystalline lactulose with a purity exceeding 98% and a yield of 54.5%.

EXAMPLE 2

1000 kg of a lactulose solution having the following composition:

lactulose	50%
lactose	0.7%
galactose	0.9%
other sugars	0.3%
water to make up to	100%

are concentrated under vacuum to a lactulose concentration of 68%.

The concentrated solution is cooled to 35° C. after which 1 kg of crystalline lactulose is added.

Over a period of 20 hours the temperature is cooled to 15° C. while maintaining slow agitation, this temperature then being maintained for a further 16 hours.

By centrifuging, 373 kg of wet product (KF 17%) are obtained, equivalent to 309.5 kg of dry product, with a yield of 61.7% and a purity of 98.3%.

EXAMPLE 3

500 kg of crystalline lactulose (purity 98.7%) obtained by crystallization from ethanol, with a residual ethanol concentration of 5000 ppm, are dissolved in 2000 l of water.

The solution obtained is concentrated under vacuum to 68% of lactulose and its temperature allowed to reach 30° -35° C. spontaneously.

Crystallization is triggered by adding 800g of crystalline lactulose.

The solution is then cooled to about 15° C. and kept at this temperature for 30 hours.

By centrifuging, 430 kg of wet product (KF 18%) are obtained, equivalent to 342.5 kg of dry product, with a yield of 68.5% and a purity exceeding 99%.

The residual ethanol content is reduced to less than 5 ppm.

We claim:

1. A method for preparing crystalline lactulose having less than 2% of carbohydrate other than lactulose and a purity exceeding 98% comprising:

(a) adding a crystalline lactulose seed to an aqueous solution of lactulose having a lactulose concentration of from 50% to 80% w/w, a lactose concentration of less than 5% of the lactulose concentration by wt., a galactose concentration of less than 5% of the lactulose concentration by wt. and concentration of other carbohydrates of less than 4% of the lactulose concentration by wt.;

(b) crystallizing said lactulose solution at a temperature between 5° and 40° C. and in a time between 10 and 60 hours; and

(c) drying the obtained crystalline lactulose.

2. A method as claimed in claim 1, wherein the lactulose concentration in the aqueous solution is 65-70% w/w and the total concentration of carbohydrates other than lactulose does not exceed 6% of the lactulose concentration by weight.

3. The method of claim 1 wherein said lactulose solution crystallizing temperature is between 10° C. and 15° C. and said time is between 24 and 36 hours.

4. The method of claim 1 wherein the aqueous solution of lactulose is obtained by dissolving lactulose, which was previously crystallized from alcoholic solutions, in water.

* * * * *

UNITED STATES PATENT AND TRADEMARK OFFICE
CERTIFICATE OF CORRECTION

PATENT NO. **5,003,061**

DATED **March 26, 1991**

INVENTORS) : **Renato CAROBBI et al.**

It is certified that error appears in the above-identified parent and that said Letters Patent is hereby corrected as shown below:

Title Page:
[73] Assignee: Please change "SIRAC Srl, Milan, Italy" to

—INALCO S.p.A., Milano, Italy—

Signed and Sealed this

Fifth Day of January, 1993

Attest:

DOUGLAS B. COMER

Attesting Officer ***Acting Commissioner of Patents and Trademarks***

REEXAMINATION CERTIFICATE
ISSUED UNDER 35 U.S.C. 307

THE PATENT IS HEREBY AMENDED AS
INDICATED BELOW.

Matter enclosed in heavy brackets [ ] appeared in the patent, but has been deleted and is no longer a part of the patent; matter printed in italics indicates additions made to the patent.

AS A RESULT OP REEXAMINATION, IT HAS BEEN DETERMINED THAT:

Claim 1 is determined to be patentable as amended.

Claims 2, 3 and 4, dependent on an amended claim, are determined to be patentable.

1. A method for preparing crystalline lactulose having less than 2% of carbohydrate other than lactulose and a purity exceeding 98% comprising;

(a) adding a crystalline lactulose seed to an aqueous solution of lactulose having a lactulose concentration of from 50% to 80% w/w, a lactose concentration of less than 5% of the lactulose concentration by wt., a galactose concentration of less than 5% of the lactulose concentration by wt. and concentration of other carbohydrates of less than 4% of the lactulose concentration by wt., *said aqueous solution containing water as the only solvent;*

(b) crystallizing said lactulose solution at a temperature between 5° and 40° C. and in a time between 10 and 60 hours; and

(c) drying the obtained crystalline lactulose.

* * * * *

EXHIBIT C

Transition Plan

TRANSITION PERIOD SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of April 7, 2006, by and between INALCO BIOCHEMICALS, INC., a California corporation with principal offices at 3440 Empresa Drive, Suite A, San Luis Obispo, California 93401 (“Service Provider”) and CUMBERLAND PHARMACEUTICALS INC., a Tennessee corporation with principal offices located at 2525 West End Avenue, Suite 950, Nashville, Tennessee 37203 ("Recipient"). Service Provider and Recipient are referred to herein collectively as "Parties" and separately as a “Party.”

WHEREAS, this Agreement is intended to govern certain tasks to be accomplished in order to effect the orderly transfer from Service Provider to Recipient of the certain supply chain activities; and

WHEREAS, Recipient wishes Service Provider provide for certain transitional services related to the Product (as defined herein) by Recipient, and Service Provider is willing to provide for such transitional services to Recipient, on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
SERVICES

1.1 Services Overview. During the Term (as defined in Article 7 hereof) and subject to the terms and conditions of this Agreement, Service Provider shall have provided to Recipient the supply chain activity services set forth in Section 1.2 (collectively, the “Services”).

1.2 Supply Chain Activity Services.

(a) Description. Service Provider shall have performed the following supply chain activity services relating to the Product: (i) customer service; (ii) maintaining inventory levels of Product (as defined herein) based upon Recipient’s forecasts and reporting inventory levels monthly to Recipient; (iii) order taking, processing and fulfillment of orders including billing and invoicing; (iv) processing and recording of sales, credits and price concessions; (v) warehousing and distribution; (vi) management of suppliers for transfer to Recipient; (vii) calculation and filing of government reports; (viii) reconciling aged accounts receivable balances; (ix) processing and destroying returned Product; (x) coordinating logistics and obtaining and maintaining all necessary permits and all other documentation for transporting Product; and (xi) processing of government rebates for Product identified by Mylan’s NDC Code throughout the Term. For purposes hereof, “Product” shall mean the pharmaceutical product lactulose crystals sold under the Kristalosee trademark in all strengths and dosage forms. For purposes hereof, “NDC Code” shall mean the National Drug Code number assigned as a listing number to each drug or class of drugs as described in Section 510(e) of the Federal Food, Drug, and Cosmetic Act. Notwithstanding anything herein to the contrary, commencing on the Effective Date (as defined herein), Recipient shall have sole responsibility for production forecasts and all Product pricing decisions and any state and other governmental entity licenses for Product commercial distribution. For purposes hereof, “Effective Date” shall mean the Effective Date as defined in the Kristalose Agreement dated April 7, 2006, among Recipient, Inalco Biochemicals, Inc., and Inalco S.p.A (the "Master Kristalose Agreement"). With respect to the Product, the Transition Team (as defined in Section 3.1(b)) will work together in good faith to determine how the Recipient and Service Provider will cooperate to comply with all government price reporting obligations, including, but not limited to, average manufacturer‘s price, average sales price, best price, and non-federal average manufacturing price. All Services are required to be provided in a competent manner in conformity with applicable requirements of any governmental authority, including the United States Food and Drug Administration.

(b) Service Period. Except for the Services set forth in Section 1.2 (a)(xi) which Service Provider shall have performed throughout the Term, Service Provider shall have performed the Services set forth in this Section 1.2 for the period commencing on the Effective Date and ending on the first to occur of (i) early termination of this Agreement pursuant to Article 7 hereof; or (ii) the date upon which Recipient has begun using its own NDC Code and all inventories of Product containing Mylan's NDC Code have been sold. Immediately upon expiration of such period, Recipient shall be fully responsible for such Services and shall immediately cease using Mylan's NDC Code, and Service Provider shall have no further responsibility whatsoever for the Services.

(c) NDC Code. Recipient shall use all reasonable efforts to establish as soon as possible following the Effective Date its own NDC Code. Once the Recipient has received its own number, the Transition Team will work together to transition to use of that code on the Product as soon as possible. Within ten (10) business days of the receipt by Recipient of its own NDC Code, the Parties, acting through their designees on the Transition Team, will agree in writing on the date for the transition of the Services (except for Services provided pursuant to Section 1.2(a)(xi)) from Service Provider to Recipient.

(d) Sales Data. Service Provider shall supply Recipient on a monthly basis with a written report containing information on the channels of distribution of the Product, sales results, and remaining inventory of the Product for the period since the ending date of the prior such report. Each report shall be delivered to Recipient no later than five (5) days after the end of the month in question. Within thirty (30) days after the end of the month in question, Service Provider will also provide a more detailed sales report that sets forth the information contained in Section 2.2(a)(i),(ii), and (iii) and such other information as is reasonably requested by Recipient.

1.3 Limitation on Service Provider's Obligations. Service Provider will not be obligated to (i) hire additional or different personnel or acquire additional resources or (ii) retain personnel currently employed by it, but, in each case to devote such personnel as may be reasonably necessary to provide the Services to Recipient pursuant to and in accordance with the terms of this Agreement.

1.4 Performance of Services; Remedy. Service Provider agrees to have performed the Services with the same skill, diligence, and expertise as have historically been applied by Service Provider and others in the performance of Services prior to the Effective Date. Service Provider shall have the Services performed at existing facilities of Mylan Laboratories or at such other place as agreed in writing by Recipient in advance of performance. Each Party agrees and acknowledges that except as otherwise set forth herein, Recipient's sole and exclusive remedy and Service Provider's sole and exclusive liability for any defect or error in the Services will be correction or re-performance of the Services.

1.5 License. Service Provider hereby represents and warrants that it has the right to sublicense, and hereby does sublicense, to Recipient its non-exclusive license to use the names and marks "Mylan" and "Bertek" in connection with the use, sale, marketing and distribution of the Product. All such use shall be consistent with the use of such names in connection with the Product prior to the Effective Date. Such sublicense shall terminate upon the earliest to occur of the following events: (i) Recipient's commencing commercial use of revised labels, printed materials and Product samples to sell, market and distribute the Product under Recipient's own name and NDC Code; (ii) termination of the Services set forth in Section 2.1 of this Agreement; (iii) Service Provider's receipt of written notice from Recipient that Recipient no longer requires the sublicense; or (iv) thirty (30) days after Recipient's receipt of notice from Service Provider that Recipient is in material breach of this Section 1.5 if Recipient has not, within such thirty (30) day period, cured such material breach. Recipient shall make commercially reasonable efforts to obtain such revised labels, printed materials and Product samples as soon as possible.

ARTICLE 2
FEES

2.1 Fees. If Recipient fails to begin performing the Services (except for Section 1.2(a)0d)) on the date agreed to by the Transition Team pursuant to Section 1.2(c), Recipient shall begin on such date paying Service Provider the sum of [***] Dollars (US $[***]) per month for the Services. In addition, Recipient shall reimburse Service Provider for all documented and reasonable out-of-pocket expenses incurred during the Term and necessary for the performance of all of Service Provider's obligations under this Agreement.

2.2 Payments. (a) During the period that the Service Provider shall have the Services set forth in Section 1.2(a) performed, Service Provider will immediately remit to Recipient payments received from Mylan, which are to be made the first business day of each calendar month, an amount equal to the revenues received by Mylan during the prior calendar month from the sale of Product (after the deduction of any quantity and / or normal and customary cash discounts actually allowed for the sale of those Products) less (i) Recipient's supply price of $[***] per 10-gram pouch sold and $[***] per 20-gram pouch sold, as applicable, (ii) the cost of any credits, rebates, administrative fees, reimbursements, chargebacks, rejections, returns or similar charges allocated to the Recipient as determined by Section 2.3 below in such calendar month, and (iii) any and all fees due from Recipient to Service Provider for such calendar month as set forth in Section 2.1. If the costs under subsections (i), (ii) and (iii) in this Section exceed the revenues received by the Service Provider from the sale of Product for the calendar month then the Recipient will remit the balance to Service Provider. Thereafter, Recipient shall make payments to Service Provider monthly within [***] ([***]) days of Recipient's receipt of invoice for amounts due under Section 2.2(a)(ii) above. Service Provider may charge the Recipient a late fee of one and one-half percent (1.5%) per month on any undisputed payment which the Recipient does not pay within thirty (30) days of becoming due. Taxes arising as payable by the Recipient by virtue of the delivery of Services hereunder shall be in addition to the foregoing amounts and shall be paid by Recipient.

(b) Any withholding taxes, levies, or other duties paid or required to be withheld under the appropriate local tax laws by Service Provider as a direct result of monies being paid to Recipient hereunder may be deducted from the amount of monies otherwise payable to Recipient provided that Service Provider promptly provides Recipient with a certificate evidencing payment of such taxes, levies or dates and the amounts actually paid. The Parties shall cooperate reasonably with each other to ensure that any amounts required to be withheld are reduced in amount or not paid to the fullest extent permitted by law. No deduction shall be made, or a reduced amount shall be deducted, if Recipient furnishes a document from the appropriate tax authorities to Service Provider certifying that the payments are exempt from withholding or subject to reduced withholding, according to the applicable convention for the avoidance of double taxation.

2.3 Accounts Arrangements. For all credits, price concessions, rebates, administrative fees, reimbursements, chargebacks, rejections, returns (including the cost of destroying any return) and similar costs ("Costs") paid or issued subsequent to the Effective Date that pertain:

(a) to the sale of Product prior to the Effective Date, Service Provider shall be responsible for those Costs; and

(b) to the sale of the Product subsequent to the Effective Date, Recipient shall be responsible for those Costs.

Recipient shall reimburse Service Provider, and Service Provider shall reimburse Recipient, for any payments made by it for which the other is responsible pursuant to this Section 2.3, in each case against invoice. Determination of liability for any particular Cost shall be made using the methodology that most accurately and reasonably allocates Costs as outlined above, such as lot number of the Product sold, or where it is not possible to determine the lot number of Product sold, by the timing between incurring the Cost and the time of actual payment (such time lag to be reasonable to both Parties) or such other method as the Parties may agree. If the

Parties cannot agree on allocation of any Cost, the calculation will be submitted for determination to an international, independent public accounting firm mutually selected by the Parties, and such determination will be binding on the Parties. For ease of administration, the Parties agree to accept the following assumptions:

(i) for Medicaid rebates, rebates that are claimed within 180 days of the Effective Date will be deemed to pertain to Mylan's sales and rebates claimed thereafter (or any with Recipient 's label) will be deemed to pertain to Recipient's sales;

(ii) with respect to returns, each Party is responsible for all returns relating to entire lots of Product sold by it. Where each Party has sold part of a lot of Product, unless otherwise agreed, returns will be destroyed and the responsibility for the Costs of such returns will be allocated between Recipient and Service Provider in proportion to volume of sales of Product made by it from that lot. The Parties believe the above calculation would be the most reasonable basis for allocating returns, however, if after reviewing the actual return activity, a Party believes an alternate basis is more accurate it may propose such alternate basis. If the Parties cannot agree on the suggested alternate allocation of returns, the calculation will be submitted for determination to an international, independent public accounting firm mutually selected by the Parties, and such determination will be binding on the Parties.

ARTICLE 3
DELIVERY

3.1 Delivery.

(a) Books and Records. Service Provider shall commence delivery of the books and records set forth on Exhibit A hereto (the "Books and Records") to Recipient within seven (7) business days of the Effective Date, and Service Provider shall complete the delivery of the Books and Records to Recipient within thirty (30) days of the Effective Date. Notwithstanding anything herein to the contrary, the Parties acknowledge that Service Provider may indefinitely retain a copy of the Books and Records for regulatory, liability and/or archival purposes.

(b) The Parties shall appoint a transition team comprising one project manager from Recipient, one project manager from Service Provider and one project manager from Mylan ("Transition Team"). Each project manager shall involve additional representatives of his/her respective Party with the requisite experience, knowledge and expertise necessary to accomplish the objectives of the Transition Team. Service Provider shall have Mylan's representative on the Transition Team provide for access to employees and/or contractors who have direct and up-to-date experience of managing the Product. The Transition Team shall be appointed within ten (10) days of the Effective Date for the Term and shall be responsible for agreeing and implementing the detailed arrangements for the transfer of each of the Services from Service Provider to Recipient.

ARTICLE 4
RESPONSIBILITY

Nothing in this Agreement shall be construed as: (a) an assumption by either Party hereto of any financial obligation of the other Party hereto; (b) an assumption by either Party hereto of responsibility for the operations of the other Party hereto; or (c) the creation of any relationship of employment between either Party hereto and employees or consultants of the other Party hereto, or its affiliates.

ARTICLE 5
DISCLAIMERS; INDEMNIFICATION

5.1 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY TO THE OTHER PARTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5.2 Exclusion of Liability. IN NO EVENT SHALL EITHER PARTY, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

5.3 Limitation of Liability. EXCEPT AS OTHERWISE SET FORTH HEREIN, SERVICE PROVIDER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT SHALL BE LIMITED TO CORRECTION OR RE-PERFORMANCE OF THE SERVICES BY SERVICE PROVIDER AT SERVICE PROVIDER'S EXPENSE.

5.4 Indemnification. Each Party (the "Indemnifying Party") shall indemnify and hold the other Party (the "Indemnified Party") harmless from and against all claims, causes of action, settlement costs, including reasonable attorneys' fees, losses or liabilities of any kind asserted by third persons which arise out of or are attributable to any negligent act or omission on the part of the Indemnifying Party in the performance of its obligations under this Agreement.

ARTICLE 6
FORCE MAJEURE

Service Provider shall not be held responsible for the failure or delay in performance hereunder to the extent such failure or delay is due to a cause reasonably beyond the control of Service Provider, and which could not be avoided or prevented by reasonable foresight and planning ("Force Majeure Event"). This may (but may not necessarily) include without limitation, an act of God, war, fire, flood, explosion, sabotage, terrorism, epidemic, strikes and labor interruption, shortage, accident, unusually severe weather or other similar causes. In any such event, Service Provider shall promptly give notice to Recipient of the occurrence or circumstance upon which it intends to rely to excuse its performance. Duties and obligations of both Parties to the extent so affected shall be suspended for the duration of the Force Majeure Event and the fee payable under Section 2.1 shall be reasonably adjusted to reflect the level and scope of Services received by Recipient; provided, however, during such Force Majeure Event, Service Provider shall use reasonable efforts in providing Services hereunder not to disfavor Recipient as compared to itself when providing such similar services for its own operations.

ARTICLE 7
TERM AND TERMINATION

7.1 Term and Termination.

(a) Unless this Agreement is earlier terminated in accordance with paragraphs (b) or (c) of this Section 7.1, or unless otherwise agreed to in writing by the Parties hereto, this Agreement shall terminate on the date which is eighteen (18) months following the Effective Date (the "Term"). In addition to the provisions of paragraphs (b) and (c) of this Section 7.1, this Agreement may be terminated by Recipient upon thirty (30) days' advance written notice to Service Provider at any time.

(b) If Service Provider, on the one hand, or Recipient, on the other hand, shall fail to perform or shall default in the performance of any material provision of this Agreement, and if such failure or default shall continue for thirty (30) days (or where the default is a failure to pay monies due, for ten (10) days) after receipt by such defaulting Party of written notice of such failure or default, and such failure or default is not cured within such thirty (30) day (or ten (10) day) period (as appropriate), then the non-defaulting Party may terminate this Agreement in its entirety only. A termination of this Agreement shall become effective upon the expiration of such thirty (30) day (or ten (10) day) period (as appropriate), without the requirement of any additional notice, in the absence of a cure of the default and notice by the defaulting Party to the non-defaulting Party that the default has been cured. Termination pursuant to this Section 7.1(b) shall be without prejudice to any right or remedy a Party may have in respect of the breach giving rise to the termination.

(c) Upon expiration of the Term or earlier termination hereof for any reason, Service Provider shall have Mylan immediately cease all marketing, sale, promotion and distribution of the Product and shall promptly send all relevant records, materials, or confidential information relating to the Product and any remaining inventory thereof in its possession to Recipient.

ARTICLE 8
MISCELLANEOUS

8.1 Compliance with Applicable Law. In performing this Agreement, the Parties shall comply with all applicable laws.

8.2 Notices: Any notice permitted or required by this Agreement may be sent by facsimile with the original document being sent by certified (or registered) mail, return receipt requested, or overnight delivery and shall be effective when received (or refused) via facsimile or mail or overnight if faxed and sent and addressed as follows (or to such other facsimile number or address as may be designated by a Party in writing):

If to Recipient:

Cumberland Pharmaceuticals Inc.
2525 West End Ave., Suite 950
Nashville, Tennessee 37203
Fax: 615-255-0094
Attn: Chief Executive Officer

If to Service Provider:

Inalco Biochemicals, Inc.
3440 Empresa Drive, Suite A
San Luis Obispo, CA 93401
Fax: 805-782-0719
Attn: Eric A. Lowe

Such notice shall be effective upon the earlier of (i) receipt by the Party to whom notice is sent, (ii) seven (7) days after deposit into the mail, or (iii) receipt of fax-back confirmation if notice is sent via facsimile.

8.3 Assignment. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, and the performance of its duties hereunder shall not be delegated; provided, however, that either Party may assign this Agreement to any person or entity which acquires substantially all of its assets and business.

8.4 Independent Contractors. The Parties hereto agree that each is acting as an independent contractor and not as an agent of the other or as joint venturers.

8.5 Waivers and Modifications. The failure of any Party to insist on the performance of any obligation hereunder shall not act as a waiver of such obligation. No waiver, modification, release, or amendment of any obligation under this Agreement shall be valid or effective unless in writing and signed by both Parties.

8.6 Successors in Interest. This Agreement shall inure to the benefit of and be binding on the Parties' permitted assigns or successors in interest.

8.7 Severability. In the event that any term or provision of this Agreement shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, or otherwise be unenforceable, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

8.8 Exhibits; Headings. All Exhibits annexed to and incorporated in this Agreement by reference are deemed to be a part hereof. The headings used in this Agreement are for convenience only and are not part of this Agreement.

8.9 Choice of Law. This Agreement is subject to and shall be construed and enforced in accordance with the laws of the State of Delaware. The Parties hereby submit to the jurisdiction of federal and state courts in the State of Delaware in respect to all disputes arising out of or in connection with this Agreement and waive any and all objections to such venue.

8.10 Entire Agreement. This Agreement is being entered into pursuant to the Master Kristalose Agreement, and this Agreement (including exhibits hereto) constitutes an exhibit to the Master Kristalose Agreement. In the event of any conflict or inconsistency between the terms of this Agreement and the Master Kristalose Agreement, the terms of the Master Kristalose Agreement shall govern.

8.11 Performance. Time is of the essence in each Party's performance of its obligations hereunder.

8.12 Enforcement. Each Party acknowledges that in the event of breach of its covenants under this Agreement, actual damages may be impossible to calculate, that remedies at law may be inadequate, and the other Party may suffer irreparable harm. Therefore, the Parties agree that any such covenant may be specifically enforced through injunctive relief, but such right to injunctive relief shall not preclude either Party from other remedies which may be available to it.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

INALCO BIOCHEMICALS, INC.

By: /s/ illegible

Title: President

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ A.J. Kazimi

Title: C.E.O.

EXHIBIT A to Transition Agreement

Books and Records

Data Room Index

Label #	Description
1.	Historical units, gross sales, & expenses
2.	2005 Market research presentation
3.	Sample inventory at 2/14/06
4.	Prices & purchase mix
5.	Promotional items & literature inventory at 2/14/06
6.	Medical information / inquiries
7.	Mylan accounting policies excerpt from 2005 10-k filing
8.	Gross sales forecast through 2011
9.	Activity reports: July 2002 — June 2005 details by specialty
10.	Aligned & call file prescribers by territory
11.	Call file: QI FY06 & call file development flow chart
12.	Called on/detailed prescribers: June 2004 — May 2005
13.	Reach & frequency analysis: FY 2005 & Q1 FY 06
14.	Sample history: June 2004 — May 2005
15.	Targets by market
16.	Targets by product
17.	Learning System
18.	Training Manual
19.	Field Directions & Training Presentation
20.	Market research study: stocking & positioning
21.	Sales & marketing presentations, FY 06 marketing plan, promotional plan, & sample distribution procedures
22.	Concept Testing report & samples of certain promotional materials
23.	Product supply & manufacturing data
24.	Medical information
25.	Trademark documentation

Service Provider also will supply Recipient the following additional items within the time period specified in Section 3.1(a) of the Agreement:

1. A list of customers to receive a notice letter from Mylan substantially in the form attached hereto.
2. All purchase orders pending on the Effective Date, as well as all orders for Product received thereafter.
3. All existing URLs related to the Product and information needed to continue use of such URLs.
4. All Product inquiries received by Mylan following the Effective Date.
5. Analysis of sales by customer.
6. All inventory of Product related promotional materials.

EXHIBIT D

Specifications

STANDARD SPECIFICATION

Product	**Lactulose Bulk API**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water
Test	**Limits**
Assay	> [***]% anhydrous basis
Related substances (the sum of galactose and lactose)	< [***]% anhydrous basis
Water	< [***]%
Specific Optical Rotation	- [***]º to - [***]º
Total bacterial count	< [***] cfu/g
E.Coli	absent
Salmonella Species	absent

These specifications are current as of March 31, 2006

STANDARD SPECIFICATION

Product	**Lactulose for oral solution, 10-gram unit dose**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water
Test	**Limits**
Assay	> [***]% anhydrous basis
Related substances (the sum of galactose and lactose)	< [***]% anhydrous basis
Water	< [***]%
Specific Optical Rotation	- [***]º to - [***]º
Total bacterial count	< [***] cfu/g
E.Coli	absent
Salmonella Species	absent
Fill weight	Average net content of 10 sachets ³ 10.0g
Minimum Fill	Net content of any single sachet ³ 9.0g
Maximum Full	Net content of any single sachet £ 11.0g

These specifications are current as of March 31, 2006

STANDARD SPECIFICATION

Product	**Lactulose for oral solution, 20-gram unit dose**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water
Test	**Limits**
Assay	> [***]% anhydrous basis
Related substances (the sum of galactose and lactose)	< [***]% anhydrous basis
Water	< [***]%
Specific Optical Rotation	- [***]º to - [***]º
Total bacterial count	< [***] cfu/g
E.Coli	absent
Salmonella Species	absent
Fill weight	Average net content of 10 sachets ³ 20.0g
Minimum Fill	Net content of any single sachet ³ 18.0g
Maximum Full	Net content of any single sachet £ 22.0g

These specifications are current as of March 31, 2006

STANDARD SPECIFICATION

Product	**Lactulose Bulk API**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water
Test	**Limits**
Identification	Conforms with tests B,C,D and E of the European Pharmacopoeia
pH of solution	[***] to [***]
Color of solution	£ reference solution BY5 of the European Pharmacopoeia
Clarity of solution	clear
Assay	[3] [***]% anhydrous basis
Related substances (the sum of galactose, lactose, epilactose, tagatose and fructose)	£ [***]%
Water	£ [***]%
Specific Optical Rotation	- [***]º to - [***]º
*Boron	£ [***] ppm
*Methanol	£ [***]ppm
*Lead	£ [***]ppm
*Sulphated Ash	£ [***]%
Particle size	[***] > 800µ [***]% < 100µ
Bulk density	> [***]g/ml
Flowability	< [***] seconds
Total viable aerobic count	< [***] cfu/g
E.Coli	absent/1 g
Salmonella Species	not detectable

* These tests are periodically performed in accordance to the Certification of Suitability of Monographs of the Eur. Ph. and internal validation. It would comply if tested.

These specifications will be effective upon approval by a Competent Authority.

STANDARD SPECIFICATION

Product	**Lactulose for oral solution, 10-gram unit dose**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water

Test	**Limits**
Description	Cardboard box containing patient information leaflet and 30 single dose sachets, each containing nominally 10g of white or nearly white, odorless powder
Identification	Principal peak in test solution chromatogram is similar in position and size to the principal peak in the reference solution chromatogram
	Complies with the test for specific optical rotation
Fill weight	Average net content of 10 sachets ≥ 10.0g
Minimum Fill	Net content of any single sachet ≥ 9.0g
Maximum Fill	Net content of any single sachet ≥ 11.0g
pH of solution	[***] to [***]
Assay	[3] [***]% anhydrous basis
Related substances (the sum of galactose, lactose, epilactose, tagatose and fructose)	£ [***]%
Water	£ [***]%
Specific Optical Rotation	- [***]º to - [***]º
Total viable aerobic count	< [***] cfu/g
E.Coli	absent/1 g
Salmonella Species	not detectable

These specifications will be effective upon approval by a Competent Authority

STANDARD SPECIFICATION

Product	**Lactulose for oral solution, 20-gram unit dose**
Chemical name	4-O-ß-Galactopyranosyl-D-Fructofuranose.
Empirical Formula	$C_{12}H_{22}O_{11}$
Molecular weight	342.30
Characters	White or nearly white, odorless powder
Solubility	Freely soluble in water

Test	**Limits**
Description	Cardboard box containing patient information leaflet and 30 single dose sachets, each containing nominally 20g of white or nearly white, odorless powder
Identification	Principal peak in test solution chromatogram is similar in position and size to the principal peak in the reference solution chromatogram
	Complies with the test for specific optical rotation
Fill weight	Average net content of 10 sachets ≥ 20.0g
Minimum Fill	Net content of any single sachet ≥ 18.0g
Maximum Fill	Net content of any single sachet ≥ 22.0g
pH of solution	[***] to [***]
Assay	[3] [***]% anhydrous basis
Related substances (the sum of galactose, lactose, epilactose, tagatose and fructose)	£ [***]%
Water	£ [***]%
Specific Optical Rotation	- [***]º to - [***]º
Total viable aerobic count	< [***] cfu/g
E.Coli	absent/1 g
Salmonella Species	not detectable

These specifications will be effective upon approval by a Competent Authority

EXHIBIT E

Adverse Event Reporting

CUMBERLAND's role in assisting INALCO in the management of adverse events and product complaints for the INALCO-manufactured, Kristalose® (Lactulose for Oral Solution) shall be as follows:

In the event that CUMBERLAND receives an adverse event report or product complaint, CUMBERLAND will perform all communication with the initial reporter (i.e. documentation of the initial report, fellow-up correspondence, closeout letter etc.) This information will be faxed or sent via e-mail to INALCO (fax #805-782-0719). Also note that all adverse event reports and product complaints will be assigned a tracking number by CUMBERLAND (ex. KRIS2000-XXXINL). This number should be used on any correspondence regarding the reports between INALCO and CUMBERLAND. INALCO assumes all other responsibilities for the management of adverse events and product complaints for these products, which can be detailed as follows:

- Completion of product investigation.
- Preparation and submission of FDA 3500A forms for adverse event complaints.
- Preparation and submission of periodic reports for adverse experiences.
- Preparation and submission of alert reports for adverse experiences.
- Maintenance of completed files for all AE and product quality complaints. (CUMBERLAND will send INALCO a copy of the file once the investigation is complete.)

Any product that is returned to CUMBERLAND will be forwarded on to INALCO, a QA investigation form will also be sent to INALCO to be completed and returned to CUMBERLAND. CUMBERLAND will periodically send a report to INALCO providing a listing of the adverse events and quality complaints received by CUMBERLAND for Kristalose during that period.

In summary, INALCO will manage all manufacturing-related investigations and maintain all communication with the Food and Drug Administration regarding these products. All medical information requests will be answered by CUMBERLAND.

EXHIBIT 10.10

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

License Agreement

between

Vanderbilt University

and

Cumberland Pharmaceuticals Inc.

May 1999

LICENSE AGREEMENT
between
VANDERBILT UNIVERSITY
and
CUMBERLAND PHARMACEUTICALS INC.

THIS AGREEMENT, by and between VANDERBILT UNIVERSITY, a not-for-profit corporation, organized and existing under the laws of the state of Tennessee ("VANDERBILT"), and Cumberland Pharmaceuticals Inc., a Tennessee corporation, having a principal place of business at Nashville, Tennessee (the "LICENSEE") is effective as of the 28TH day of May , 1999 (the "EFFECTIVE DATE").

RECITALS

WHEREAS, VANDERBILT represents that it holds title, by assignment, to the data, including patient records, created by Gordon R. Bernard, M.D., Professor of Medicine ("the Data") relating to intravenously administered ibuprofen for treatment of sepsis and that it has all rights to the Data and VANDERBILT is willing to grant a license to the Data and any intellectual property rights associated therewith; and

WHEREAS, LICENSEE desires to acquire, and VANDERBILT desires to grant to LICENSEE, an exclusive, worldwide license to use the Data in connection with the development and production of the "Product," as hereinafter defined, for which LICENSEE intends to seek necessary approvals from regulatory governmental agencies in order to market and sell such products upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is agreed by the parties as follows:

1. DEFINITIONS

1.1 Product(s) shall mean a pharmaceutical product, consisting, in whole or part, of intravenously administered ibuprofen manufactured by or for LICENSEE based on the Data and approved by a regulatory agency for sale or other distribution in the country in which the agency has regulatory authority.

1.2 Net Sales. The term "Net Sales" shall mean the receipts for Products sold by LICENSEE or a sublicense during the term of this Agreement, computed quarter by quarter, less allowances for:

(a) cash, trade, or quantity discounts and rebates,

(b) taxes, including sales taxes and duties,

(c) credits, returns and replacements, and

(d) shipping and insurance charges.

Products shall be deemed sold when paid for.

1.3 The Inventor. The term “Inventor” shall mean Gordon R. Bernard, M.D., Professor of Medicine.

1.4 Affiliate means, when used with reference to LICENSEE, any entity directly or indirectly controlling, controlled by or under common control with LICENSEE. For purposes of this Agreement, “control” means the direct or indirect ownership of over fifty percent (50%) of the outstanding voting securities of an entity, or the right to receive over fifty percent (50%) of the profits or earnings of an entity, or the right to control the policy decisions of an entity.

2. GRANT

2.0 Exclusive License. VANDERBILT hereby grants to LICENSEE and LICENSEE hereby accepts from VANDERBILT, upon the terms and conditions herein specified, an exclusive, royalty bearing, worldwide license, with the right to sublicense, to use Data for any purpose, including manufacture and sale of the Product(s) as well as submission to regulatory governmental agencies for approval to sell Product(s), except as otherwise expressly set forth herein. Upon execution of this Agreement, VANDERBILT through Gordon Bernard will promptly deliver to LICENSEE all information and data relating to intravenously administered ibuprofen to which VANDERBILT holds title.

2.1 Federal Government Rights Reserved. Notwithstanding the exclusive license granted herein, the Federal Government shall receive all the rights, if any, to the Data required by law or regulation to be reserved to the government. All rights granted in this Agreement are expressly granted subject to the rights of the Federal Government and such rights are specifically reserved to the Government by this Agreement.

2.2 Reservation of Right. VANDERBILT reserves the right to make, use and further develop the Data for its own non-commercial, educational and research purposes.

2.3 Upon receipt of regulatory approval to sell the Product, LICENSEE shall use reasonable efforts to effect introduction of the Products into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment; thereafter, until the expiration of this Agreement, LICENSEE shall use commercially reasonable efforts to keep Products reasonably available to the public.

2.4 Subsidiaries and Distributors. License rights granted hereunder shall enable LICENSEE to make, use, sell or otherwise distribute Product through any of its subsidiaries and to sell Product through any of its normal channels including its subsidiaries, distributors, and agents.

3. TERMS AND TERMINATION

3.0 Term. Unless previously terminated as herein provided, this Agreement shall become effective as stated above and shall continue until LICENSEE ceases distribution of Product in all countries in which it has obtained regulatory approval for manufacture and distribution of such product based on use of the Data.

3.1 Termination. This Agreement may be terminated by written notice to the other party:

(a) Other than as stated in Article 3.1(b), in the event that one party commits any substantial breach of this Agreement, the non-breaching party at its option, may terminate this Agreement by giving the breaching party written notice pursuant to Article 10.2 of its election to terminate as of a stated date, not less than forty-five (45) days from the date of the notice. Such notice shall state the nature of the defaults claimed by the non-breaching party. The breaching party during said forty-five (45) day period, or such longer period as may be indicated by the other, may correct any default stated in said notice and if such default is corrected, this Agreement shall continue in full force and effect as if such notice had not been given. Failure by LICENSEE to pay earned royalties to VANDERBILT in a timely manner shall be deemed a substantial breach of the Agreement.

(b) In the event LICENSEE shall file a petition for voluntary bankruptcy, has a petition for involuntary bankruptcy filed against it (which petition is not withdrawn within sixty (60) days of such filing), is adjudicated to be bankrupt, or shall make an assignment for the benefit of creditors, or shall apply for or consent to the appointment of a receiver or trustee of a substantial part of its property, to the extent permitted by law, this Agreement shall automatically terminate effective as of a date ten (10) days prior to LICENSEE's change of status hereunder and shall be subject to Article 3.2.

(c) In the event a LICENSEE provides written notice to VANDERBILT and LICENSEE is terminating pursuing regulatory approval for the Product.

3.2 Effect of Termination. Upon termination of this Agreement, LICENSEE shall cease all production and sale of Product except for the production and sale of Product on which production had begun prior to notice of such termination. LICENSEE may continue to sell such Product for up to one year after such notice upon payment of royalties accruing thereon, and shall render an accounting to VANDERBILT of any royalties which may be due. Immediately upon termination all rights of Licensee, except as expressly stated in this article, shall revert to VANDERBILT.

3.3 Sections 3.2, 3.4, 5.1, Article 6, Article 7, Article 8, Article 9, and Section 10.8 of the agreement shall survive termination.

4. CONSULTING AGREEMENTS

4.0 Consulting Agreements. In the event LICENSEE desires to have a Consulting Agreement with Dr. Bernard, any such Consulting Agreement will be separate and apart from this Agreement, and in accord with VANDERBILT policy and procedures.

5. ROYALTIES AND MILESTONES

5.0 Initial Payment. Upon execution of this Agreement, LICENSEE agrees to grant VANDERBILT 25,000 shares of common stock in Cumberland Pharmaceuticals, Inc. (the "Stock") upon the same terms and conditions contained in Section 2.2 of the subscription agreement attached to the LICENSEE's Confidential Private Placement Memorandum dated January 29, 1999. A certificate for such Stock will be delivered to VANDERBILT within ten (10) days of the effective date of this Agreement as set forth above.

5.1 Royalties. Commencing on the effective date of this Agreement, LICENSEE agrees to pay VANDERBILT at the rate of [***] percent of Net Sales of Products sold to third parties.

5.2 Schedule of Payment. LICENSEE further agrees to pay royalties on a quarterly basis based on LICENSEE's fiscal quarter and payments shall be due within forty-five (45) days after the completion of the fiscal quarter. Each such payment shall be accompanied by a statement for the period covered by such royalties showing total number or volume of Products sold, and total royalties due, and identified as Net Sales within U.S. or non-U.S. This statement is to be certified as accurate by a responsible officer of LICENSEE.

5.3 Milestone Payments. LICENSEE agrees to use its commercially reasonable best efforts and diligence to proceed with the development, manufacture, use and sale of Products. Within thirty (30) days following notification of marketing approval granted by the U.S. Food and Drug Administration for distribution of the Product ("FDA Notification"), LICENSEE agrees to grant VANDERBILT Stock with a value of $150,000, as measured by the offering price per share of Stock offered by the Company to outside investors (i) at the time that such grant is due, or in the event that no such offering is ongoing at the time such grant is required, (ii) at such earlier date when LICENSEE last sold Stock to such investors prior to FDA Notification. A certificate for such Stock will be delivered to VANDERBILT within thirty (30) days following FDA Notification.

5.4 Reports. LICENSEE shall provide written annual reports within [***] after December 31 of each calendar year which shall include but not be limited to: reports of progress on research and development, regulatory approvals, manufacturing, marketing and sales during the preceding twelve (12) months as well as plans for the coming year. LICENSEE shall promptly notify VANDERBILT if any changes in the marketplace or in LICENSEE's financial condition or business aims suggest commercialization will not occur within three (3) years from the date hereof.

5.5 Records. LICENSEE shall maintain complete and accurate records sufficient to enable accurate calculation of royalties due VANDERBILT under this Agreement. LICENSEE shall, at VANDERBILT's request and expense, provide certified statements from LICENSEE's auditors, concerning royalties due pursuant to this Agreement. Once a calendar year, VANDERBILT shall have the right to select a certified public accountant to inspect, on reasonable notice and during regular business hours, the records of LICENSEE to verify LICENSEE's statements and royalty payments pursuant to this Agreement. The entire cost for such inspection shall be borne by VANDERBILT, unless there is a discrepancy greater than 5% in VANDERBILT's favor, in which case LICENSEE shall bear the entire cost of the inspection. Records shall be preserved by LICENSEE for three (3) years for inspection by VANDERBILT.

5.6 If this Agreement is not terminated in accordance with other provisions hereof, LICENSEE's obligation to pay royalties hereunder shall continue as long as Product is being distributed by LICENSEE.

5.7 The royalty on sales in currencies other than U.S. Dollars shall be calculated using the appropriate exchange rate for such transactions quoted by CITICORP BANK (NEW YORK) foreign exchange desk on the last banking day of each calendar quarter. Royalty payments to VANDERBILT shall be in U.S. Dollars.

5.8 In the event that LICENSEE is acquired by a third party or enters into a joint venture with a third party, or in any other way transfers all of its assets, including this License to a third party, all obligations of this License, including the foregoing royalty terms, shall be binding upon the party acquiring this License.

6. CONFIDENTIALITY

6.0 It may be necessary for one party to disclose to the other party certain confidential or proprietary information, including business plans and marketing strategies. In such event, the receiving party agrees to preserve such identified information as confidential. The obligation of confidentiality shall not apply to information which:

(a) is now in the public domain or which becomes generally available to the public through no fault of the receiving party; or

(b) is already known to, or in the possession of, the receiving party prior to disclosure by the disclosing party as can be demonstrated by documentary evidence; or

(c) is disclosed on a non-confidential basis from a third party having the right to make such a disclosure; or

(d) is independently developed by the receiving party as can be demonstrated by documentary evidence.

6.1 Term. The confidentiality obligations of this Article shall continue for a period of five (5) years beyond the termination of this Agreement.

7. INFRINGEMENT

7.0 Products Infringing Third Parties. Each party shall promptly notify the other if any legal proceedings are commenced or threatened against either party or any purchaser of a Product sold by LICENSEE on the ground that the manufacture, use, sale or possession of the Product is an infringement of a third party's patent or other intellectual property rights. LICENSEE shall, at its own expense, conduct all suits brought against it as a result of the exercise of the rights granted hereunder, and VANDERBILT shall, at the request and expense of LICENSEE, give LICENSEE all reasonable assistance in any such proceedings. Payment of any amounts which may be recovered by such third party by way of judgment, award, decree, or settlement that resulted from infringement of third party patent rights or other rights by a Product, including attorneys' fees and other costs shall be the sole responsibility of LICENSEE. LICENSEE agrees not to settle or compromise any action, suit or proceeding without the consent of VANDERBILT.

8. WARRANTIES AND INDEMNITIES

8.0 Nothing in this Agreement shall be constructed as:

(a) a warranty or representation by VANDERBILT that anything made, used, sold, or otherwise disposed of through the license granted herein is or will be free from infringement of patents rights of third parties;

(b) an obligation by VANDERBILT to bring or prosecute actions or suits against third parties for infringement;

(c) Granting by implication, estoppel, or otherwise any licenses under patents of VANDERBILT.

8.1 To the best of its knowledge and belief, VANDERBILT hereby represents and warrants that it is the sole owner of the Data and has the right to grant the license to the Data provided herein and that to the best of its knowledge and belief after due inquiry, no rights of patients or other persons are or will be infringed by the license granted to LICENSEE. VANDERBILT further represents and warrants that the Data is both accurate and complete and includes all information and data relating to intravenously administered ibuprofen to which VANDERBILT holds title. VANDERBILT also represents and warrants that it has full right, title, and authority to enter into this Agreement and that VANDERBILT is not under any obligation resulting from any contract or arrangement, to any person, firm, or corporation, which is inconsistent or in conflict with this Agreement.

8.2 (a) LICENSEE shall indemnify, defend and hold harmless VANDERBILT and its trustees, officers, faculty, staff, employees, students, agents and representatives, and their respective successors, heirs and assigns (the "Indemnities"), against any liability, damage, loss or expenses (including reasonable attorneys' fees and expense of litigation) incurred by or imposed upon the Indemnities or any one of them in connection with any claims, suits, actions, demands, or judgments arising out of any theory of law (including, but not limited

to, actions in the form of tort, warranty, or strict liability) arising from LICENSEE's use of the Data pursuant to any right or license granted under this Agreement. Such indemnity obligation shall include claims and expenses related to infringement of a third party's rights by the Product.

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

(c) VANDERBILT shall indemnify, defend and hold harmless LICENSEE and its officers, directors, employees, agents, and shareholders, notwithstanding termination of this Agreement, against any liability, damage, loss, or expenses (including reasonable attorney's fees) incurred by or imposed in connection with any claims, suits, actions, demands or judgments arising out of any theory of law (including, but not limited to, actions in the form of tort, warranty, or strict liability) arising from default under any provision of this Agreement by VANDERBILT.

8.3 VANDERBILT MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND EXPRESS OR IMPLIED, OTHER THAN AS EXPRESSLY STATED HEREIN. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT USE OF A PRODUCT WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

8.4 Regarding the indemnity and hold harmless provisions, under Paragraph 8.2, VANDERBILT shall give prompt written notice to LICENSEE of the commencement of any action, suit, or proceeding for which indemnification may be sought, and LICENSEE, through counsel reasonably satisfactory to VANDERBILT shall assume the defense thereof; provided, however, that VANDERBILT shall be entitled to participate in any such action, suit, or proceeding with counsel of its own choice, but at its own expense. If LICENSEE fails to assume the defense within ninety (90) days of receipt of written notice of the action, suit, or proceeding, VANDERBILT may assume such defense and the reasonable fees and expenses of its attorneys will be covered by the indemnity provided for in Paragraph 8.2. No such action, suit, or proceeding shall be compromised or settled in any manner which might adversely affect the interests of VANDERBILT without the prior written consent of VANDERBILT. Notwithstanding anything in this Paragraph to the contrary, LICENSEE shall not, without the written consent of VANDERBILT, which consent shall not be unreasonably withheld:

(a) Settle or compromise any action, suit, or proceeding or consent to the entry of any judgment which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to VANDERBILT of a written release from all liability in respect of such action, suit, or proceeding; or

(b) Settle or compromise any action, suit, or proceeding in any manner which may adversely affect VANDERBILT.

8.5 Insurance. (a) Beginning at the time as any Product is being commercially distributed or sold by LICENSEE or agent of LICENSEE, LICENSEE or such other, shall make commercially reasonable efforts to procure and maintain comprehensive general product liability and tort liability insurance in amounts not less than $5,000,000 per incident and $5,000,000 annual aggregate and name the Indemnities as additional insureds. Such comprehensive general liability insurance shall provide (i) product liability coverage and (ii) broad form contractual liability coverage for LICENSEE's indemnification under this Agreement. If LICENSEE elects to self-insure or otherwise finds it necessary to self-insure all or part of the limits described above, such self-insurance program must be reasonably acceptable to VANDERBILT. LICENSEE agrees that no amount greater than the sum of $250,000 shall be deductible under LICENSEE's primary coverage for VANDERBILT and LICENSEE against any claims or suits arising from alleged defects in Products. The minimum amounts of insurance coverage required shall not be construed to create or limit LICENSEE's liability with respect to its indemnification under this Agreement.

(b) LICENSEE represents and warrants that it will make commercially reasonable efforts to acquire its product liability and general tort liability is of the occurrence-based rather than claims-made type. Within thirty (30) day after the date of the first commercial sale of a Product hereunder, LICENSEE shall provide VANDERBILT with a certificate or certificates of insurance evidencing that VANDERBILT has been named as an additional insured party and evidencing the insurer(s) is required to notify VANDERBILT in writing at least thirty (30) days in advance of any termination of the policy or certificate, or any modification that would cause LICENSEE no longer to be in compliance with the provisions of this Article, or would cause the representation and warranties set forth above in this Article no longer to be true, such written notification to specify the reason for such termination, the nature of the proposed modification, as the case may be. It is expressly agreed by the parties that the provisions of this Article regarding insurance shall in no way limit LICENSEE's indemnity obligations, except to the extent that LICENSEE's insurer(s) actually pays VANDERBILT amounts for which VANDERBILT is entitled to be indemnified under this Agreement, nor shall VANDERBILT have any obligation to pursue any insurer as a precondition to its rights to be indemnified by LICENSEE. As used in this Article, the term "VANDERBILT" shall include VANDERBILT, and its officers, directors, agents and employees. If LICENSEE does not make commercially reasonable efforts to obtain replacement insurance within such thirty (30) day period specified above, VANDERBILT shall have the right to terminate this Agreement effective at the end of such thirty (30) day period without notice or any additional waiting periods.

(c) LICENSEE shall maintain such comprehensive general product liability and tort liability insurance or self-insurance beyond the expiration or termination of this Agreement during (i) the period that any product relating to, or developed pursuant to, this Agreement is being commercially distributed or sold by LICENSEE or agent of LICENSEE and (ii) a period not less than the statute of limitations for product liability claims in the state in which the product is being used.

9. USE OF VANDERBILT'S NAME

9.0 LICENSEE agrees not to identify VANDERBILT or to use the name of VANDERBILT, its faculty, employees, or students, or any trademark, service mark, trade name, or symbol of VANDERBILT, or that is associated with any of them, in promotional advertising or other similar materials without VANDERBILT's written consent, except as required by governmental authority. LICENSEE may, without prior consent, refer to VANDERBILT as LICENSOR of the Data submitted in support of marketing approval for Product in a business plan, fund raising material or the like. All other uses of VANDERBILT's name shall be made only after prior approval.

9.1 VANDERBILT agrees not to identify LICENSEE or to use the name of LICENSEE's officers, employees, or any trademark, service mark, trade name or symbol of LICENSEE without the written consent of LICENSEE, except as may be required by governmental authority or as necessary in the normal course of VANDERBILT'S business operations.

10. TERMS AND CONDITIONS

10. Manner of Payment. All payments hereunder shall be made by check to VANDERBILT. Where required to do so by applicable law or treaty, LICENSEE shall withhold taxes required to be paid to a taxing authority on account of such income to VANDERBILT, and LICENSEE shall furnish VANDERBILT with satisfactory evidence of such withholding and payment in order to permit VANDERBILT to obtain a tax credit or other relief as may be available under the applicable law or treaty.

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

Nothing in this Agreement shall be construed so as to require the violation of any law, and wherever there is any conflict between any provision of this Agreement and any law the law shall prevail, but in such event the affected provision of this Agreement shall be affected only to the extent necessary to bring it within the applicable law.

10.2 Notices. Any notice may be initially given by facsimile with confirmation required or permitted to be given by this License by postpaid, first class, registered or certified mail addressed as set forth below unless changed by notice so given:

For LICENSEE:

Cumberland Pharmaceuticals Inc.
209 10th Ave. South, Suite 332
Nashville, Tennessee 37203
Fax: 615-259-9085

For VANDERBILT:

Office of Technology Transfer
VANDERBILT University
1207 17th Avenue, S., Suite 210
Nashville, TN 37212
Fax: 615-343-4419

With a copy to:

Stokes & Bartholomew, P.A.
424 Church Street, 28th Floor
Nashville, Tennessee 37214
Attn: Martin S. Brown, Esq.
Fax: 615-259-1470

Such notice shall be effective upon receipt by the party to whom notice is sent.

10.3 Dispute Resolution. The parties acknowledge and agree that they have entered into this agreement with the expectation of a long-term, mutually beneficial relationship. However, should disagreement arise regarding obligations imposed on the parties be this Agreement, it is agreed that the parties will, in good faith, promptly attempt to reach an amicable resolution of such disagreement.

10.4 Force Majeure. Neither party to this License Agreement shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes, and labor disputes, acts of was, civil unrest, or intervention of any governmental authority, but any such delay or failure shall be remedied by such party as soon as is reasonably possible. Failure to make timely royalty payments shall not be excused by Force Majeure.

10.5 Assignments. Except in connection with the sale of all or substantially all of the assets of either party, this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld. The parties hereto agree that each is acting as an independent contractor and not as an agent of the other or as joint ventures.

10.6 Waivers and Modifications. The failure of any party to insist on the performance of any obligation hereunder shall not act as a waiver of such obligation. No waiver, modification, release, or amendment of any obligation under this Agreement shall be valid or effective unless in writing and signed by both parties hereto.

10.7 Successors in Interest. This Agreement shall inure to the benefit of and be binding on the parties' permitted assigns, successors in interest, and subsidiaries.

10.8 Choice of Law and Jurisdiction. This Agreement is subject to and shall be construed and enforced in accordance with the laws of the U.S.A., and Tennessee. Any action on any dispute arising out of this Agreement shall be tried in Davidson County, and the parties consent to the jurisdiction of the state and federal courts there.

10.9 Entire Agreement. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof, and all prior negotiations, representations, agreements and understandings are merged into, extinguished by and completely expressed by this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date(s) written below.

LICENSEE

By: /s/ A.J. Kazimi
A.J. Kazimi
Title: President
Date: May 28, 1999

VANDERBILT UNIVERSITY

By: /s/ Larry R. Steranka
Larry R. Steranka, Ph.D.
Title: Director, Office of Technology Transfer
Date: June 4, 1999

ACKNOWLEDGED AND AGREED

By: /s/ Gordon R. Bernard, M.D.
A.J. Kazimi
Title: Professor of Medicine
Date: 6/2/99

EXHIBIT 10.16.1

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

SECOND AMENDED AND RESTATED
LOAN AGREEMENT

April 6, 2006

by and between

CUMBERLAND PHARMACEUTICALS, INC.,
as the Borrower

and
BANK OF AMERICA, N.A.,
as the Bank

$ 9,500,000

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SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT (the "Agreement") dated as of April 6, 2006, is between BANK OF AMERICA, N.A., a national banking association (the "Bank") and CUMBERLAND PHARMACEUTICALS, INC., a Tennessee corporation (the "Borrower").

WHEREAS, the Borrower and the Bank are parties to a certain Amended and Restated Loan Agreement dated as of October 21, 2003 (the "Existing Loan Agreement") and certain loan documents listed on Schedule 1 hereto (the "Existing Loan Documents");

WHEREAS, at the Borrower's request and in reliance upon the representations and inducements of the Borrower set forth herein, the Bank has agreed to modify the terms and conditions of the Existing Loan Agreement and to amend and restate the Existing Loan Agreement in its entirety as more particularly hereinafter set forth; and

WHEREAS, the Borrower and the Bank have agreed to amend or to amend and restate the Existing Loan Documents pursuant to the Loan Documents (as hereinafter defined);

NOW, THEREFORE, in consideration of the Facility No. 1 Commitment and the Facility No. 2 Commitment described below, the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the Bank and the Borrower agree as follows:

1. FACILITY NO. 1: LINE OF CREDIT AMOUNT AND TERMS

1.1 Line of Credit Amount.

(a) Subject to Section 1.2 below, the Bank will provide a line of credit to the Borrower. The amount of the line of credit (the "Facility No. 1 Commitment") is Four Million Dollars ($4,000,000).

(b) This is a revolving line of credit. During the availability period, the Borrower may repay principal amounts and reborrow them, provided, however, on the date of this Agreement, Borrower shall borrow no more than $2,000,000 in the aggregate pursuant to the Facility No. 1 Commitment.

(c) The Borrower agrees not to permit the principal balance outstanding to exceed the amount of the Facility No. 1 Commitment. If the Borrower exceeds this limit, the Borrower will immediately pay the excess to the Bank upon the Bank's demand.

1.2 Availability Period.

The maximum availability under the Facility No. 1 Commitment shall be $1,500,000 from and after the date of this Agreement until the earlier of (a) receipt by the Bank of a full appraisal by an independent party, in form and substance acceptable to the Bank in its sole discretion, establishing a valuation of the Acetadote product of at least $9,000,000 or (b) receipt by the Bank of evidence satisfactory to the Bank that the Borrower is in compliance with the Funded Debt to EBITDA ratio requirement calculated as of September 30, 2006 pursuant to Section 8.3. Thereafter, the maximum availability under the Facility No. 1 Commitment shall be $4,000,000 until the second (2nd) anniversary of the date of this Agreement, or such earlier date as the availability may terminate as provided in this Agreement (the "Facility No. 1 Expiration Date").

1.3 Borrowing Base.

(a) The aggregate principal amount of all amounts from time to time advanced hereunder in respect of the Facility No. 1 Commitment shall not exceed the Maximum Amount. "Maximum Amount" shall mean the lesser of the amount of the Facility No. 1 Commitment or the Borrowing Base.

The "Borrowing Base" at any time shall be equal to 80% of Eligible Accounts Receivable plus 50% of the value of Eligible Inventory.

(b) As used herein, the following terms shall have the following meanings

(i) "Eligible Accounts Receivable" shall mean all Accounts Receivable of the Borrower that have been created in the ordinary course of the Borrower's business and upon which the Borrower's right to receive payment is absolute and not contingent upon the fulfillment of any condition whatsoever. The term "Eligible Accounts Receivable" shall not include:

(A) any account that is unpaid more than 90 days from the invoice date thereof;

(B) any account from any Customer who has had an account past due more than 90 days from the invoice date thereof on two or more occasions (except with respect to any account for which the Borrower has provided extended payment terms);

(C) any account for which there exists a right of setoff or, defense;

(D) any account with respect to which the Customer is either (i) the United States of America or any department, agency or instrumentality thereof (excluding accounts with respect to which the Borrower has complied, to the satisfaction of the Bank, with the Assignment of Claims Act, 31 U.S.C. § 3727), or (ii) any state within the United States of America (excluding accounts owed by a state that does not have a counterpart to the Assignment of Claims Act);

(E) any account that arises out of a contract or order that, by its terms, forbids or makes void or unenforceable any assignment by the Borrower to the Bank of the account receivable arising with respect thereto;

(F) any account arising from a "sale on approval," "sale or return," "consignment," or subject to any other repurchase or return agreement;

(G) any account that represents an obligation of a Customer that is not a resident of the United States or Canada, unless such account is supported by a letter of credit or other security in form and substance acceptable to the Bank;

(H) any account that arises from the sale or lease to or performance of services for, or represents an obligation of, an employee, affiliate, partner, parent or subsidiary of the Borrower (excluding accounts with the State of Tennessee, Vanderbilt University, Cardinal, Ranbaxy, Mylan, Johnson & Johnson, Bioniche, Mayne/Faulding, Amerisource Bergen and McKesson);

(I) any accounts arising from sales of goods or services in which the performance of the Borrower has been bonded;

(J) any account on which the Bank is not or does not continue to be, in the Bank's sole discretion, satisfied with the credit standing of the customer of the Borrower in relation to the amount of credit extended;

(K) any returns, allowances, rebates, credits and contra items; or

(L) any account of a Customer if 25% or more of the accounts of such Customer are not eligible pursuant to the criteria set forth in subsections (A)-(K) above;

(ii) "Eligible Inventory" shall mean all of the Borrower's inventory of CeraLyte, Acetadote and Kristalose® other than (A) work in process and supplies; (B) all inventory in which the Bank does not have a first priority perfected security interest; (C) inventory on consignment; (D) repossessed inventory; (E) obsolete inventory; (F) inventory that is not in good condition or that fails to meet government standards; and (G) inventory that the Bank in its sole discretion determines to be ineligible. Inventory will be valued based on book value. As used herein, the term "book value" shall mean the costs incurred by the Borrower in purchasing and/or manufacturing its inventory of CeraLyte, Acetadote and Kristalose®.

(iii) "Customers" shall mean the account debtors obligated on the Borrower's Accounts Receivable.

(iv) "Accounts Receivable" shall mean all of the Borrower's accounts, instruments, contract rights, chattel paper, documents and general intangibles arising from the sale of goods and/or the rendition of services by the Borrower in the ordinary course of business, and the proceeds thereof and all security and guaranties therefor, whether now existing or hereafter created, and all returned, reclaimed or repossessed goods, and all books and records pertaining to the foregoing. For purposes of calculating the Borrowing Base hereunder, the actual amounts due from Customers shall be used regardless of whether the Borrower has granted any Customer a discounted price with respect to any Account Receivable.

(c) The amounts of advances under the Facility No. 1 Commitment shall be determined in the sole discretion of the Bank consistent with the value of the Eligible Accounts Receivable and the Eligible Inventory, taking into account all fluctuations of the value thereof in light of the Bank's experience and sound business principles. The Bank shall be under no obligation to make any advance to the Borrower under the Facility No. 1 Commitment in excess of the limitations stated above.

(d) The Bank and the Borrower shall establish and maintain one or more special lock box or blocked accounts for the collection of the Accounts Receivable. Each such special account shall be with the Bank and shall be subject to the Bank's standard form agreement. Any checks or other remittances against Accounts Receivables that are received by the Borrower shall be held in trust for the Bank and turned over by the Borrower to the Bank or to a person designated by the Bank in the identical form received (except for any necessary endorsement) as speedily as possible.

1.4 Interest Rate.

(a) The interest rate is a rate per year equal to the BBA LIBOR Daily Floating Rate plus 2.50 percentage point(s); provided, however, that in no event shall the interest payable in respect of amounts advanced pursuant to the Facility No. 1 Commitment exceed the maximum amounts collectible under applicable law from time to time.

(b) The BBA LIBOR Daily Floating Rate is a fluctuating rate of interest equal to the rate per annum equal to the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) as determined for each banking day at approximately 11:00 a.m. London time two (2) London Banking Days prior to the date in question, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a one month term, as adjusted from time to time in the Bank's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.

1.5 Repayment Terms.

(a) The Borrower will pay interest on July 1, 2006 and on the first day of each October, January, April and July thereafter until payment in full of any principal outstanding under this facility.

(b) The Borrower will repay in full any principal, interest or other charges outstanding under this facility no later than the Facility No. 1 Expiration Date.

(c) The Borrower may prepay this loan in full or in part at any time. The prepayment will be applied to the most remote payment of principal due under this Agreement in respect of the Facility No. 1 Commitment.

(d) In the event the aggregate principal outstanding balance of advances under the Facility No. 1 Commitment exceed the Maximum Amount at any time, the Borrower shall immediately and without notice or demand of any kind make such payments as shall be necessary to reduce the principal balance of the Facility No. 1 Commitment below the Maximum Amount.

2. FACILITY NO. 2: FIXED RATE TERM LOAN AMOUNT AND TERMS

2.1 Loan Amount.

The Bank agrees to provide a term loan to the Borrower in the amount of Five Million Five Hundred Thousand Dollars ($5,500,000.00) (the "Facility No. 2 Commitment").

2.2 Availability Period.

The loan is available in one disbursement from the Bank on the date of this Agreement.

2.3 Interest Rate.

(a) The interest rate is a rate per year equal to the BBA LIBOR Daily Floating Rate plus 2.50 percentage point(s); provided, however, that in no event shall the interest payable in respect of amounts advanced pursuant to the Facility No. 2 Commitment exceed the maximum amounts collectible under applicable law from time to time.

(b) The BBA LIBOR Daily Floating Rate is a fluctuating rate of interest equal to the rate per annum equal to the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) as determined for each banking day at approximately 11:00 a.m. London time two (2) London Banking Days prior to the date in question, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a one month term, as adjusted from time to time in the Bank's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.

2.4 Repayment Terms.

(a) The Borrower will pay interest on July 1, 2006 and on the first day of each October, January, April and July thereafter until payment in full of any principal outstanding under this facility.

(b) The Borrower will repay principal in equal installments of Four Hundred Fifty-Eight Thousand Three Hundred Thirty-Four and No/00ths Dollars ($458,334.00) beginning on July 1, 2006 and continuing on the first day of each October, January, April and July thereafter until the third (3rd) anniversary of the date of this Agreement (the "Repayment Period"). In any event, on the last day of the Repayment Period, the Borrower will repay the entire remaining principal balance plus any interest or other charges outstanding under this facility.

2.5 Prepayments.

The Borrower may prepay this loan in full or in part at any time. The Borrower will give the Bank irrevocable written notice of the Borrower's intention to make the prepayment, specifying the date and amount of the prepayment. The notice must be received by the Bank at least five (5) banking days in advance of the prepayment. The prepayment will be applied to the most remote payment of principal due under this Agreement in respect of the Facility No. 2 Commitment.

3. FEES AND EXPENSES

3.1 Fees.

(a) Loan Fee. The Borrower agrees to pay a loan fee in the amount of [***]. This fee is due on the date of this Agreement.

(b) Warrant. The Borrower agrees to issue to the Bank, a warrant (or an amendment to the Bank's existing warrant) to purchase 1,979 shares of common stock of the Borrower to be valued on the date of this Agreement at [***] (the "Warrant"). This Warrant is to be issued on the date this Agreement.

(c) Unused Commitment Fee. The Borrower agrees to pay a fee on any difference between the availability of the Facility No. 1 Commitment (as determined in accordance with Section 1.2 hereof) and the amount of credit it actually uses, determined by the average of the daily amount of credit outstanding during the specified period. The fee will be calculated at 0.50% per year. The fee is due on July 1, 2006 and on the first day of each October, January, April and July thereafter until the expiration of the availability period.

3.2 Expenses.

The Borrower agrees to immediately repay the Bank for expenses that include, but are not limited to, filing, recording and search fees, appraisal fees, title report fees and documentation fees.

3.3 Reimbursement Costs.

(a) The Borrower agrees to reimburse the Bank for any expenses it incurs in the preparation of this Agreement and any agreement or instrument required by this Agreement. Expenses include, but are not limited to, reasonable attorneys' fees, including any allocated costs of the Bank's in-house counsel to the extent permitted by applicable law.

(b) The Borrower agrees to reimburse the Bank for the cost of periodic field examinations of the Borrower's books, records and collateral, and appraisals of the collateral, at such intervals as the Bank may reasonably require, but no less frequently than annually. The actions described in this paragraph may be performed by employees of the Bank or by independent appraisers.

4. COLLATERAL

4.1 Personal Property.

The personal property listed below now owned or owned in the future by the parties listed below will secure the Borrower's obligations to the Bank under this Agreement as indicated in the security agreement. The collateral is further defined in security agreement(s) executed by the owners of the collateral. In addition, all personal property collateral owned by the Borrower securing this Agreement shall also secure all other present and future obligations of the Borrower to the Bank (excluding any consumer credit covered by the federal Truth in Lending law, unless the Borrower has otherwise agreed in writing or received written notice thereof). All personal property collateral securing any other present or future obligations of the Borrower to the Bank shall also secure this Agreement.

(a) Equipment and fixtures owned by the Borrower.

(b) Inventory owned by the Borrower.

(c) Receivables owned by the Borrower.

(d) Securities or other investment property owned by the Borrower as described in one or more pledge agreements required by the Bank.

(e) Regulation U of the Board of Governors of the Federal Reserve System places certain restrictions on loans secured by margin stock (as defined in the Regulation). The Bank and the Borrower shall comply with Regulation U. If any of the collateral is margin stock, the Borrower shall provide to the Bank a Form U-1 Purpose Statement.

(f) Deposit accounts with the Bank and owned by the Borrower.

(g) Patents, trademarks and other general intangibles owned by the Borrower.

(h) The CET Pledged Note and the CET Security Agreement (as hereinafter defined).

5. DISBURSEMENTS, PAYMENTS AND COSTS

5.1 Disbursements and Payments.

(a) Each payment by the Borrower will be made in U.S. Dollars and immediately available funds by direct debit to a deposit account as specified below or, for payments not required to be made by direct debit, by mail to the address shown on the Borrower's statement or at one of the Bank's banking centers in the United States.

(b) Each disbursement by the Bank and each payment by the Borrower will be evidenced by records kept by the Bank. In addition, the Bank may, at its discretion, require the Borrower to sign one or more promissory notes.

5.2 Telephone and Telefax Authorization.

(a) The Bank may honor telephone or telefax instructions for advances or repayments given, or purported to be given, by any one of the individuals authorized to sign loan agreements on behalf of the Borrower or any other individual designated by any one of such authorized signers.

(b) Advances will be deposited in and repayments will be withdrawn from account number 3782867788 owned by the Borrower, or such other of the Borrower's accounts with the Bank as designated in writing by the Borrower.

(c) The Borrower will indemnify and hold the Bank harmless from all liability, loss, and costs in connection with any act resulting from telephone or telefax instructions the Bank reasonably believes are made by any individual authorized by the Borrower to give such instructions. This paragraph will survive this Agreement's termination, and will benefit the Bank and its officers, employees, and agents.

5.3 Direct Debit (Pre-Billing).

(a) The Borrower agrees that the Bank will debit account number 3782867788 owned by the Borrower, or such other of the Borrower's accounts with the Bank as designated in writing by the Borrower (the "Designated Account") on the date each payment of principal and interest and any fees from the Borrower becomes due (the "Due Date").

(b) Prior to each Due Date, the Bank will mail to the Borrower a statement of the amounts that will be due on that Due Date (the "Billed Amount"). The bill will be mailed a specified number of calendar days prior to

the Due Date, which number of days will be mutually agreed from time to time by the Bank and the Borrower. The calculations in the bill will be made on the assumption that no new extensions of credit or payments will be made between the date of the billing statement and the Due Date, and that there will be no changes in the applicable interest rate.

(c) The Bank will debit the Designated Account for the Billed Amount, regardless of the actual amount due on that date (the "Accrued Amount"). If the Billed Amount debited to the Designated Account differs from the Accrued Amount, the discrepancy will be treated as follows:

(i) If the Billed Amount is less than the Accrued Amount, the Billed Amount for the following Due Date will be increased by the amount of the discrepancy. The Borrower will not be in default by reason of any such discrepancy.

(ii) If the Billed Amount is more than the Accrued Amount, the Billed Amount for the following Due Date will be decreased by the amount of the discrepancy.

Regardless of any such discrepancy, interest will continue to accrue based on the actual amount of principal outstanding without compounding. The Bank will not pay the Borrower interest on any overpayment.

(d) The Borrower will maintain sufficient funds in the Designated Account to cover each debit. If there are insufficient funds in the Designated Account on the date the Bank enters any debit authorized by this Agreement, the Bank may reverse the debit.

5.4 Banking Days.

Unless otherwise provided in this Agreement, a banking day is a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close, or are in fact closed, in the state where the Bank's lending office is located, and, if such day relates to amounts bearing interest at an offshore rate (if any), means any such day on which dealings in dollar deposits are conducted among banks in the offshore dollar interbank market. All payments and disbursements that would be due on a day that is not a banking day will be due on the next banking day. All payments received on a day that is not a banking day will be applied to the credit on the next banking day.

5.5 Interest Calculation.

Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days elapsed. This results in more interest or a higher fee than if a 365-day year is used. Installments of principal that are not paid when due under this Agreement shall continue to bear interest until paid.

5.6 Default Rate.

Upon the occurrence of any default or after maturity or after judgment has been rendered on any obligation under this Agreement, all amounts outstanding under this Agreement, including any interest, fees, or costs that are not paid when due, will at the option of the Bank bear interest at a rate that is four percentage points (4.00%) higher than the rate of interest otherwise provided under this Agreement. This may result in compounding of interest. This will not constitute a waiver of any default.

6. CONDITIONS

Before the Bank is required to extend any credit to the Borrower under this Agreement, it must receive any documents and other items it may reasonably require, in form and content acceptable to the Bank, including any items specifically listed below.

6.1 Authorizations and Incumbency.

If the Borrower is anything other than a natural person, evidence that the execution, delivery and performance by the Borrower of this Agreement and any instrument or agreement required under this Agreement have been duly authorized. A certificate of the secretary of the Borrower as to the incumbency and signature of all officers of such Borrower authorized to execute or attest to any instrument or agreement required under this Agreement.

6.2 Governing Documents.

If required by the Bank, a copy of the Borrower's organizational documents.

6.3 CET Intercompany Debt.

Signed original Promissory Note executed by Cumberland Emerging Technologies, Inc. ("CET") and payable to the order of the Borrower, in the maximum principal amount of $856,000 evidencing the now existing and hereafter arising indebtedness of CET to the Borrower and endorsed in blank by the Borrower (together with any and all modifications, extensions and renewals thereof, the "CET Pledged Note"). A signed security agreement by and between CET and Borrower, wherein CET granted Borrower a first priority security interest in CET's property described therein, such security agreement to be in form and substance satisfactory to the Bank (as the same may be amended, restated, supplemented, extended, modified, restructured, renewed or replaced from time to time, the "CET Security Agreement"). An assignment to the Bank to be of, and grant to the Bank of a security interest in, all of the Borrower's right, title an interest in and to the CET Pledged Note and the CET Security Agreement, such assignment to be in form and substance satisfactory to the Bank.

6.4 Security Agreements.

Signed original security agreements, including intellectual property security agreements, covering the personal property collateral that the Bank requires. Such security agreements, together with this Agreement, any notes, any warrants and all other instruments, documents and agreements for time to time evidencing, securing or otherwise relating to the Facility No. 1 Commitment and the Facility No. 2 Commitment are hereinafter referred to as the "Loan Documents".

6.5 Perfection and Evidence of Priority.

Evidence that the security interests and liens in favor of the Bank are valid, enforceable, properly perfected in a manner acceptable to the Bank and prior to all others' rights and interests, except those the Bank consents to in writing.

6.6 Payment of Fees.

Payment of all fees and other amounts due and owing to the Bank, including without limitation payment of all accrued and unpaid expenses incurred by the Bank as required by the paragraph entitled "Reimbursement Costs."

6.7 Good Standing.

Certificates of good standing for the Borrower and CET from its state of formation and from any other state in which the Borrower and CET is required to qualify to conduct its business.

6.8 Legal Opinion.

A written opinion from the Borrower's and CET's legal counsel, covering such matters as the Bank may require. The legal counsel and the terms of the opinion must be acceptable to the Bank.

6.9 Warrant.

Signed original Warrant, duly and validly executed by the Borrower for the benefit of the Bank.

6.10 Financial Statements.

(a) Detailed consolidated projections (including balance sheet, profit and loss statement and statement of cash flow) by product line (i) on a quarterly basis for fiscal year 2006 and (ii) on an annual basis for fiscal years 2007 and 2008.

(b) Marketing analysis for Kristalose®, including sales and marketing expense, in form and substance acceptable to the Bank in its sole discretion.

6.11 Insurance.

Evidence of insurance coverage, as required in the "Covenants" section of this Agreement.

6.12 Product Agreements.

(a) Receipt and approval by the Bank of the term sheet, the distribution agreement, and other agreements relating to the Borrower's purchase of exclusive rights to distribute Kristalose® in North America, each of which shall be in form and substance acceptable to the Bank in its sole discretion.

(b) Receipt by the Bank of all CeraLyte agreements, each of which shall be in form and substance acceptable to the Bank in its sole discretion.

(c) Receipt by the Bank of all Procto-Kit agreements, each of which shall be in form and substance acceptable to the Bank in its sole discretion.

6.13 Consents, Licenses, Permits, Assignments.

(a) Evidence satisfactory to the Bank that the Borrower has obtained all requisite consents and approvals required to be obtained from any person to permit the transactions contemplated by this Agreement and the other Loan Documents executed in connection herewith to be consummated in accordance with their respective terms and conditions.

(b) Evidence satisfactory to the Bank that Borrower and the collateral securing this Agreement are in compliance with all applicable governmental requirements and that all permits, and any necessary licenses and approvals have been obtained.

(c) Evidence satisfactory to the Bank that Leo Pavliv has assigned to the Borrower the patent rights to the pharmaceutical composition of 2-(4-isobutylphenyl) propionic acid.

6.14 Availability.

Evidence satisfactory to the Bank that the Borrower has a minimum liquidity of $2,000,000 in either cash or available credit under this Agreement.

6.15 Representations, Warranties and No Default.

Receipt by the Bank of a certificate of a properly authorized officer of the Borrower, stating that (a) each of the representations and warranties contained herein is true and correct at and as of the date hereof with the same force and effect as if made on such date and (b) no default hereunder or under any of the other Loan Documents executed in connection therewith has occurred and is continuing.

6.16 Other Required Documentation.

All other documents, instruments, agreements, opinions, certificates, insurance policies, consents and evidences of other legal matters, in form and substance satisfactory to the Bank and its counsel, that are required by the terms of

any term sheet or commitment of the Bank relating to the credit that is the subject of this Agreement or that the Bank otherwise may reasonable request.

7. REPRESENTATIONS AND WARRANTIES

When the Borrower signs this Agreement, and until the Bank is repaid in full, the Borrower makes the following representations and warranties. Each request for an extension of credit constitutes a renewal of these representations and warranties as of the date of the request:

7.1 Formation.

If the Borrower is anything other than a natural person, it is duly formed and existing under the laws of the state or other jurisdiction where organized.

7.2 Authorization.

This Agreement, and any instrument or agreement required hereunder, are within the Borrower's powers, have been duly authorized, and do not conflict with any of its organizational papers.

7.3 Enforceable Agreement.

This Agreement is a legal, valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding, and enforceable.

7.4 Good Standing.

In each state in which the Borrower does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

7.5 No Conflicts.

This Agreement does not conflict with any law, agreement, or obligation by which the Borrower is bound.

7.6 Financial Information.

All financial and other information that has been or will be supplied to the Bank is sufficiently complete to give the Bank accurate knowledge of the Borrower's (and CET's) financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to the Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of the Borrower or CET. If the Borrower is comprised of the trustees of a trust, the foregoing representations shall also pertain to the trustor(s) of the trust.

7.7 Lawsuits.

There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower that, if lost, would impair the Borrower's financial condition or ability to repay the loan, except as have been disclosed in writing to the Bank.

7.8 Collateral.

All collateral required in this Agreement is owned by the grantor of the security interest free of any title defects or any liens or interests of others, except (a) those that have been approved by the Bank in writing and (b) liens securing purchase money debt or indebtedness arising under capitalized lease obligations permitted by this Agreement; provided, however, that in each case any such liens shall attach only to the specific item(s) of property or asset(s) financed with such purchase money debt or capitalized lease.

7.9 Permits, Franchises.

The Borrower possesses all permits, memberships, franchises, contracts, licenses required and all trademark rights, trade name rights, patent rights, copyrights, and fictitious name rights necessary to enable it to conduct the business in which it is now engaged.

7.10 Other Obligations.

The Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, except as have been disclosed in writing to the Bank.

7.11 Tax Matters.

The Borrower has no knowledge of any pending assessments or adjustments of its income tax for any year and all taxes due have been paid, except as have been disclosed in writing to the Bank.

7.12 No Event of Default.

There is no event that is, or with notice or lapse of time or both would be, a default under this Agreement.

7.13 Insurance.

The Borrower has obtained, and maintained in effect, the insurance coverage required in the "Covenants" section of this Agreement.

7.14 Location of Borrower.

The place of business of the Borrower (or, if the Borrower has more than one place of business, its chief executive office) is located as follows:

Cumberland Pharmaceuticals, Inc.
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203

7.15 Capitalization.

As of December 31, 2005, the authorized capital stock of the Borrower consists of (1) 10,000,000 shares of common stock, no par value per share ("Common Shares"), of which 4,890,149 shares (the "Outstanding Common Shares") are issued and outstanding, and (2) 3,000,000 shares of preferred stock, no par value per share, of which 855,495 shares (the "Outstanding Preferred Shares") are issued and outstanding, and (3) under the Borrower's amended 1999 Stock Option Plan, 3,950,000 options convertible into Common Shares ("Options") are authorized for issuance, with 3,910,867 Options issued and outstanding, of which 3,724,011 Options are fully vested and exercisable. All of the Outstanding Common Shares are duly authorized, validly issued and outstanding and fully paid and nonassessable and free of preemptive rights. All of the Outstanding Preferred Shares are duly authorized, validly issued and outstanding and fully paid and nonassessable and are convertible into Common Shares.

7.16 Material Adverse Change.

Since December 31, 2004, no material adverse change has occurred on or in (a) the properties, business, prospects, operations, management or financial condition of the Borrower, or (b) the ability of the Borrower to perform any of its obligations under this Agreement or the other Loan Documents to which it is a party.

8. COVENANTS

The Borrower agrees, so long as credit is available under this Agreement and until the Bank is repaid in full:

8.1 Use of Proceeds.

(a) To use the proceeds of the Facility No. 1 Commitment only for (i) the purchase of the exclusive rights to distribute the Kristalose® product in North America and for general operating and working capital expenses and (ii) extensions of credit to CET permitted by this Agreement.

(b) To use the proceeds of the Facility No. 2 Commitment only for the purchase of the exclusive rights to distribute the Kristalose® product in North America and for general operating and working capital expenses.

(c) The proceeds of the credit extended under this Loan Agreement may not be used directly or indirectly to purchase or carry any "margin stock" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System, or extend credit to or invest in other parties for the purpose of purchasing or carrying any such "margin stock," or to reduce or retire any indebtedness incurred for such purpose.

8.2 Financial Information and Appraisal.

To provide the following financial information and statements in form and content acceptable to the Bank, and such additional information as requested by the Bank from time to time:

(a) Within 150 days of the fiscal year end, the annual financial statements of the Borrower, which shall include a balance sheet, profit and loss statement and statement of cash flow, certified and dated by an authorized financial officer. These financial statements must be audited (with an opinion satisfactory to the Bank) by a certified public accountant acceptable to the Bank. The statements shall be prepared on a consolidated basis and include unaudited statements on a consolidating basis.

(b) Within 60 days of the beginning of each fiscal year of the Borrower, a copy of the Borrower's operating and capital expenditure budget for such fiscal year, certified and dated by an authorized financial officer.

(c) Within 45 days of the period's end (including the last period in each fiscal year), quarterly financial statements of the Borrower, which shall include a balance sheet, profit and loss statement and statement of cash flow. The profit and loss statement and the statement of cash flow to be submitted under this subsection shall be presented on a quarterly and a year-to-date basis, and the balance sheet to be submitted under this subsection shall include comparisons with the same period for the prior year. These financial statements may be company-prepared. The statements shall be prepared on a consolidated and consolidating basis. Such financial statements shall be certified and dated by an authorized financial officer and set forth (i) the information and computations (in sufficient detail) to establish that the Borrower is in compliance with all financial covenants at the end of the period covered by the financial statements then being furnished and (ii) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any default under this Agreement and, if any such default exists, specifying the nature thereof and the action the Borrower is taking and proposes to take with respect thereto. The compliance certificate shall be substantially in the form attached hereto as Exhibit A.

(d) Within 30 days of the period's end (including the last period in each fiscal year), monthly financial statements of the Borrower, which shall include a balance sheet, profit and loss statement and statement of cash flow. The profit and loss statement and the statement of cash flow to be submitted under this subsection shall be presented on a monthly and a year-to-date basis, and the balance sheet to be submitted under this subsection shall include comparisons with the same period for the prior year. These financial statements may be company-prepared. Such financial statements shall be certified and dated by an authorized financial officer and set forth (i) the information and computations (in sufficient detail) to establish that the Borrower is in compliance with all financial covenants at the end of the period covered by the financial statements then being furnished and (ii) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any default under this Agreement and, if any such default exists, specifying the nature thereof and the action the Borrower is taking and proposes to take with respect thereto. The compliance certificate shall be substantially in the form attached hereto as Exhibit A.

(e) Within 10 days of the period's end (including the last period in each fiscal year), a monthly listing of accounts receivable aged from the date of invoice attached to a monthly Borrowing Base Certificate for (and executed by an authorized financial officer) the Borrower in the form attached hereto as Exhibit B.

(f) Within 10 days of receipt or dispatch by the Borrower, copies of any management letters and correspondence relating to management letters, sent or received by the Borrower to or from the Borrower's auditor. If no management letter is prepared, the Bank may, in its discretion, request a letter from such auditor stating that no deficiencies were noted that would otherwise be addressed in a management letter.

(g) Such additional financial information regarding the Borrower, CET, pledgor, accommodation party or other obligor with respect to the loan as the Bank shall request.

(h) On or before May 31, 2006, full appraisal of the Acetadote product, in form and substance acceptable to the Bank in its sole discretion.

8.3 Funded Debt to EBITDA Ratio.

To maintain on a consolidated basis a ratio of Funded Debt to EBITDA not exceeding the ratios indicated for each period specified below:

Period	Ratios
From September 30, 2006 through December 31, 2006	4.25:1.0
From January 1, 2007 through March 31, 2007	2.50:1.0
From April 1, 2007 and thereafter	2.25:1.0

"Funded Debt" means all outstanding liabilities for borrowed money and other interest-bearing liabilities, including current and long term debt, promissory notes, seller notes, letters of credit, if any, and any obligations guaranteed by the Borrower, less the non-current portion of Subordinated Liabilities.

"EBITDA" means net income after extraordinary losses and before extraordinary gains, less income or plus loss from discontinued operations plus interest expense, income taxes, depreciation and amortization expense. EBITDA will be calculated for the twelve-month period ending with the end of each reporting period.

"Subordinated Liabilities" means liabilities subordinated to the Borrower's obligations to the Bank in a manner acceptable to the Bank in its sole discretion.

This ratio will be calculated at the end of each quarter-annual reporting period for which the Bank requires financial statements, using the results of the twelve-month period ending with that reporting period.

8.4 Minimum Fixed Charge Coverage Ratio.

To maintain on a consolidated basis a Minimum Fixed Charge Coverage Ratio of at least 1.50:1.0 from and after June 30, 2006.

"Minimum Fixed Charge Coverage Ratio" means the ratio of (a) the sum of EBITDA plus lease expense and rent expense, minus maintenance capital expenditures $50,000 per annum, minus income taxes, minus dividends, withdrawals and other distributions, to (b) the sum of interest expense, lease expense, rent expense, scheduled principal payments on term debt and the current portion of capitalized lease obligations.

This ratio will be calculated at the end of each quarter-annual reporting period for which the Bank requires financial statements, using the results of the twelve-month period ending with that reporting period.

8.5 Minimum Net Worth.

To have a net worth as of the date hereof equal to at least $4,750,000, *provided*, *however*, that the aforesaid net worth requirement shall be reduced by the amount, if any, that Borrower's 2005 fiscal year-end net worth is reduced by year-end audit adjustments (but in no event shall such reduction be in excess of $250,000).

"Net Worth" means the value of total assets (including leaseholds and leasehold improvements and reserves against assets but excluding goodwill, patents, trademarks, trade names, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expenses, and other like intangibles, and monies due from affiliates, officers, directors, employees, shareholders, members or managers) less total liabilities, including but not limited to accrued and deferred income taxes.

8.6 Minimum EBITDA.

To maintain EBITDA of not less than $400,000 from June 30, 2006 until such time as the Bank receives a full appraisal by an independent party, in form and substance acceptable to the Bank in its sole discretion, establishing a valuation of the Acetadote product of at least $9,000,000.

EBITDA will be calculated at the end of each quarter-annual reporting period for which the Bank requires financial statements, using the results of the twelve-month period ending with that reporting period.

8.7 Capital Expenditures.

Not to make or incur capital expenditures (including capital lease obligations) in an aggregate amount in excess of $500,000 during any fiscal year.

8.8 Lease Expenditures.

Not to incur obligations for the leasing of real or personal property requiring payments in an aggregate amount in excess of $350,000 during any fiscal year.

8.9 Dividends and Distributions.

Not to declare, make or pay any dividends (except dividends paid in capital stock), redemptions of stock or membership interests, distributions and withdrawals (as applicable) to its owners.

8.10 Bank as Principal Depository.

To maintain the Bank as its principal depository bank, including for the maintenance of business, cash management, operating and administrative deposit accounts.

8.11 Other Debts.

Not to have outstanding or incur any direct or contingent liabilities or lease obligations (other than those to the Bank), or become liable for the liabilities of others, without the Bank's written consent. This does not prohibit:

(a) Acquiring services, goods, supplies, or merchandise on normal trade credit.

(b) Endorsing negotiable instruments received in the usual course of business.

(c) Obtaining surety bonds in the usual course of business.

(d) Liabilities, lines of credit and leases in existence on the date of this Agreement disclosed in writing to the Bank in the Borrower's most recent financial statement.

(e) Purchase money debt and capitalized lease obligations financed by the Borrower through specific research grants to the Borrower for the development of pharmaceutical products in connection with such obligations, and other purchase money debt and capitalized lease obligations in an aggregate principal amount not exceeding $250,000 outstanding at any one time.

8.12 Other Liens.

Not to create, assume, or allow any security interest or lien (including judicial liens) on property the Borrower now or later owns, except:

(a) Liens and security interests in favor of the Bank.

(b) Liens for taxes not yet due.

(c) Liens outstanding on the date of this Agreement disclosed in writing to and approved by the Bank.

(d) Liens securing purchase money debt or indebtedness arising under capitalized lease obligations permitted by this Agreement; provided, however, that in each case any such liens shall attach only to the specific item(s) of property or asset(s) financed with such purchase money debt or capitalized lease.

8.13 Maintenance of Assets.

Not to sell, assign, lease, transfer or otherwise dispose of any part of the Borrower's business or the Borrower's assets except in the ordinary course of the Borrower's business.

8.14 Investments.

Not to have any existing, or make any new, investments in any individual or entity, or make any capital contributions or other transfers of assets to any individual or entity, except for:

(a) Existing investments in CET (other than advances to CET described in Subsection 8.15(c)) disclosed to the Bank in writing.

(b) Investments permitted by Section 8.15.

(c) Investments in any of the following:

(i) certificates of deposit;

(ii) U.S. treasury bills and other obligations of the federal government;

(iii) readily marketable securities (including commercial paper, but excluding restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission).

8.15 Loans.

Not to make any loans, advances or other extensions of credit to any individual or entity, except for:

(a) Existing extensions of credit disclosed to the Bank in writing prior to the date of this Agreement.

(b) Extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business to non-affiliated entities.

(c) Extensions of credit to CET in an aggregate amount not exceeding Eight Hundred Fifty-Six Thousand Dollars ($856,000) outstanding at any one time, provided, (i) extensions of credit by the Borrower to CET from the Facility No. 1 Commitment shall not exceed Three Hundred Fifty Thousand Dollars ($350,000) outstanding at any one time and (ii) such loans are evidenced by the CET Pledged Note and secured by the CET Security Agreement.

(d) Advances to employees for business travel and other expenses incurred in the ordinary course of business in an aggregate amount not exceeding $100,000 outstanding at any one time.

8.16 Change of Management.

Not to make any substantial change in the present executive or management personnel of the Borrower. A "substantial change", as used in this subsection shall include, but not be limited to, the removal or resignation of A.J. Kazimi as Chief Executive Officer and President of the Borrower, and/or the removal or resignation of David Lowrance as the Director of Finance and Accounting for the Borrower.

8.17 Change of Ownership or Control.

Not to cause, permit, or suffer any change in the direct or indirect capital ownership or control of the Borrower such that any individual, entity or group (as defined in Section 13(d) of the Securities Exchange Act of 1934) except A.J. Kazimi shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower.

8.18 Additional Negative Covenants.

Not to, without the Bank's written consent:

(a) Enter into any consolidation, merger, or other combination, or become a partner in a partnership, a member of a joint venture, or a member of a limited liability company other than CET.

(b) Acquire or purchase a business or its assets.

(c) Change the general character of the business of the Borrower as conducted on the date of this Agreement or engage in any business activities substantially different from the Borrower's present business.

(d) Liquidate or dissolve the Borrower's business.

8.19 Notices to Bank

To promptly notify the Bank in writing of:

(a) Any lawsuit against the Borrower or CET.

(b) Any substantial dispute between any governmental authority and the Borrower or CET.

(c) Any event of default under this Agreement, or any event that, with notice or lapse of time or both would constitute an event of default.

(d) Any material adverse change in the Borrower's or CET's business condition (financial or otherwise), operations, properties or prospects, or ability to repay the credit.

(e) Any change in the Borrower's name, legal structure, place of business, or chief executive office if the Borrower has more than one place of business.

(f) Any uninsured or partially uninsured loss through fire, theft, liability or property damage in excess of $25,000.

8.20 Insurance

(a) General Business Insurance. To maintain insurance satisfactory to the Bank as to amount, nature and carrier covering property damage (including loss of use and occupancy) to any of the Borrower's properties, business interruption insurance, public liability insurance including coverage for contractual liability, product liability and workers' compensation, and any other insurance that is usual for the Borrower's business. Each policy shall provide for at least thirty (30) days' prior notice to the Bank of any cancellation thereof.

(b) Insurance Covering Collateral. To maintain all-risk property damage insurance policies covering the tangible property comprising the collateral. Each insurance policy must be in an amount acceptable to the Bank. The insurance must be issued by an insurance company acceptable to the Bank and must include a lender's loss payable endorsement in favor of the Bank in a form acceptable to the Bank.

(c) Evidence of Insurance. Upon the request of the Bank, to deliver to the Bank a copy of each insurance policy, or, if permitted by the Bank, a certificate of insurance listing all insurance in force.

(d) Insurance Certificates. On or before May 6, 2006, to deliver to the Bank a copy of the certificate of property insurance including a lender's loss payable endorsement in favor of the Bank in form and substance acceptable to the Bank in its sole discretion.

8.21 Compliance with Laws.

To comply with the laws (including any fictitious or trade name statute), regulations, and orders of any government body with authority over the Borrower's business. The Bank shall have no obligation to make any advance to the Borrower except in compliance with all applicable laws and regulations and the Borrower shall fully cooperate with the Bank in complying with all such applicable laws and regulations.

8.22 ERISA Plans.

Promptly during each year, to pay and cause any subsidiaries to pay contributions adequate to meet at least the minimum funding standards under ERISA with respect to each and every Plan; file each annual report required to be filed pursuant to ERISA in connection with each Plan for each year; and notify the Bank within ten (10) days of the occurrence of any Reportable Event that might constitute grounds for termination of any capital Plan by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer any Plan. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time. Capitalized terms in this paragraph shall have the meanings defined within ERISA.

8.23 Books and Records.

To maintain adequate books and records.

8.24 Audits.

To allow the Bank and its agents to inspect the Borrower's properties and examine, audit and make copies of books and records at any reasonable time. If any of the Borrower's properties, books or records are in the possession of a third party, the Borrower authorizes that third party to permit the Bank or its agents to have access to perform inspections or audits and to respond to the Bank's requests for information concerning such properties, books and records.

8.25 Perfection of Liens.

To help the Bank perfect and protect its security interests and liens, and reimburse it for related costs it incurs to protect its security interests and liens.

8.26 Cooperation.

To take any action reasonably requested by the Bank to carry out the intent of this Agreement.

8.27 Collateral Account Notification and Acknowledgement.

To deliver to the Bank a signed original Collateral Account Notification and Acknowledgement Agreement covering the personal property collateral in the account(s) described therein, on or before May 6, 2006 and in form and substance acceptable to the Bank in its sole discretion.

9. HAZARDOUS SUBSTANCES

9.1 Indemnity Regarding Hazardous Substances.

The Borrower will indemnify and hold harmless the Bank from any loss or liability the Bank incurs in connection with or as a result of this Agreement, that directly or indirectly arises out of the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a hazardous substance. This indemnity will apply whether the hazardous substance is on, under or about the Borrower's property or operations or property leased to the Borrower. The indemnity includes but is not limited to attorneys' fees (including the reasonable estimate of the allocated cost of in-house counsel and staff). The indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys and assigns.

9.2 Compliance Regarding Hazardous Substances.

The Borrower represents and warrants that the Borrower has complied with all current and future laws, regulations and ordinances or other requirements of any governmental authority relating to or imposing liability or standards of conduct concerning protection of health or the environment or hazardous substances.

9.3 Notices Regarding Hazardous Substances.

Until full repayment of the loans made pursuant to this Agreement, the Borrower will promptly notify the Bank in writing of any threatened or pending investigation of the Borrower or its operations by any governmental agency under any current or future law, regulation or ordinance pertaining to any hazardous substance.

9.4 Site Visits, Observations and Testing.

The Bank and its agents and representatives will have the right at any reasonable time, after giving reasonable notice to the Borrower, to enter and visit any locations where the collateral securing this Agreement (the "Collateral") is located for the purposes of observing the Collateral, taking and removing environmental samples, and conducting tests. The Borrower shall reimburse the Bank on demand for the costs of any such environmental investigation and testing. The Bank will make reasonable efforts during any site visit, observation or testing conducted pursuant this

paragraph to avoid interfering with the Borrower's use of the Collateral. The Bank is under no duty to observe the Collateral or to conduct tests, and any such acts by the Bank will be solely for the purposes of protecting the Bank's security and preserving the Bank's rights under this Agreement. No site visit, observation or testing or any report or findings made as a result thereof ("Environmental Report") (i) will result in a waiver of any default of the Borrower; (ii) impose any liability on the Bank; or (iii) be a representation or warranty of any kind regarding the Collateral (including its condition or value or compliance with any laws) or the Environmental Report (including its accuracy or completeness). In the event the Bank has a duty or obligation under applicable laws, regulations or other requirements to disclose an Environmental Report to the Borrower or any other party, the Borrower authorizes the Bank to make such a disclosure. The Bank may also disclose an Environmental Report to any regulatory authority, and to any other parties as necessary or appropriate in the Bank's judgment. The Borrower further understands and agrees that any Environmental Report or other information regarding a site visit, observation or testing that is disclosed to the Borrower by the Bank or its agents and representatives is to be evaluated (including any reporting or other disclosure obligations of the Borrower) by the Borrower without advice or assistance from the Bank.

9.5 Definition of Hazardous Substances.

"Hazardous substances" means any substance, material or waste that is or becomes designated or regulated as "toxic," "hazardous," "pollutant," or "contaminant" or a similar designation or regulation under any current or future federal, state or local law (whether under common law, statute, regulation or otherwise) or judicial or administrative interpretation of such, including without limitation petroleum or natural gas.

9.6 Continuing Obligation.

The Borrower's obligations to the Bank under this Article, except the obligation to give notices to the Bank, shall survive termination of this Agreement and repayment of the Borrower's obligations to the Bank under this Agreement.

10. DEFAULT AND REMEDIES

If any of the following events of default occurs, the Bank may do one or more of the following: declare the Borrower in default, terminate the Facility No. 1 Commitment and the Facility No. 2 Commitment, stop making any additional credit available to the Borrower, and require the Borrower to repay its entire debt immediately and without prior notice. If an event that, with notice or the passage of time, will constitute an event of default has occurred and is continuing, the Bank has no obligation to make advances or extend additional credit under this Agreement. In addition, if any event of default occurs, the Bank shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, as well as all rights and remedies available at law or in equity. If an event of default occurs under the paragraph entitled "Bankruptcy," below, with respect to the Borrower, then the entire debt outstanding under this Agreement will automatically be due immediately.

10.1 Failure to Pay.

The Borrower fails to make a payment under this Agreement when due.

10.2 Other Bank Agreements.

Any default occurs under any other agreement the Borrower (or any Obligor) or any of the Borrower's related entities or affiliates (including CET) has with the Bank or any affiliate of the Bank. For purposes of this Agreement, "Obligor" shall mean any party pledging collateral to the Bank, or, if the Borrower is comprised of the trustees of a trust, any trustor.

10.3 Cross-Default.

Any default occurs under any agreement in connection with any credit the Borrower (or any Obligor) or any of the Borrower's related entities or affiliates has obtained from anyone else or that the Borrower (or any Obligor) or any of the Borrower's related entities or affiliates has guaranteed.

10.4 False Information.

The Borrower or any Obligor has given the Bank materially false or misleading information or representations.

10.5 Bankruptcy.

The Borrower, any Obligor or any general partner of the Borrower or of any Obligor files a bankruptcy petition, a bankruptcy petition is filed against any of the foregoing parties, or the Borrower, any Obligor or any general partner of the Borrower or of any Obligor makes a general assignment for the benefit of creditors.

10.6 Receivers.

A receiver or similar official is appointed for a substantial portion of the Borrower's or any Obligor's business, or the business is terminated, or, if any Obligor is anything other than a natural person, such Obligor is liquidated or dissolved.

10.7 Lien Priority.

The Bank fails to have an enforceable first lien (except for any prior liens to which the Bank has consented in writing) on or security interest in any property given as security for this Agreement.

10.8 Lawsuits.

Any lawsuit or lawsuits are filed on behalf of one or more trade creditors against the Borrower or any Obligor in excess of any insurance coverage.

10.9 Judgments.

Any judgments or arbitration awards are entered against the Borrower or any Obligor, or the Borrower or any Obligor enters into any settlement agreements with respect to any litigation or arbitration, in excess of any insurance coverage.

10.10 Death.

If the Borrower or any Obligor is a natural person, the Borrower or such Obligor dies or becomes legally incompetent; if the Borrower or any Obligor is a trust, a trustor dies or becomes legally incompetent; if the Borrower or any Obligor is a partnership, any general partner dies or becomes legally incompetent.

10.11 Material Adverse Change.

A material adverse change occurs, or is reasonably likely to occur, in the Borrower's (or any Obligor's) business condition (financial or otherwise), operations, properties or prospects, or ability to repay the credit; or the Bank determines that it is insecure for any other reason.

10.12 Government Action.

Any government authority takes action that the Bank believes materially adversely affects the Borrower's or any Obligor's financial condition or ability to repay.

10.13 Default Under Related Documents.

Any default occurs under any subordination agreement, security agreement, deed of trust, mortgage, the CET Pledged Note, the CET Security Agreement or any other document required by or delivered in connection with this Agreement or any such document is no longer in effect.

10.14 Other Breach Under Agreement.

A default occurs under any other term or condition of this Agreement not specifically referred to in this Article. This includes any failure by the Borrower (or any other party named in the Covenants section) to comply with any financial covenants set forth in this Agreement, whether such failure is evidenced by financial statements delivered to the Bank or is otherwise known to the Borrower or the Bank.

11. ENFORCING THIS AGREEMENT; MISCELLANEOUS

11.1 GAAP.

Except as otherwise stated in this Agreement, all financial information provided to the Bank and all financial covenants will be made under generally accepted accounting principles, consistently applied.

11.2 Foreign Eligible Accounts Receivable.

In the event the Accounts Receivable of Borrower with respect to Mayne Pharma PTY, Ltd. (a) are in an amount not less than $100,000 and (b) but for the exclusion in clause (G) of the definition of "Eligible Accounts Receivable" in Subsection 1.3(b)(i) above, such Accounts Receivable would otherwise be Eligible Accounts Receivable, then the Borrower and the Bank agree to enter into negotiations, in good faith, regarding an amendment of the definition of "Eligible Accounts Receivable" to take into account all or a portion of such Mayne Pharma PTY, Ltd. receivables in a mutually acceptable manner. Unless and until such an amendment has been approved, executed and delivered by the Borrower and the Bank, all Eligible Accounts Receivable shall be determined in accordance with the terms in this Agreement without reference to this Section 11.2 or any similar understandings between the parties.

11.3 Tennessee Law.

This Agreement is governed by Tennessee law.

11.4 Successors and Assigns.

This Agreement is binding on the Borrower's and the Bank's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Bank's prior consent. The Bank may sell participations in or assign this loan, and may exchange information about the Borrower (including, without limitation, any information regarding any hazardous substances) with actual or potential participants or assignees. If a participation is sold or the loan is assigned, the purchaser will have the right of set-off against the Borrower.

11.5 Interest and Loan Charges Not to Exceed Maximum Amounts Allowed by Law.

Anything in this Agreement or any of the other Loan Documents to the contrary notwithstanding, in no event whatsoever, whether by reason of advancement of proceeds of the loans hereunder, acceleration of the maturity of the unpaid balance of such loans or otherwise, shall the interest and loan charges agreed to be paid to the Bank for the use of the money advanced or to be advanced hereunder exceed the maximum amounts collectible under applicable laws in effect from time to time. It is understood and agreed by the parties that, if for any reason whatsoever the interest or loan charges paid or contracted to be paid by the Borrower in respect of the loans made

hereunder shall exceed the maximum amounts collectible under applicable laws in effect from time to time, then ipso facto, the obligation to pay such interest and/or loan charges shall be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by the Bank that exceed such maximum amounts shall be applied to the reduction of the principal balance of the loans and/or refunded to the Borrower so that at no time shall the interest or loan charges paid or payable in respect of the loans hereunder exceed the maximum amounts permitted from time to time by applicable law.

11.6 Arbitration and Waiver of Jury Trial.

(a) This paragraph concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this agreement (including any renewals, extensions or modifications); or (ii) any document related to this agreement (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this agreement.

(b) At the request of any party to this agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, the Bank may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in the state specified in the governing law section of this agreement. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars ($5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this agreement.

(f) This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this agreement.

11.7 Severability; Waivers.

If any part of this Agreement is not enforceable, the rest of this Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

11.8 Costs and Attorneys' Fees.

The Borrower shall reimburse the Bank for any reasonable costs and attorneys' fees incurred by the Bank in connection with the enforcement or preservation of any rights or remedies under this Agreement and any other documents executed in connection with this Agreement, and in connection with any amendment, waiver, "workout" or restructuring under this Agreement. In the event of a lawsuit or arbitration proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees incurred in connection with the lawsuit or arbitration proceeding, as determined by the court or arbitrator. In the event that any case is commenced by or against the Borrower under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute, the Bank is entitled to recover costs and reasonable attorneys' fees incurred by the Bank related to the preservation, protection, or enforcement of any rights of the Bank in such a case. As used in this paragraph, "attorneys' fees" includes the allocated costs of the Bank's in-house counsel.

11.9 Individual Liability.

If the Borrower is a natural person, the Bank may proceed against the Borrower's business and non-business property in enforcing this and other agreements relating to this loan. If the Borrower is a partnership, the Bank may proceed against the business and non-business property of each general partner of the Borrower in enforcing this and other agreements relating to this loan.

11.10 One Agreement.

This Agreement, the Loan Documents and any related security or other agreements required by this Agreement, collectively:

(a) represent the sum of the understandings and agreements between the Bank and the Borrower concerning this credit;

(b) replace any prior oral or written agreements between the Bank and the Borrower concerning this credit; and

(c) are intended by the Bank and the Borrower as the final, complete and exclusive statement of the terms agreed to by them.

In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail. Any reference in any related document to a "promissory note" or a "note" executed by the Borrower and dated as of the date of this Agreement shall be deemed to refer to this Agreement and any promissory note(s) that may be executed as additional evidence of the debt hereunder, all as now in effect or as hereafter amended, modified, extended, renewed or restated.

11.11 Indemnification.

The Borrower will indemnify and hold the Bank harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Agreement or any document required hereunder, (b) any credit extended or committed by the Bank to the Borrower hereunder, and (c) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit. This indemnity includes but is not limited to attorneys' fees (including the allocated cost of in-house counsel). This indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the Borrower's obligations to the Bank. All sums due to the Bank hereunder shall be obligations of the Borrower, due and payable immediately without demand.

11.12 Notices.

Unless otherwise provided in this Agreement or in another agreement between the Bank and the Borrower, all notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as the Bank and the Borrower may specify from time to time in writing. Notices and other communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

11.13 Headings.

Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

11.14 Counterparts.

This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

11.15 Prior Agreement Superseded.

This Agreement supersedes the Existing Loan Agreement, and any credit outstanding thereunder shall be deemed to be outstanding under this Agreement.

[This space left blank intentionally; signature page follows]

This Agreement is executed as of the date stated at the top of the first page.

BANK OF AMERICA, N.A.

By: /s/ Elizabeth L. Knox
Typed Name:
Title: SVP

Address where notices to the Bank are to be sent:

Bank of America, N.A.
Bank of America Plaza
414 Union Street
Nashville, TN 37219-1697
Attn: Healthcare Banking Group (TN1-100-04-17)
Facsimile: (615) 749-4951

CUMBERLAND PHARMACEUTICALS, INC.

By:
Typed Name:
Title:

Address where notices to the Borrower are to be sent:

Cumberland Pharmaceuticals, Inc.
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
Attn: A.J. Kazimi, Chief Executive Officer
Facsimile No. (615) __-____

ACKNOWLEDGED:

CUMBERLAND EMERGING TECHNOLOGIES, INC.

By:
Typed Name:
Title:

This Agreement is executed as of the date stated at the top of the first page.

BANK OF AMERICA, N.A.

By: _____
Typed Name: _____
Title: _____

Address where notices to the Bank are to be sent:

Bank of America, N.A.
Bank of America Plaza
414 Union Street
Nashville, TN 37219-1697
Attn: Healthcare Banking Group (TN1-100-04-17)
Facsimile: (615) 749-4951

CUMBERLAND PHARMACEUTICALS, INC.

By: /s/ A.J. Kazimi
Typed Name: A.J. Kazimi
Title: C.E.O.

Address where notices to the Borrower are to be sent:

Cumberland Pharmaceuticals, Inc.
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
Attn: A.J. Kazimi, Chief Executive Officer
Facsimile No. (615) 255-0068

ACKNOWLEDGED:

CUMBERLAND EMERGING TECHNOLOGIES, INC.

By: /s/ A.J. Kazimi
Typed Name: A.J. Kazimi
Title: C.E.O.

SCHEDULE 1

Existing Loan Documents

1. Third Amended and Restated Promissory Note dated March 1, 2005, in the principal amount not exceeding $3,500,000.00, made and executed by Borrower and payable to the order of Bank.
2. Trademark and Patent Security Agreement dated April 19, 2002, between Borrower and Bank, as amended by that certain First Amendment to Trademark and Patent Security Agreement dated August 1, 2002.
3. Security Agreement dated April 19, 2002, between Borrower and Bank, as amended by that certain First Amendment to Security Agreement dated August 1, 2002.

EXHIBIT A

COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 8.2 of that certain Loan Agreement dated as of April 6, 2006 (together with all amendments and modifications, if any, from time to time made thereto, the "Loan Agreement"), between Cumberland Pharmaceuticals, Inc., a Tennessee corporation (the "Borrower") and Bank of America, N.A. (the "Bank"). Unless otherwise defined, terms used herein (including the attachments hereto) have the meanings provided in the Loan Agreement.

The undersigned, being the duly elected, qualified and acting _____ of the Borrower, on behalf of the Borrower and solely in his or her capacity as an officer of the Borrower, hereby certifies and warrants that:

1. He or she is the _____ of the Borrower and that, as such, he or she is authorized to execute this certificate on behalf of the Borrower.

2. As of _____, 200 _____:

(a) The Borrower was not in default of any of the provisions of the Loan Agreement during the period as to which this Compliance Certificate relates; and

(b) The financial statements being submitted to the Bank by the Borrower with this Certificate are true and correct as of the date hereof.

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate, this _____ day of _____, 200___.

CUMBERLAND PHARMACEUTICALS, INC.

By: _____

Typed Name: _____

Title: _____

EXHIBIT B

BORROWING BASE CERTIFICATE

This Borrowing Base Certificate is delivered pursuant to pursuant to Section 8.2 of that certain Loan Agreement dated as of April 6, 2006 (together with all other amendments and modifications, if any, from time to time made thereto, the "Loan Agreement"), between Cumberland Pharmaceuticals, Inc., a Tennessee corporation (the "Borrower") and Bank of America, N.A (the "Bank"). Unless otherwise defined, terms used herein (including the attachments hereto) have the meanings provided in the Loan Agreement.

The undersigned, being the duly elected, qualified and acting _____ of the Borrower, on behalf of the Borrower and solely in his or her capacity as an officer of the Borrower, hereby certifies and warrants that:

1. He or she is the _____ of the Borrower and that, as such, he or she is authorized to execute this certificate on behalf of the Borrower.

2. Attached hereto is a true and accurate listing of accounts receivable aged from date of invoice up through _____, 200____.

3. Attached hereto is a true and accurate listing of the inventory of the Borrower.

4. The Borrowing Base as of _____, 200____, as such term is defined under the Loan Agreement, is $_____.

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate, this _____ day of _____, 200____.

CUMBERLAND PHARMACEUTICALS, INC.

By: _____
Typed Name: _____
Title: _____

Exhibit 10.16.2

FIRST AMENDMENT TO
SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AGREEMENT (this "Amendment"), dated December 31, 2006, is made and entered into on the terms and conditions hereinafter set forth, by and between CUMBERLAND PHARMACEUTICALS, INC., a Tennessee corporation (the "Borrower"), and BANK OF AMERICA, N.A., a national banking association (the "Lender").

RECITALS:

1. The Borrower and the Lender are parties to a Second Amended and Restated Agreement dated as of April 6, 2006 (as the same heretofore has been or hereafter may be further amended, restated, supplemented, extended, renewed, replaced or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lender has agreed to extend credit to the Borrower subject to and upon the terms and conditions set forth in the Loan Agreement.

2. The parties hereto desire to amend the Loan Agreement in certain respects as more particularly hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **Amendment of Section 8.8.** Section 8.8 (Lease Expenditures) of the Loan Agreement is hereby amended by deleting the figure "$350,000" and substituting in lieu thereof the figure "$500,000".

2. **Representations and Warranties of the Borrower.** As an inducement to the Lender to enter into this Amendment, the Borrower hereby represents and warrants that on and as of the date hereof, and taking into account the provisions hereof, the representations and warranties contained in the Loan Agreement and the other Loan Documents are true and correct in all material respects, except for representations and warranties that expressly relate to an earlier date, which remain true and correct as of said earlier date.

3. **Effect of Amendment; Continuing Effectiveness of Loan Agreement and Loan Documents.**

(a) Neither this Amendment nor any other indulgences that may have been granted to the Borrower by the Lender shall constitute a course of dealing or otherwise obligate the Lender to modify, expand or extend the agreements contained herein, to agree to any other amendments to the Loan Agreement or to grant any consent to, waiver of or indulgence with respect to any other noncompliance with any provision of the Loan Documents.

(b) Upon and after the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Loan Agreement, and each reference in the other Loan Documents to "the Loan Agreement", "thereunder", "thereof" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as modified hereby. This Amendment shall constitute a Loan Document for all purposes of the Loan Agreement and the other Loan Documents.

(c) Except to the extent amended or modified hereby, the Loan Agreement, the other Loan Documents and all terms, conditions and provisions thereof shall continue in full force and effect in all respects and shall be construed in accordance with the modification of the Loan Agreement effected hereby.

4. **Release and Waiver.** The Borrower hereby stipulates, acknowledges and agrees that it has no claims or causes of action of any kind whatsoever against the Lender arising out of or relating in any way to any event, circumstance, action or failure to act with respect to this Amendment, the Loan Agreement, the other Loan Documents or any matters described or referred to herein or therein or otherwise related hereto or thereto. The Borrower hereby releases the Lender from any and all claims, causes of action, demands and liabilities of any kind whatsoever, whether direct or indirect, fixed or contingent, liquidated or unliquidated, disputed or undisputed, known or unknown, that the Borrower may now or hereafter have and that arise out of or relate in any way to any event, circumstance, action or failure to act on or before the date of this Amendment with respect to this Amendment, the Loan Agreement, the other Loan Documents or any matters described or referred to herein or therein or otherwise related hereto or thereto. The release by the Borrower herein, together with the other terms and provisions of this Amendment, are entered into by the Borrower advisedly and without compulsion, coercion or duress, the Borrower having determined that this Amendment is in the economic best interests of the Borrower. The Borrower represent that they are entering into this Amendment freely and with the advice of counsel as to their legal alternatives.

5. **Further Actions.** Each of the parties to this Amendment agrees that at any time and from time to time upon written request of the other party, it will execute and deliver such further documents and do such further acts and things as such other party reasonably may request in order to effect the intents and purposes of this Amendment.

6. **Counterparts.** This Amendment may be executed in multiple counterparts or copies, each of which shall be deemed an original hereof for all purposes. One or more counterparts or copies of this Amendment may be executed by one or more of the parties hereto, and some different counterparts or copies executed by one or more of the other parties. Each counterpart or copy hereof executed by any party hereto shall be binding upon the party executing same even though other parties may execute one or more different counterparts or copies, and all counterparts or copies hereof so executed shall constitute but one and the same agreement. Each party hereto, by execution of one or more counterparts or copies hereof, expressly authorizes and directs any other party hereto to detach the signature pages and any corresponding acknowledgment, attestation, witness or similar pages relating thereto from any such counterpart or copy hereof executed by the authorizing party and affix same to one or more other identical counterparts or copies hereof so that upon execution of multiple counterparts or copies hereof by all parties hereto, there shall be one or more counterparts or copies hereof to which is(are) attached signature pages containing signatures of all parties hereto and any corresponding acknowledgment, attestation, witness or similar pages relating thereto.

7. Miscellaneous.

(a) This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of Tennessee, without reference to the conflicts or choice of law principles thereof.

(b) The headings in this Amendment and the usage herein of defined terms are for convenience of reference only, and shall not be construed as amplifying, limiting or otherwise affecting the substantive provisions hereof.

(c) All references herein to the preamble, the recitals or sections, paragraphs, subparagraphs, annexes or exhibits are to the preamble, recitals, sections, paragraphs, subparagraphs, annexes and exhibits of or to this Amendment unless otherwise specified. The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this

Amendment, refer to this Amendment as a whole and not to any particular provision of this Amendment.

(d) Any reference herein to any instrument, document or agreement, by whatever terminology used, shall be deemed to include any and all amendments, modifications, supplements, extensions, renewals, substitutions and/or replacements thereof as the context may require.

(e) When used herein, (1) the singular shall Include the plural, and vice versa, and the use of the masculine, feminine or neuter gender shall include all other genders, as appropriate, (2) “include”, “includes” and “including” shall be deemed to be followed by “without limitation” regardless of whether such words or words of like import in fact follow same, and (3) unless the context clearly indicates otherwise, the disjunctive “or” shall include the conjunctive “and”.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

[Remainder of Page Intentionally Left Blank;
Signature Pages Follow)

BORROWER:

CUMBERLAND PHARMACEUTICALS, INC.

By: /s/ A.J. Kazimi
Name: A.J. Kazimi
Title: C.E.O.

ACKNOWLEDGED:

CUMBERLAND EMERGING TECHNOLOGIES, INC.

By: /s/ David L. Lowrance
Name: David L. Lowrance
Title: Director of Finance & Accounting

[Signature Page to First Amendment to Second Amended and Restated Loan Agreement
(Cumberland Pharmaceuticals, Inc.) dated December 31, 2006]

LENDER:

BANK OF AMERICA, N.A.

By: /s/ H. Hope Walker
Name: H. Hope Walker
Title: V.P.

EXHIBIT 10.21

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

2525 WEST END

OFFICE LEASE AGREEMENT

BY AND BETWEEN

NASHVILLE HINES DEVELOPMENT, LLC
AS LANDLORD

AND

CUMBERLAND PHARMACEUTICALS INC.,
AS TENANT

BASIC LEASE INFORMATION

Lease Date:	Sept 10, 2005
Tenant:	Cumberland Pharmaceuticals Inc.
Address of Tenant:	2525 West End Avenue, Suite 950 Nashville, Tennessee 37203
Primary Contact:	Jean W. Marstiller
Landlord:	Nashville Hines Development, LLC
Address of Landlord:	Five Greenway Plaza Houston, Texas 77046 Attention: F. Russ Nicholson
Leased Premises:	Approximately 6,341 square feet of RSF Located on Floor 9
Commencement Date:	January 1, 2006
Lease Term:	Five (5) years
Base Rental:	Per Exhibit G. Initial monthly Base Rental is [***].
Initial Allowance:	[***] per square foot of RSF

The foregoing Basic Lease Information is hereby incorporated into and made a part of the Lease identified above. In the event of any conflict between any Basic Lease Information and the Lease, the Lease shall control.

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2525 WEST END
OFFICE LEASE AGREEMENT

THIS LEASE AGREEMENT ***("Lease")*** *is* made and entered into on this 10th day of Sept , 2005 (the ***"Date of Lease")***, by and between NASHVILLE HINES DEVELOPMENT, LLC, a limited partnership organized under the laws of the State of Delaware, whose address for purposes hereof is Five Greenway Plaza, Houston, Texas 77046 Attention: F. Russ Nicholson (hereinafter called ***"Landlord")***, and CUMBERLAND PHARMACEUTICALS INC., a Tennessee corporation, whose address for purposes hereof is 2525 West End Avenue, Suite 950, Nashville, TN 37203, Attention: Jean W. Marstiller, (the address of the Leased Premises within the Building) (hereinafter called ***"Tenant")***.

ARTICLE I.

1.1. Leased Premises.

Landlord has constructed or intends to construct certain improvements on a certain tract or parcel of land located on West End Avenue in Nashville, Davidson County, Tennessee, and more particularly described in Exhibit A-1, attached hereto and incorporated herein by this reference (the *"**Land**")*. The certain improvements including an office building with a retail area included within it currently known as 2525 West End Avenue (the ***"Building")*** and the Parking Facility (as defined herein). The Building, the Parking Facility, and the Land together with all common areas not specifically made a part of the Building or the Parking Facility, and all other improvements from time to time located thereon or related thereto are hereinafter collectively referred to as the *"**Project**."* Subject to and upon the terms hereinafter set forth, and in consideration of the sum of Ten Dollars ($10.00), the premises, and the mutual covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, Landlord does hereby lease and demise to Tenant and Tenant does hereby lease and take from Landlord (subject to all matters of record in Davidson County, Tennessee, that affect the Project) those certain premises (hereinafter sometimes called the ***"Leased Premises"***) located in the Building as shown on Exhibit A, attached hereto and incorporated herein, such Leased Premises being more particularly described as follows:

Approximately 6,341 RSF on the ninth (9*th*) Floor of the Building and as generally described or depicted on Exhibit B, attached hereto and incorporated herein.

Tenant accepts the Leased Premises "AS-IS." Landlord has not undertaken to perform any alteration or improvement to the Lease Premises.

The terms ***"Rentable Square Feet"*** and ***"RSF",*** as used herein, shall refer to (i) in the case of a floor leased to a single tenant, the total square footage of all floor area measured from the inside surface of the exterior glass line of the Building to the inside surface of the opposite exterior glass line, excluding only Service Areas (defined below) and General Common Areas (defined below), plus an allocation of the square footage of the General Common Areas, and (ii) in the case of a floor leased to more than one tenant, the total square footage of all floor areas within the inside surface of the exterior glass line of the Building enclosing the Leased Premises and measured to the mid-point of demising walls (i.e., walls separating the Leased Premises from areas leased to or held for lease to other tenants, from On-Floor Common Areas (defined

below), and from General Common Areas), excluding only Service Areas, plus an allocation of the square footage of the General Common Areas and an allocation of the square footage of the On-Floor Common Areas. No deductions from Rentable Square Feet shall be made for columns or projections.

"***Service Areas***" shall mean the areas within (and measured from the exterior surface of the interior walls enclosing, or from the inside surface of the exterior glass or wall enclosing, as the case may be) Building stairs, elevator shafts, flues, vents, stacks, pipe shafts and vertical ducts. Areas for the specific use of Tenant or other tenants of the Building or installed at the request of Tenant such as special stairs or elevators are not included within the definition of Service Areas.

"General Common Areas" shall mean those areas within (and measured from the midpoint of the walls or from the inside surface of the exterior glass enclosing) the Building's elevator machine rooms, main mechanical rooms, electrical rooms, and public lobbies, engineering and cleaning staging areas, and other areas not leased or held for lease within the Building but which are reasonably necessary for the proper utilization of the Building or to provide customary services to the Building, plus an allocation of any On-Floor Common Areas to the General Common Areas on the floor for floors that contain General Common Areas. The allocation of the square footage of the General Common Areas shall be equal to the total square footage of the General Common Areas multiplied by a fraction, the numerator of which is the Rentable Square Feet of the Leased Premises (excluding the total square footage of the General Common Areas) and the denominator of which is the total of all Rentable Square Feet contained in the Building (excluding the allocation of the General Common Areas).

"On-Floor Common Areas" shall mean the total square footage of all areas within (and measured from the midpoint of the walls enclosing) public corridors, elevator foyers, rest rooms, mechanical rooms, janitor closets, telephone and equipment rooms, and other similar facilities for the use of all tenants on the floor on which the Leased Premises are located. The allocation of the square footage of the On-Floor Common Areas shall be equal to the total On-Floor Common Areas on said floor multiplied by a fraction, the numerator of which is the Rentable Square Feet of the portion of the Leased Premises (excluding the allocations of General Common Areas and On-Floor Common Areas) located on said floor and the denominator of which is the total of all Rentable Square Feet on said floor (excluding the allocations of General Common Areas and On-Floor Common Areas on the floor).

"***Parking Facility***" shall mean the parking structure that is constructed or intended to be constructed and located adjacent to the Building (the "***Adjacent Parking Facility"),*** the surface parking area adjacent to the Building (the ***"Surface Parking Area"),*** and the existing garage located across Kensington Place (the ***"Kensington Parking Facility") as*** shown and labeled on Exhibit A (which shall only be used by Tenant as parking for Tenant's employees and the employees of other office tenants, not customer parking), together with any connecting walkways, covered walkways, or other means of access to said building or buildings, the grounds related thereto and any additional improvements at any time related thereto. The Parking Facility may be operated by a parking contractor designated from time to time by Landlord.

(a) This Lease does not grant Tenant any rights to light, air or view over or about the Land or any other real property. Landlord specifically excepts and reserves to itself all

rights to and the use of any roofs, the exterior portions of the Leased Premises, the Land, improvements and air and other rights below the improved floor level of the Leased Premises, the improvements and air and other rights above the improved ceiling of Leased Premises, the improvements and air and other rights located outside the demising walls of the Leased Premises and such areas within the Leased Premises as are required for installation of utility lines and other installations required to serve the Building or any occupants of the Building, and Landlord specifically reserves to itself the right to use, maintain and repair same, and no rights with respect thereto are conferred upon Tenant, unless otherwise specifically provided herein.

(b) Tenant has been in possession of the Leased Premises prior to the Commencement Date pursuant to a sublease agreement, is aware of the condition of the Leased Premises and represents and acknowledges that the Leased Premises is, as of the Commencement Date, in good order and satisfactory condition. Tenant acknowledges that no promise by or on behalf of Landlord, any of Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building or any of their respective agents, partners or employees to alter, remodel, improve, repair, decorate or clean the Leased Premises has been made to or relied upon by Tenant, and that no representation respecting the condition of the Leased Premises or the Building by or on behalf of Landlord, any of Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building or any of their respective agents, partners or employees has been made to or relied upon by Tenant, except to the extent expressly set forth in this Lease.

1.2. Term.

(a) Subject to and upon the terms and conditions set forth herein, or in any exhibit hereto, the term of this Lease shall commence on the Commencement Date (defined below) and shall expire at 6:00 P.M on December 31, 2010.

(b) As used herein, ***"Commencement Date"*** means January 1, 2006.

1.3. Use. The Leased Premises are to be used and occupied by Tenant (and its permitted assignees and subtenants) solely for the purpose of office space and for no other purpose. The Leased Premises shall not be used for any purpose which would create unreasonable elevator loads or otherwise unreasonably interfere with Building operations, and Tenant shall not engage in any activity which is not in keeping with the first class standards of the Building. In no event shall the Leased Premises be used for the purpose of installing, marketing, operating, or providing electronic telecommunications, information or data processing, storage or transmissions, or other electronic office services or equipment for tenants or other occupants of the Building on a shared-usage basis through a central switch or a local area network.

1.4. Landlord's Relocation Right. Upon ninety (90) days' written notice to Tenant *("**Landlord's Relocation Notice**")*, Landlord may substitute for the Leased Premises other premises in the Building (the *"**New Premises**")*, in which event the New Premises shall be deemed to be the Leased Premises for all purposes hereunder, provided:

(a) The New Premises shall be comparable to the Leased Premises in size, configuration and market value;

(b) Landlord and Tenant shall cooperate in good faith in making any changes to the Tenant Program, Space Plan, Preliminary Working Drawings, and/or Working Drawings (as defined herein and as may be applicable depending upon which, if any, of the foregoing has then been prepared at the time of Landlord's election to relocate the Leased Premises) so as to conform the leasehold improvements in the New Premises as closely as practicable to those planned for the Leased Premises;

(c) To the extent Tenant shall have incurred any expense in the preparation of the Tenant Program, Space Plan, Preliminary Working Drawings, Working Drawings and/or leasehold improvements (as defined herein and as may be applicable depending upon which, if any, of the foregoing has then been prepared, purchased or installed at the time of Landlord's election to relocate the Leased Premises), Landlord shall, at Landlord's expense, cause each of such applicable items to be reproduced for the New Premises so that Tenant shall not incur expenses in connection therewith by reason of the exercise by Landlord of the relocation right contained herein. In addition, Landlord shall reimburse Tenant within thirty (30) days after receipt of genuine, third-party invoices marked "paid" for Tenant's moving costs and all costs of reprinting stationery, cards and other printed material bearing tenant's address at the Lease Premises if such address changes due to the relocation (but only the reasonable quantities existing immediately prior to the relocation); and

(d) Upon substitution of the New Premises for the Leased Premises, the Rentable Square Feet of the New Premises shall control for purposes of this Lease, and Tenant Percentage Share (hereinafter defined) and the Base Rental shall be recalculated and adjusted based on the Rentable Square Feet of the New Premises.

Tenant shall not be entitled to any compensation for any inconvenience or interference with Tenant's business, nor to any abatement or reduction in rent or other sums payable by Tenant hereunder, nor shall Tenant's obligations under this Lease be otherwise affected, as a result of the substitution of the New Premises, except as otherwise expressly provided in this Section. Tenant agrees to cooperate with Landlord so as to facilitate the prompt completion by Landlord of its obligations under this **Section.** Without limiting the generality of the preceding sentence, Tenant agrees to promptly provide to Landlord such approvals, instructions, plans, specifications and other information as may be reasonably requested by Landlord in connection with such obligations. At Landlord's request, Tenant shall execute a supplement to this Lease confirming the substitution of the New Premises for the Leased Premises. Within twenty (20) days after receipt of Landlord's Relocation Notice, Tenant shall either accept such relocation or deliver written notice to Landlord terminating this Lease effective no later than the ninetieth (90th) day after Landlord's relocation Notice. Tenant's failure to deliver such termination notice within such twenty (20) day period shall be deemed conclusively Tenant's election to relocate to the New Premises.

1.5. Surrender of Premises.

(a) Upon the termination of this Lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, Tenant shall quit and surrender possession of the Leased Premises to Landlord, broom clean, in the same condition as upon delivery of possession to Tenant hereunder, normal wear and tear excepted. Before surrendering possession of the Leased Premises, Tenant shall, without expense to Landlord, remove all signs, furnishings, equipment (including all communication and other cables),

trade fixtures, merchandise and other personal property installed or placed in the Leased Premises and all debris and rubbish, and Tenant shall repair all damage to the Leased Premises resulting from such removal; provided if Tenant is then in default under this Lease, Tenant shall not remove any such item unless Tenant receives written directions from Landlord authorizing or directing the removal thereof. If Tenant fails to remove any of the signs, furnishings, equipment, trade fixtures, merchandise and other personal property installed or placed in the Leased Premises by the expiration or termination of this Lease, then Landlord may, at its sole option, (i) treat Tenant as a holdover, in which event the provisions of this Lease regarding holding over shall apply, (ii) deem any or all of such items abandoned and the sole property of Landlord, or (iii) remove any and all such items and dispose of same in any manner. Tenant shall pay Landlord on demand any and all expenses incurred by Landlord in the removal of such items, including, without limitation, the cost of repairing any damage to the Leased Premises or the Building caused by such removal and storage charges (if Landlord elects to store such property).

(b) All installations, additions, partitions, hardware, cables, wires, fixtures and improvements, temporary or permanent (including, but not limited to, Tenant's Extra Work), except for Tenant's signs, furnishings, equipment, communication cables, telephone switches, trade fixtures, merchandise and other personal property, in or upon the Leased Premises, whether placed there by Tenant or Landlord, shall, upon the termination of this lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, become Landlord's property and shall remain upon the Leased Premises, all without compensation, allowance or credit to Tenant; provided, however, that if at the time Landlord consents to Tenant's installation of any installations, additions, partitions, hardware, cables, wires, fixtures and improvements or at any time prior to termination of this Lease, Landlord requires removal of the same upon termination, then Tenant, at Tenant's sole cost and expense, upon termination of this Lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, shall promptly remove such designated items placed in or upon the Leased Premises by or on behalf of Tenant and, repair any damage to the Leased Premises or the Building caused by such removal, failing which Landlord may remove the same and repair the Leased Premises or the Building, as the case may be, and Tenant shall pay the cost thereof to Landlord on written demand.

1.6. Survival. Any claim, cause of action, liability or obligation arising under the term of this Lease and under the provisions hereof in favor of a party hereto against or obligating the other party hereto and all of Tenant's indemnification obligations hereunder shall survive the expiration or any earlier termination of this Lease.

ARTICLE II.

2.1. Rental Payments.

(a) Commencing on the Commencement Date and continuing thereafter throughout the full term of this Lease, Tenant hereby agrees to pay the Base Rental (defined below), and Tenant's Forecast Additional Rental (defined below) and Tenant's Additional Rental Adjustment (defined below) in accordance with this Article. The Base Rental and Tenant's Forecast Additional Rental shall be due and payable in equal monthly installments on the first

day of each calendar month during the initial term of this Lease and any extensions or renewals hereof, and Tenant hereby agrees to so pay such rent to Landlord at Landlord's address as provided herein (or such other address as may be designated by Landlord from time to time) monthly in advance.

(b) If the Commencement Date is other than the first day of a calendar month, then the installments of Base Rental and Tenant's Forecast Additional Rental for such month shall be prorated and the installment or installments so prorated shall be paid in advance. Said installments for such prorated month shall be calculated by multiplying the equal monthly installment by a fraction, the numerator of which shall be the number of days of the Lease term occurring during said commencement or expiration month, as the case may be, and the denominator of which shall be thirty (30). If the term of this Lease commences or expires on other than the first day of a calendar year, Tenant's Forecast Additional Rental and Tenant's Additional Rental shall be prorated for such commencement or expiration year, as the case may be, by multiplying Tenant's Forecast Additional Rental and Tenant's Additional Rental by a fraction, the numerator of which shall be the number of whole and partial months of the Lease term during the commencement or expiration year, as the case may be, and the denominator of which shall be twelve (12). In such event the Tenant's Additional Rental Adjustment shall be made as soon as reasonably possible after the termination of this Lease.

(c) For purposes hereof, the term ***"Rental"*** shall mean and collectively refer to the Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums payable by Tenant hereunder. Tenant agrees to pay all Rental at the times and in the manner provided in this Lease, without abatement, demand, notice, set-off, deduction or counterclaim, and all sums payable under this Lease by Tenant shall be deemed to be rent due and owing hereunder. All Rental shall bear interest from the tenth (10^{th}) day after the date due thereof until paid at the lesser of (i) a per annum rate equal to the "prime rate" announced by Chase Manhattan Bank, New York, New York, or its successor, (or if the "prime rate" is discontinued, the rate announced as that being charged to the most credit-worthy commercial borrowers) plus two percent (2%) or (ii) the maximum interest rate per annum allowed by law.

2.2. Base Rental. Throughout the full term of this Lease, Tenant hereby agrees to pay a base annual rental (the ***"Base Rental")*** in accordance with the schedule attached hereto as Exhibit G, as such dollar amount may be adjusted from lease year to lease year pursuant to the terms of this Lease.

2.3. Additional Rental.

(a) Commencing with the calendar year in which the Commencement Date occurs and continuing thereafter for each calendar year during the full term of this Lease, Landlord shall present to Tenant prior to the beginning of said calendar year (or for the calendar year in which the Lease term commences, on the Commencement Date) a statement of Tenant's Forecast Additional Rental. Landlord's failure to deliver such a statement of Tenant's Forecast Additional Rental shall not operate to excuse Tenant from the payment of the monthly installment of Tenant's Forecast Additional Rental due under **Section 2.1(a).** Rather, Tenant shall continue to pay the monthly installment of Tenant's Forecast Additional Rental based on Landlord's most recent calculation thereof until such a statement is delivered to Tenant, with such statement being applied retroactively to the beginning of the calendar year and Tenant

making up any under payments immediately upon its receipt of such statement. Landlord may, from time to time, recalculate Tenant's Forecast Additional Rental in order to more accurately reflect Landlord's good faith estimate of Tenant's Additional Rental, and Tenant shall commence paying the recalculated Tenant's Forecast Additional Rental, in accordance with Section 2.1(a) hereof, immediately after receiving notice thereof.

(b) As used herein, *"**Tenant's Forecast Additional Rental"*** shall mean Landlord's reasonable estimate of Tenant's Additional Rental (defined below) for the coming calendar year (or, in the calendar year in which the lease term commences, for such calendar year).

(c) Landlord shall absorb and be responsible for paying Operating Expenses (defined below) during any calendar year to the extent such Operating Expenses are less than Nine and 17/100 Dollars ($9.17) per square foot of space in the Building leased to rent paying tenants (the ***"Expense Stop")***. As part of Tenant's Additional Rental, Tenant shall be responsible for paying its pro rata share of the Operating Expenses for any calendar year in excess of the Expense Stop. For purposes hereof, ***"Tenant's Additional Rental"*** for any calendar year shall mean Tenant's Percentage Share (defined below) of the Operating Expenses for such calendar year in excess of the Expense Stop. As used herein, ***"Tenant's Percentage Share"*** shall mean a fraction, the numerator of which is the total number of square feet of Rentable Square Feet within the Leased Premises and the denominator of which is the greater of (i) ninety-five percent (95%) of the total square footage of all Rentable Square Feet in the Building (exclusive of any retail space) held for lease, or (ii) the total square footage of all Rentable Square Feet in the Building (exclusive of any retail space) actually leased to rent paying tenants.

(d) Landlord shall use reasonable efforts to provide Tenant, within one hundred twenty (120) days after the end of the calendar year in which the Commencement Date occurs and of each calendar year thereafter during the term of this Lease, with a statement detailing the Operating Expenses for each such calendar year (the ***"Annual Operating Expense Statement")*** and a statement prepared by Landlord comparing Tenant's Forecast Additional Rental with Tenant's Additional Rental. In the event that Tenant's Forecast Additional Rental exceeds Tenant's Additional Rental for said calendar year, Landlord shall pay Tenant (in the form of a credit against rentals next due or, upon expiration of this Lease, in the form of Landlord's check) an amount equal to such excess. In the event that the Tenant's Additional Rental exceeds Tenant's Forecast Additional Rental for said calendar year, Tenant hereby agrees to pay Landlord, within thirty (30) days of receipt of the statement, an amount equal to such difference ***("Tenant's Additional Rental Adjustment")***.

(e) Tenant, at Tenant's sole cost and expense, shall have the right, to be exercised by written notice given to Landlord within sixty (60) days after receipt of the Annual Operating Expense Statement for any calendar year, to audit Landlord's books and records pertaining only to the Operating Expenses for such calendar year, provided such audit must commence within thirty (30) days after Tenant's notice to Landlord and thereafter proceed regularly and continuously to conclusion and, provided, further, that such audit must be conducted by a nationally recognized independent public accounting firm in a manner that does not unreasonably interfere with the conduct of Landlord's business. Notwithstanding the foregoing, Tenant shall not have the right to audit Landlord's books

and records regarding the Operating Expenses for any calendar year if (i) the Annual Operating Expense Statement for such calendar year was prepared by a nationally recognized independent public accounting firm, or (ii) Tenant is in default under the terms of this Lease or any circumstance exists which with the giving of notice, the passage of time, or both, would constituted such a default. Landlord agrees to cooperate in good faith with Tenant in the conduct of any such audit. Tenant (and its agents, employees and accountants) shall hold the results of such audits in strict confidence and not disclose the same to any third party, except as is necessary during any dispute between Landlord and Tenant related thereto or as required by law. A copy of the results of any such audit shall be promptly provided to Landlord, and Landlord may conduct an independent review of the same. If there is any disagreement regarding the results of any such audit, the parties shall select a third party auditor to resolve the dispute. Tenant shall not employ any person or entity to audit Landlord's books and records whose compensation is based, in whole or in part, on a contingency fee or the results of the audit.

2.4. Operating Expenses.

(a) ***"Operating Expenses",*** for each calendar year, shall consist of (i) all Operating Costs (defined below) for the Building, plus (ii) an amount equal to the sum of the total ownership, management, maintenance, repair, replacement and operating costs accruing during each such calendar year for portions of the Project not within the Building that are designated or maintained from time to time as common areas, including, but not limited to, fifty (50%) percent of the cost of maintaining the Kensington Place roadway adjoining the Project and those areas which are for the benefit of the occupants of the Project whether or not so designated or maintained as common areas (net of any contribution received from time to time from the owners of the other portions of the Project for such expenses).

(b) For the purposes of this Lease, "***Operating Costs***" shall mean all expenses, costs and accruals (excluding therefrom, however, specific costs billed to or otherwise incurred for the particular benefit of specific tenants of the Building) of every kind and nature, computed on an accrual basis, incurred or accrued in connection with, or relating to, the ownership, operation, management, maintenance, repair and replacement of the Building during each calendar year, including, but not limited to, the following:

(i) wages and salaries, including taxes, insurance and benefits, of all on and off-site employees engaged in operations, management, maintenance, repair, replacement or access control, as reasonably allocated by Landlord and rent for the Building's management office exclusive of that portion of such office used for leasing;

(ii) cost of all supplies, tools, equipment and materials to the extent used in operations, management, maintenance, repairs or replacements, as reasonably allocated by Landlord;

(iii) cost of all utilities, including, but not limited to, the cost of electricity, the cost of water and the cost of power for heating, lighting, air conditioning and ventilating;

(iv) the cost of trash and garbage removal, cleaning, vermin extermination, snow, ice and debris removal, and other services;

(v) cost related to and fees payable under all maintenance, management and service agreements, including, but not limited to, a management fee contribution equal to three percent (3%) of the gross revenues;

(vi) costs related to those agreements related to access control services, garage operations, window cleaning, elevator maintenance, janitorial service, pest control and landscaping maintenance;

(vii) cost of inspections, repairs, maintenance and replacements (except to the extent covered by proceeds of insurance); provided the cost of capital repairs and replacements shall be amortized over such reasonable period of time as Landlord shall determine and only the portion of such costs allocable to any calendar year (plus interest on the unpaid balance of such costs) may be included in the Operating Costs for such calendar year;

(viii) the cost of legal and accounting services incurred by Landlord relating to management and maintenance of the Building but not including any such expenses related to leasing of space in the Building;

(ix) amortization of the cost (plus interest on the unpaid balance of such costs) of any system, apparatus, device, or equipment which is installed for the principal purpose of (i) reducing Operating Expenses, (ii) promoting safety or (iii) complying with governmental requirements;

(x) the cost of all insurance, including, but not limited to, the cost of casualty, rental loss and liability insurance, and insurance on Landlord's personal property, plus the cost of all deductible and co-insurance payments made by Landlord in connection therewith;

(xi) amounts due under easements, operating agreements, parking operating agreements, declarations, covenants or instruments encumbering the Land;

(xii) reasonable replacement reserves;

(xiii) cost of maintaining, striping, repairing, replacing, repaving and lighting grounds, streets, parking areas, sidewalks, curbs, walkways, landscaping, drainage and lighting facilities; and

(xiv) all taxes, assessments and governmental charges, whether or not directly paid by Landlord, whether federal, state, county or municipal

and whether they be by taxing districts or authorities presently taxing the Building and said common areas or by others subsequently created or otherwise, and any other taxes, assessments and governmental charges attributable to the Building and that portion of the common areas or their operation, excluding, however, taxes and assessments attributable to the personal property of other tenants, federal and state taxes on income, death taxes, franchise taxes, and any taxes imposed or measured on or by the income of Landlord from the operation of the Building or imposed in connection with any change of ownership of the Building; provided, however, that if at any time during the term of this Lease, the present method of taxation or assessment shall be so changed that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and the improvements thereon shall be discontinued and as a substitute therefor, or in lieu of or in addition thereto, taxes, assessments, levies, impositions or charges shall be levied, assessed or imposed, wholly or partially, as a capital levy or otherwise, on the rents received from the Building or the rents reserved herein or any part thereof, then such substitute or additional taxes, assessments, levies, impositions or charges, to the extent so levied, assessed or imposed with respect to the Building, shall be deemed to be included within the Operating Costs. Consultation, legal fees and costs resulting from any challenge of tax assessments as reasonably allocated by Landlord shall also be included in Operating Costs. It is agreed that Tenant will be responsible for ad valorem taxes on its personal property and on the value of the leasehold improvements in the Leased Premises to the extent that the same exceed the Tenant Improvement Allowance (and if the taxing authorities do not separately assess Tenant's leasehold improvements, Landlord may make a reasonable allocation of the ad valorem taxes allocated to the Building to give effect to this sentence). In the case of special taxes and assessments which may be payable in installments, only the amount of each installment accruing during a calendar year shall be included in the Operating Costs for such year.

(c) Notwithstanding any language contained herein to the contrary, Tenant hereby agrees that, during any calendar year in which the entire Building is not provided with Building Standard Services or is not completely occupied, Landlord shall compute all Variable Operating Costs (defined below) for such calendar year as though the entire Building were provided with Building Standard Services and were completely occupied. For purposes of this Lease the term ***"Variable Operating Costs"*** shall mean any operating cost that is variable with the level of occupancy of the Building (e.g. utilities and cleaning services). In the event that Landlord excludes from ***"Operating Costs"*** any specific costs billed to or otherwise incurred for the particular benefit of specific tenants of the Building or to other buildings or projects on the Land, Landlord shall have the right to increase ***"Operating Costs"*** by an amount equal to the cost of providing standard services similar to the services for which such excluded specific costs were billed or incurred. In no event shall Landlord receive from all tenants of the Building more than one hundred percent (100%) of any Operating Costs.

2.5. Security Deposit. [Intentionally deleted.]

2.6. Landlord's Lien. [Intentionally deleted.]

ARTICLE III.

3.1. Services. Landlord shall furnish the following services to Tenant during the term of this Lease (***"Building Standard Services"***):

(a) Hot and cold domestic water to common use rest rooms and toilets, in such amounts as are reasonably determined by Landlord

(b) Subject to curtailment as required by governmental laws, rules or mandatory regulations, central heat and air conditioning in season, at such temperatures and in such amounts as are reasonably determined by Landlord and on such dates and at such times as are more particularly described on Exhibit C attached hereto and incorporated herein.

(c) Electric lighting service for all public areas and special service areas of the Building in such amounts and locations as are reasonably determined by Landlord.

(d) Janitor service in accordance with the Janitorial Specifications attached hereto and incorporated herein as Exhibit H; however, if Tenant's floor coverings or other improvements are other than building standard commercial grade, Tenant shall pay one hundred and fifteen percent (115%) of the actual additional cleaning cost, if any, attributable thereto, and if supplying such additional cleaning service requires active managerial oversight by Landlord, Landlord shall be entitled to collect an administrative fee equal to fifteen percent (15%) of the cost of such service.

(e) Access control for the Building shall be provided to the extent and in the manner reasonably determined by Landlord; provided, however, Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for, any liability or loss to Tenant, its agents, employees and visitors arising out of losses due to theft, burglary, or damage or injury to persons or property caused by persons gaining access to the Leased Premises, and Tenant hereby releases Landlord from all liability for such losses, damages or injury.

(f) Electrical service to floors with plug-in type bus risers sized to provide 8.0 watts per useable square foot of electrical connected load capacity for tenant use above and beyond the base building electrical requirements. Of that, 6.0 watts per useable square foot of electrical connected load capacity will be available in 480/277V panels for tenant use leaving 2.0 watts per useable square foot available in the bus riser for future tenant electrical loads. Of the 6.0 watts per useable square foot, 3.0 watts per useable square foot of electrical connected load capacity will be available in 208/120V panels for tenant use leaving 3.0 watts per useable square foot of capacity in the 480/277V panels for future tenant electrical loads. This capacity is part of the 6.0 watts per useable square foot of power for tenant's use noted above.

Should Tenant's total rated electrical design load exceed the Building Standard rated electrical design load for either low or high voltage electrical consumption, or if Tenant's electrical design requires low voltage or high voltage circuits in excess of Tenant's share of the Base Building Shell Condition circuits, Landlord will (at Tenant's expense) install one (1)

additional high voltage panel and/or one (1) additional low voltage panel with associated transformer, space for which has been provided in the base building electrical closets based on a maximum of two (2) such additional panels per floor for all tenants on the floor (which additional panels and transformers shall be hereinafter referred to as the ***"additional electrical equipment"***). If the additional electrical equipment is installed because Tenant's low or high voltage rated electrical design load exceeds the applicable Building Standard rated electrical design load, then a meter shall also be added (at Tenant's expense) to measure the electricity used through the additional electrical equipment.

The design and installation of any additional electrical equipment (or any related meter) required by Tenant shall be subject to the prior approval of Landlord (which approval shall not be unreasonably withheld). All expenses incurred by Landlord in connection with the review and approval of any additional electrical equipment shall also be reimbursed to Landlord by Tenant. Tenant shall also pay on demand the actual metered cost of electricity consumed through the additional electrical equipment (if applicable), plus any actual accounting expenses incurred by Landlord in connection with the metering thereof.

If any of Tenant's electrical equipment requires conditioned air in excess of Base Building Shell Condition air conditioning, the same shall be installed by Landlord (on Tenant's behalf), and Tenant shall pay all design, installation, metering and operating costs relating thereto.

If Tenant requires that certain areas within Tenant's demised premises must operate in excess of the normal Building Operating Hours (as defined in Exhibit C attached hereto), the electrical service to such areas shall be separately circuited and metered such that Tenant shall be billed the costs associated with electricity consumed during hours other than Building Operating Hours.

(g) All Building Standard fluorescent bulb replacement in all areas and all incandescent bulb replacement in General Common Areas, Service Areas and On-Floor Common Areas.

(h) Non-exclusive multiple cab passenger service to the Leased Premises during Building Operating Hours and at least one (1) cab passenger service to the Leased Premises twenty-four (24) hours per day and non-exclusive freight elevator service during Building Operating Hours (all subject to temporary cessation for ordinary repair and maintenance and during times when life safety systems override normal building operating systems) with such freight elevator service available at other times upon reasonable prior notice and the payment by Tenant to Landlord of any additional expense actually incurred by Landlord in connection therewith.

To the extent the services described in subsection (a), (b), (c), (f) and (h) above require electricity and water supplied by public utilities, Landlord's covenants thereunder shall only impose on Landlord the obligation to use its good faith, reasonable efforts to cause the applicable public utilities to furnish the same. Failure by Landlord to furnish the services described in this Section, or any cessation thereof, shall not render Landlord liable for damages to either person or property, nor be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from fulfillment of any covenant or agreement

hereof. In addition to the foregoing, should any of the equipment or machinery, for any cause, fail to operate, or function properly, Tenant shall have no claim for rebate of rent or damages on account of an interruption in service occasioned thereby or resulting therefrom; provided, however, Landlord agrees to use reasonable efforts to repair said equipment or machinery promptly and to restore said services.

3.2. Keys and Locks. Landlord shall install a card reader on the elevator servicing the Leased Premises that restricts after hours access to the Leased Premises. Landlord shall also supply Tenant with two (2) keys for each Building Standard lockset on code required doors entering the Leased Premises from public areas. Additional keys will be furnished by Landlord upon an order signed by Tenant and at Tenant's expense. All such keys shall remain the property of Landlord. No additional locks shall be allowed on any door of the Leased Premises without Landlord's permission, and Tenant shall not make or permit to be made any duplicate keys. Upon termination of this Lease, Tenant shall surrender to Landlord all keys to any locks on doors entering or within the Leased Premises, and give to Landlord the explanation of the combination of all locks for safes, safe cabinets and vault doors, if any, in the Leased Premises.

3.3. Graphics, Building Directory and Name. Landlord shall provide and install all graphics, letters, and numerals at the entrance to the Leased Premises on multi-tenant floors, if any (it being understood that Tenant shall be responsible for all graphics on full floors occupied by Tenant. Landlord shall maintain an electronic directory in such main lobby which shall include such information relating to Tenant. All such letters and numerals shall be in the Building standard graphics (font size to be approved by Landlord). Tenant agrees that Landlord shall not be liable for any inconvenience or damage occurring as a result of any error or omission in any directory or graphics. No signs, numerals, letters or other graphics shall be used or permitted on the exterior of, or may be visible from outside, the Leased Premises, unless approved in writing by Landlord. All on-floor graphics for full-floor tenants shall be removed by Tenant upon lease expiration.

3.4. Parking.

(a) Subject to the other provisions hereof, Landlord hereby agrees to make available, or to cause the lessee or operator of the Parking Facility (the ***"Garage Operator"***), to make available to Tenant (so long as Tenant shall continue to lease at least 6,341 RSF) up to twenty-five (25) permits to park in the Kensington Parking Facility upon the terms and conditions set forth below (the ***"Parking Permits"***). Landlord shall also provide (or cause the Garage Operator to provide) visitor parking in a portion of the Parking Facility on a "first come-first served" pay basis at such rates and upon such conditions as Landlord or the Garage Operator, as applicable, shall establish from time to time.

(b) Tenant shall notify Landlord within thirty (30) days following the execution of this Lease of the number of Parking Permits that it intends to utilize. Neither Landlord nor the Garage Operator shall be obligated to hold any Parking Permits that Tenant does not elect to utilize.

(c) Tenant shall pay as rental for the Parking Permits at the rate charged from time to time by Landlord (or the Garage Operator), in its sole and absolute discretion,

plus any applicable taxes thereon; provided the rate charged for the Parking Permits shall be prorated for any partial months during the term of this Lease. The current charge to Tenant for each Parking Permit is $40.00 per month, plus any applicable taxes thereon. In the event the rate charged for the Parking Permits is increased, Tenant may elect to relinquish all or a portion of the Parking Permits by giving written notice to Landlord (or its designee) within thirty (30) days after receiving notice of such increase, in which event Tenant shall have no further right to or interest in such Parking Permit and neither Landlord nor the Garage Operator shall have any obligation to provide replacement parking for Tenant. If the rate charged for the Parking Permits is increased and Tenant fails to notify Landlord, in writing, of its election to relinquish all or a portion of the Parking Permits within thirty (30) days after receiving notice of such increase, then Tenant shall be deemed to have agreed to such increase and shall have no further right to relinquish its Parking Permits on account thereof. Unless Landlord directs otherwise, Tenant shall pay the monthly charges established from time to time in accordance with this Lease by the Garage Operator for parking in the Kensington Parking Facility to Landlord and Landlord shall collect such payments, on behalf of the Garage Operator, monthly in advance, at the same time and place as Tenant makes payments of Base Rent under the terms of this Lease.

(d) In the event the parking spaces covered by the Parking Permits are not available to Tenant due to causes beyond the control of Landlord or the Garage Operator and Landlord is unable to provide replacement parking to Tenant, neither Landlord nor Garage Operator shall be liable for any damages that Tenant suffers on account thereof, nor shall such fact be construed as a constructive eviction of Tenant, entitle Tenant to an abatement of any Rental or an abatement of the charges for the Parking Permits, or relieve Tenant from fulfillment of any covenant or agreement hereof.

(e) Landlord or the Garage Operator may make, modify and enforce reasonable rules and regulations relating to the parking of vehicles in the Parking Facility, and Tenant agrees to abide by such rules and regulations. Except as expressly provided herein, this Lease does not grant Tenant (or its agents, employees, contractors and visitors) the right to use the Parking Facilities or any other parking areas located on the Land or serving the Building. So long as Landlord ensures that there is sufficient parking available in the Parking Facilities to accommodate the holders of the Parking Permits, Landlord or the Garage Operator may, from time to time, designate specific portions of the Parking Facilities as reserved areas and Tenant shall have no right to park in such reserved areas, except Tenant may park in reserved areas made available to tenants of the Building to the extent Tenant has purchased Parking Permits specifically entitling Tenant to use the same. Landlord agrees to make (or cause the Garage Operator to make) parking for Tenant's guests and visitors available on a non-exclusive basis in the Parking Facility. Landlord or the Garage Operator may restrict Tenant's right to utilize the Parking Permits on weekends and after 6:00 p.m. in the evening when athletic events are scheduled in the nearby athletic facilities.

ARTICLE IV.

4.1. Care of Leased Premises. Tenant shall not commit or allow to be committed by Tenant's employees, agents or contractors, any waste or damage to any portion of the Leased Premises or the Building. Upon the expiration or any earlier termination of this

Lease, Landlord shall have the right to re-enter and resume possession of the Leased Premises immediately.

4.2. Entry for Repairs and Inspection. Tenant shall permit Landlord and its contractors, agents or representatives to enter into and upon any part of the Leased Premises during reasonable hours to inspect or clean the same, make repairs, alterations or additions thereto, and, upon reasonable prior notice to Tenant, for the purpose of 'showing the same to prospective tenants or purchasers and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof. Landlord shall use its reasonable efforts not to interfere materially with the operation of Tenant's business during any such entry.

4.3. Nuisance. Tenant shall conduct its business and control its agents, employees, invitees, contractors and visitors in such a manner as not to create any nuisance, or interfere with, annoy or disturb any other tenant or Landlord in its operation of the Building.

4.4. Laws and Regulations; Encumbrances; Rules of Building. Tenant shall comply with, and Tenant shall cause its employees, contractors and agents to comply with, and shall use its best efforts to cause its visitors and invitees to comply with, (i) all laws, ordinances, orders, rules and regulations of all state, federal, municipal and other governmental or judicial agencies or bodies relating to the use, condition or occupancy of the Leased Premises, (ii) all recorded easements, operating agreements, parking agreements, declarations, covenants and instruments encumbering the Leased Premises, and (iii) the rules of the Building reasonably adopted and altered by Landlord from time to time for the safety, care and cleanliness of the Leased Premises and Building and for the preservation of good order therein. The initial rules of the Building are attached hereto and incorporated herein as Exhibit D.

4.5. Legal Use and Violations of Insurance Coverage. Tenant shall not occupy or use the Leased Premises, or permit any portion of the Leased Premises to be occupied or used, for any business or purpose which is unlawful, disreputable or deemed to be hazardous in any manner, or permit anything to be done which would in any way increase the rate of fire, liability, or any other insurance coverage on the Building or its contents.

4.6. Hazardous Substances. Tenant shall comply, at its sole expense, with all laws, ordinances, orders, rules and regulations of all state, federal, municipal and other governmental or judicial agencies or bodies relating to the protection of public health, safety, welfare or the environment (collectively, ***"Environmental Laws")*** in the use, occupancy and operation of the Leased Premises. Tenant agrees that no Hazardous Substances (as hereinafter defined) shall be used, located, stored or processed on the Leased Premises or be brought onto any other portion of the Building by Tenant or any of its agents, employees, contractors, assigns, subtenants, guests or invitees, and no Hazardous Substances will be released or discharged from the Leased Premises (including, but not limited to, ground water contamination). The term ***"Hazardous Substances"*** shall mean and include all hazardous and toxic substances, waste or materials, any pollutant or contaminant, including, without limitation, PCB's, asbestos and raw materials that include hazardous constituents or any other similar substances or materials that are now or hereafter included under or regulated by any Environmental Laws or that would pose a health, safety or environmental hazard. Tenant hereby agrees to indemnify, defend and hold harmless Landlord from and against any and all losses, liabilities (including, but not limited to, strict

liability), damages, injuries, expenses (including, but not limited to, court costs, litigation expenses, reasonable attorneys' fees and costs of settlement or judgment), suits and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, Landlord by any person, entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence in or the escape, leakage, spillage, discharge, emission or release from the Leased Premises of any Hazardous Substances or the presence of any Hazardous Substances placed on or discharged from the Building by Tenant or any of its agents, employees, contractors, assigns, subtenants, guests or invitees, including, without limitation, any losses, liabilities (including, but not limited to, strict liability), damages, injuries, expenses (including, but not limited to, court costs, litigation expenses, reasonable attorneys' fees and costs of settlement or judgment), suits and claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act (*"**CERCLA**"*), any so-called federal, state or local "Superfund" or "Superlien" laws or any other Environmental Law.

4.7. Tenant Taxes. Tenant shall pay promptly when due all taxes directly or indirectly imposed or assessed upon Tenant's gross sales, business operations, machinery, equipment, trade fixtures and other personal property or assets, whether such taxes are assessed against Tenant, Landlord or the Building. In the event that such taxes are imposed or assessed against Landlord or the Building, Landlord shall furnish Tenant with all applicable tax bills, public charges and other assessments or impositions and Tenant shall forthwith pay the same either directly to the taxing authority or, at Landlord's option, to Landlord.

ARTICLE V.

5.1. Initial Allowance; Leasehold Improvements.

(a) Within ten (10) days of the Commencement Date, Landlord shall contribute [***] per RSF in the Leased Premises (the *"**Initial Allowance**")* for Tenant's use during the initial Lease Term, all or any portion of which Tenant may apply as a credit towards Base Rental next due and payable.

(b) Tenant shall not make or allow to be made any alterations or physical additions in or to the Leased Premises, or place safes, vaults or other heavy furniture or equipment within the Leased Premises, without first obtaining the written consent of Landlord which consent shall not be unreasonably withheld so long as said alterations do not impact on Building systems or structure and are not visible from outside the Leased Premises. Tenant shall deliver to Landlord a copy of the "as-built" plans and specifications for all alterations or physical additions so made in or to the Leased Premises. Tenant further specifically agrees that no food, soft drink or other vending machine will be installed within the Leased Premises without the written consent of Landlord. Any such machine(s) shall be for the use of Tenant and its employees and invitees only.

(c) Tenant shall indemnify and hold Landlord harmless from and against all costs (including reasonable attorneys' fees and costs of suit), losses, liabilities, or causes of action arising out of or relating to any alterations, additions or improvements made by Tenant to the Leased Premises, including, but not limited to, any mechanics' or materialmen's liens asserted in connection therewith. No portion of Landlord's interest in the Building shall be

subject to attachment on account of any work performed by or on account of Tenant, and Tenant shall provide written notice of same to all of its contractors.

(d) Should any mechanic's or other liens be filed against any portion of the Building by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be canceled or discharged of record by bond or otherwise within thirty (30) days after notice by Landlord. If Tenant shall fail to cancel or discharge said lien or liens, within said thirty (30) day period, Landlord may, at its sole option, cancel or discharge the same and upon Landlord's demand, Tenant shall promptly reimburse Landlord for all reasonable costs incurred in canceling or discharging such liens, and if canceling or discharging such liens requires active managerial oversight by Landlord, Landlord shall be entitled to collect an administrative fee equal to fifteen percent (15%) of the cost thereof.

5.2. Repairs by Landlord. All repairs, alterations or additions that affect the Building's structural components or the Building's mechanical, electrical and plumbing systems shall be made solely by Landlord or its contractor. In the event of any damage to such components or systems or any other portion of the Building caused by Tenant or Tenant's agents, contractors, employees, visitors or invitees, the cost of repair or restoration of such damage shall be paid for solely by Tenant in an amount equal to Landlord's costs plus fifteen percent (15%) for administrative cost recovery. Landlord shall make such repairs to Base Building Shell Condition improvements as may be deemed necessary by Landlord for normal maintenance operations and Landlord shall not otherwise be obligated to make improvements to, or repairs of, the Leased Premises.

5.3. Repairs by Tenant. Subject to Section 5.2, Tenant shall at its own cost and expense, keep the Leased Premises and all leasehold improvements in a condition similar to the condition as of the Commencement Date, normal wear and tear excepted, and Tenant shall perform all maintenance, repairs and replacements necessary to accomplish the same. In addition, Tenant shall perform all maintenance, repairs, replacements and improvements required by any governmental law, ordination, rule or regulation. If Tenant fails to commence any maintenance, repairs, replacements or improvements which it is required to perform hereunder within ten (10) days after written notice from Landlord to Tenant and thereafter diligently proceed with such work until completion, Landlord may, at its option, perform any such maintenance, repairs, replacements or improvements deemed necessary by Landlord, and Tenant shall pay to Landlord on demand Landlord's cost thereof plus a charge of fifteen percent (15%) for administrative cost recovery.

ARTICLE VI.

6.1. Condemnation. If all or substantially all of the Leased Premises, or such portion of the Leased Premises or the Building as would render, in Landlord's reasonable judgment, the continuance of Tenant's business from the Leased Premises impracticable, shall be permanently taken or condemned for any public purpose, then this Lease, at the option of Tenant or Landlord upon the giving of written notice to the other party within ten (10) days from the date of such condemnation or taking, shall forthwith cease and terminate. If less than all or substantially all of the Leased Premises or any portion of the Building shall be permanently taken or condemned for any public purpose, then Landlord shall have the option of terminating this Lease by written notice to Tenant within ten (10) days from the date of such condemnation or taking. If this Lease is terminated as provided above, this Lease shall cease and expire as if

the date of transfer of possession of the Leased Premises, the Building, or any portion thereof, was the expiration date of this Lease. In the event that this Lease is not terminated by either Landlord or Tenant as aforesaid, Tenant shall pay the Rental up to the date of transfer of possession of such portion of the Leased Premises so taken or condemned and this Lease shall thereupon cease and terminate with respect to such portion of the Leased Premises so taken or condemned as if the date of transfer of possession of the Leased Premises was the expiration date of the term of this Lease relating to such portion of the Leased Premises. Thereafter the Base Rental, Tenant's Forecast Additional Rental and Tenant's Additional Rental shall be adjusted on a pro rata, net rentable square foot basis. In the event of any such condemnation or taking and this Lease is not so terminated, Landlord shall promptly repair the Leased Premises or the Building, as the case may be, to Base Building Shell Condition so that the remaining portion of the Leased Premises or Building, as the case may be, shall constitute an architectural unit, fit for Tenant's occupancy and business; provided, however, that Landlord's obligation to repair hereunder shall be limited to the extent of the net proceeds made available to Landlord for such repair from any such condemnation or taking. In the event of any temporary taking or condemnation for any public purpose of the Leased Premises or any portion thereof, then this Lease shall continue in full force and effect except that Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental shall be adjusted on a pro rata net rentable square foot basis for the period of time that the Leased Premises are so taken as of the date of transfer of possession of the Leased Premises and Landlord shall be under no obligation to make any repairs or alterations. In the event of any condemnation or taking of the Leased Premises, Tenant hereby assigns to Landlord the value of all or any portion of the unexpired term of the Lease and all leasehold improvements and Tenant may not assert a claim for a condemnation award therefor; provided, however, Tenant may pursue a separate attempt to recover an award or compensation against or from the condemning authority for (i) the value of any fixtures, furniture, furnishings, Tenant's Extra Work and other personal property which were condemned but which under the terms of this Lease, Tenant is permitted to remove at the end of the term of this Lease, (ii) relocation and moving expenses, and (iii) compensation for loss to Tenant's business.

6.2. Damages from Certain Causes. Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, riot, strike, insurrection, war, act or omission of any tenant or occupant of the Building, any nuisance or interference caused or created by any tenant or occupant of the Building, requisition or order of governmental body or authority, court order or injunction, or any cause beyond Landlord's control or, except in the case of the gross negligence or intentional misconduct of Landlord, for any damage or inconvenience which may arise through repair or alteration of any part of the Building. Tenant shall notify Landlord of any damage to the Leased Premises, regardless of the cause of such damage.

6.3. Casualty Clause.

(a) In the event any portion of the Leased Premises or any portion of the General Common Areas is damaged by fire or other casualty, earthquake or flood or by any other cause of any kind or nature (hereinafter collectively referred to as the ***"damaged property")*** and the damaged property can, in the opinion of the Landlord's architect, be repaired within ninety (90) calendar days from the date of notice of Landlord's architect's

opinion, then Landlord shall proceed to rebuild or restore the damaged property to Base Building Shell Condition, subject to subsection (e) hereof.

(b) In the event the damaged property can not, in the opinion of Landlord's architect, be repaired within ninety (90) days from the date of notice of Landlord's architect's opinion, but can be repaired within one hundred eighty (180) days from the date of notice of Landlord's architect's opinion, Landlord, at Landlord's sole option, shall have the right (i) to terminate this Lease by notifying Tenant of such termination within twenty (20) days of receipt of Landlord's architect's opinion, or (ii) to restore or rebuild the damaged property to Base Building Shell Condition, subject to subsection (e) hereof.

(c) If, in the opinion of Landlord's architect, damage to the damaged property cannot be repaired within one hundred eighty (180) days from the date of notice of Landlord's architect's opinion, then both Landlord and Tenant shall have the right to terminate this Lease by notifying the other party in writing of such termination within twenty (20) days of receipt of Landlord's architect's opinion.

(d) Notwithstanding any language herein to the contrary, if at the time of any such damage, less than one (1) year remains in the term of this Lease, exclusive of any renewal options, then Landlord, at Landlord's sole option, shall have the right to terminate this Lease.

(e) If at anytime during the term of this Lease the Building is damaged and the cost of repairing and restoring the same exceeds twenty-five percent (25%) of the replacement cost of the improvements comprising the Building, then Landlord, at Landlord's sole option, shall have the right to terminate this Lease.

(f) Notwithstanding any language contained herein to the contrary, in the event this Lease is not terminated as provided hereunder (i) Landlord shall be obligated to rebuild or restore the damaged property only to the extent of the net insurance proceeds available to Landlord for the purpose of rebuilding and restoration, (ii) if the damaged property is all or any portion of the Leased Premises Landlord shall be obligated to rebuild or restore the damaged property only to Base Building Shell Condition, except that Tenant shall have the right to require Landlord to rebuild or restore the damaged property substantially to the condition which existed immediately prior to such damage, provided that Tenant shall bear all costs and expenses, including without limitation, rentals that are lost due to extended construction time, in excess of the lesser of (A) any net insurance proceeds available to Landlord for the purpose of rebuilding or restoration, or (B) the cost to Landlord of rebuilding and restoring the damaged property to Building Standard condition (with Building Standard tenant allowances); and (iii) to the extent Landlord has rental loss insurance proceeds available, Tenant shall be entitled to a pro rata abatement of Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental during the period of time the Leased Premises, or any portion thereof, are untenantable due to such damage. Landlord's architect's opinion shall be delivered to both Landlord and Tenant within thirty (30) days from the date of any such damage. In the event of any termination of this Lease under this **Section,** this Lease shall cease and terminate as if the date of such damage was the expiration date of the term of this Lease. Notwithstanding any contrary language in this **Section,** if the Leased Premises, the Building, or any portion thereof shall be damaged through the negligence or willful misconduct of Tenant and the cost of repairing the same is not covered by Landlord's insurance, such damage shall be repaired by Landlord at the sole expense of Tenant and rent shall continue hereunder unabated.

(g) If any portion of Tenant's leasehold improvements (including, but not limited to, Tenant's Extra Work), alterations, additions, improvements, fixtures, furnishing, equipment or trade fixtures are damaged by fire or other casualty, earthquake or flood or by any other cause of any kind or nature, Tenant shall immediately restore the same to the condition existing immediately prior to such damage, unless such damage is so extensive as to permit termination of this Lease as provided herein and the Lease is terminated in accordance with such provisions.

6.4. Casualty Insurance. Landlord shall maintain all-risk property insurance on the Building and on all Base Building Shell Condition improvements. Said insurance shall be maintained with an insurance company authorized to do business in Tennessee, at full replacement cost and payments for losses thereunder shall be made solely to Landlord. Tenant shall maintain at its expense business interruption insurance and all-risk property insurance on the full replacement cost of all its personal property, including removable trade fixtures, located in the Leased Premises and on Tenant's Extra Work and all other additions and improvements (including fixtures) made by Tenant and not required to be insured by Landlord above, regardless of whether such improvements were made at Landlord's or Tenant's expense. If the annual premiums to be paid by Landlord shall exceed the standard rates because of Tenant's operations within, or contents of, the Leased Premises or because the improvements to the Leased Premises are in excess of improvements contemplated by the Tenant Improvement Allowance, Tenant shall promptly pay the excess amount of the premium upon request by Landlord (and if necessary, Landlord may allocate the insurance costs of the Building to give effect to this sentence). Upon the request of Landlord, a duly executed certificate of insurance, reflecting Tenant's maintenance of the insurance required under this **Section 6.4** and **Section 6.5**, shall be delivered to Landlord.

6.5. Liability Insurance. Landlord and Tenant shall each maintain a policy or policies of commercial general liability insurance with the premiums thereon fully paid on or before the due dates, issued by and binding upon a solvent insurance company authorized to transact business in Tennessee. Such insurance shall be written on an occurrence basis and shall afford minimum protection (which may be affected by primary and/or excess coverage) of not less than $1,000,000.00 per occurrence for bodily injury and property damage with umbrella liability in excess of $1,000,000 of no less than $2,000,000 per occurrence and in the aggregate provided, however, Tenant shall carry such greater limits of coverage as Landlord may reasonably request from time to time so long as Landlord maintains similar limits of coverage.

6.6. Hold Harmless. Landlord shall not be liable to Tenant, its agents, servants, employees, contractors, customers or invitees for any damage to person or property caused by any act, omission or neglect of Tenant. Without limiting or being limited by any other indemnity in this Lease, but rather in confirmation and furtherance thereof, Tenant agrees to indemnify, defend by counsel reasonably acceptable to Landlord and hold Landlord, Landlord's beneficiaries (if Landlord is a land trust), the managing agent of the Building, the leasing agent of the Building and their respective agents, partners, shareholders, officers, directors and employees of the Building harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses (including, but not limited to, court costs, reasonable attorneys' fees and litigation expenses) in connection with injury to or death of any person or damage to or theft, loss or loss of the use of any property occurring in or about the Leased Premises or the Building arising from Tenant's occupancy of the Leased Premises, or the

conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Leased Premises or the Building, or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or due to any other act or omission or willful misconduct of Tenant or any of its agents, employees, contractors, assigns, subtenants, guest or invitees.

6.7. Waiver of Subrogation Rights. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, its agents, servants, partners, shareholders, officers or employees, for personal injury, loss or damage to business, and loss or damage that may occur to the Leased Premises, the Building or any improvements thereto or thereon or any personal property of such party therein or thereon by reason of fire, the elements, or any other cause to the extent such loss or damage is covered by terms of the all-risk property insurance policies referred to in **Section 6.4** hereof or any other insurance policy maintained by Landlord or Tenant, as applicable, regardless of cause or origin, including negligence of the other party hereto, its agents, officers, partners, shareholders, servants or employees, and covenants that no insurer shall hold any right of subrogation against such other party. The foregoing waiver shall apply regardless of the cause or origin of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors, but shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant. Each party shall obtain any special endorsements, if any, required by their respective insurers to evidence compliance with the aforementioned waiver.

ARTICLE VII.

7.1. Default and Remedies.

(a) The occurrence of any of the following shall constitute a default under and breach of this Lease by Tenant (an ***"Event of Default"***):

(i) Failure by Tenant to pay any Rental within ten (10) days after the same becomes due hereunder;

(ii) The Leased Premises are deserted, vacated, or not used for a period exceeding thirty (30) consecutive days, even though the Tenant continues to pay the stipulated monthly rent;

(iii) Failure by Tenant to observe or perform any of the covenants in respect of assignment and subletting set forth in **Article VIII;**

(iv) Failure by Tenant to cure forthwith, immediately after receipt of notice from Landlord, any hazardous condition which Tenant has created or permitted in violation of law or of this Lease;

(v) Failure by Tenant to complete, execute and deliver any instrument or document required to be completed, executed and delivered by Tenant pursuant to **Section 7.8** or **Section 7.9** of

this Lease, within ten (10) days after the initial written demand therefor to Tenant;

(vi) Failure by Tenant to observe or perform any other covenant, agreement, condition or provision of this Lease, if such failure shall continue for thirty (30) days after written notice thereof from Landlord to Tenant; provided that such thirty (30) day period shall be extended for the time reasonably required to complete such cure, if such failure cannot reasonably be cured within said thirty (30) day period and Tenant commences to cure such failure within said thirty (30) day period and thereafter diligently and continuously proceeds to cure such failure;

(vii) The levy upon execution or the attachment by legal process of the leasehold interest of Tenant, or the filing or creation of a lien in respect of such leasehold interest, which lien shall not be released or discharged within ten (10) days from the date of such filing;

(viii) Any default under or breach by any guarantor of Tenant's obligations under this Lease of such guarantor's obligations under any agreements with Landlord;

(ix) Tenant or any guarantor of Tenant's obligations under this Lease becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for all or a major part of its property;

(x) A trustee or receiver is appointed for Tenant, any guarantor of Tenant's obligations under this Lease or for a major part of either party's property and is not discharged within sixty (60) days after such appointment;

(xi) Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding for relief under any bankruptcy law or similar law for the relief of debtors, is instituted (A) by Tenant or any guarantor of Tenant's obligations under this Lease, or (B) against Tenant or any guarantor of Tenant's obligations under this Lease and is allowed against it or is consented to by it or is not dismissed within sixty (60) days after such institution;

(xii) Tenant's repeated or continued failure to timely pay any Rental due Landlord hereunder where such failure shall continue or be repeated for two (2) consecutive months, or for a total of four (4) months in any period of twelve (12) consecutive months; or

(xiii) Tenant's repeated failure to observe or perform any of the other covenants, terms or conditions hereof more than six (6) times, in the aggregate, in any period of twelve (12) consecutive months.

(b) Upon the occurrence of an Event of Default, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:

(i) Landlord, with or without terminating this Lease, may immediately or at any time thereafter re-enter the Leased Premises and correct or repair any condition which shall constitute a failure on Tenant's part to keep, observe, perform, satisfy, or abide by any term, condition, covenant, agreement, or obligation of this Lease or of the Rules and Regulations now in effect or hereafter adopted or of any notice given Tenant by Landlord pursuant to the terms of this Lease, and Tenant shall fully reimburse and compensate Landlord on demand.

(ii) Landlord, with or without terminating this Lease, may immediately or at any time thereafter demand in writing that Tenant vacate the Leased Premises and thereupon Tenant shall vacate the Leased Premises and remove therefrom all property thereon belonging to or placed on the Leased Premises by, at the direction of, or with consent of Tenant within ten (10) days of receipt by Tenant of such notice from Landlord, whereupon Landlord shall have the right to re-enter and take possession of the Leased Premises. Any such demand, re-entry and taking possession of the Leased Premises by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Leased Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(iii) Landlord, with or without terminating this Lease, may immediately or at any time thereafter, re-enter the Leased Premises and remove therefrom Tenant and all property belonging to or placed on the Leased Premises by, at the direction of, or with consent of Tenant. Any such re-entry and removal by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Leased Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(iv) Landlord, with or without terminating this Lease, may immediately or at any time thereafter relet the Leased Premises or any part thereof for such time or times, at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, and Landlord may make any alterations or repairs to the Leased Premises which it may deem necessary or

proper to facilitate such reletting; and Tenant shall pay all costs of such reletting including but not limited to the cost of any such alterations and repairs to the Leased Premises, attorneys' fees, leasing inducements, and brokerage commissions; and if this Lease shall not have been terminated, Tenant shall continue to pay all rent and all other charges due under this lease up to and including the date of beginning of payment of rent by any subsequent tenant of part or all of the Leased Premises, and thereafter Tenant shall pay monthly during the remainder of the term of this Lease the difference, if any, between the rent and other charges collected from any such subsequent tenant or tenants and the rent and other charges reserved in this Lease, but Tenant shall not be entitled to receive any excess of any such rents collected over the rents reserved herein.

(v) Landlord may immediately or at any time thereafter terminate this Lease, and this Lease shall be deemed to have been terminated upon receipt by Tenant of written notice of such termination; upon such termination Landlord shall recover from Tenant all damages Landlord may suffer by reason of such termination including, without limitation, unamortized sums expended by Landlord for leasing commissions and construction of tenant improvements, all arrearages in rentals, costs, charges, additional rentals, and reimbursements, the cost (including court costs and attorneys' fees) of recovering possession of the Leased Premises, the cost of any alteration of or repair to the Leased Premises which is necessary or proper to prepare the same for reletting and, in addition thereto, Landlord at its election shall have and recover from Tenant either (A) an amount equal to the excess, if any, of the total amount of all rents and other charges to be paid by Tenant for the remainder of the term of this Lease over the then reasonable rental value of the Leased Premises for the remainder of the term of this Lease, or (B) the rents and other charges which Landlord would be entitled to receive from Tenant pursuant to the provisions of **Section 7.1(b)(iv)** if the Lease were not terminated. Such election shall be made by Landlord by serving written notice upon Tenant of its choice of one of the two said alternatives within thirty (30) days of the notice of termination. All future amounts due in accordance with this **Section 7.1(b)(v)** shall be discounted to present value at the per annum interest rate publicly announced by a federally insured bank selected by Landlord in the state in which the Building is located as such bank's prime or base rate.

(c) If Landlord re-enters the Leased Premises or terminates this Lease pursuant to any of the provisions of this Lease, Tenant hereby waives all claims for damages which may be caused by such re-entry or termination by Landlord. Tenant shall and does hereby indemnify and hold Landlord harmless from any loss, cost (including court costs and

attorneys' fees), or damages suffered by Landlord by reason of such re-entry or termination. No such re-entry or termination shall be considered or construed to be a forcible entry.

(d) The exercise by Landlord of any one or more of the rights and remedies provided in this Lease shall not prevent the subsequent exercise by Landlord of any one or more of the other rights and remedies herein provided. All remedies provided for in this Lease are cumulative and may, at the election of Landlord, be exercised alternatively, successively, or in any other manner and are in addition to any other rights provided for or allowed by law or in equity.

(e) No act by Landlord with respect to the Leased Premises shall terminate this Lease, including, but not limited to, acceptance of the keys, institution of an action for detainer or other dispossessory proceedings, it being understood that this Lease may only be terminated by express written notice from Landlord to Tenant, and any reletting of the Leased Premises shall be presumed to be for and on behalf of Tenant, and not Landlord, unless Landlord expressly provides otherwise in writing to Tenant.

(f) Upon termination of Tenant's right to possess the Leased Premises, Landlord shall, only to the extent required by applicable law, use objectively reasonable efforts to mitigate damages by reletting the Leased Premises. Landlord shall not be deemed to have failed to do so if Landlord refuses to lease the Leased Premises to a prospective tenant that Landlord deems, in the exercise of Landlord's business judgment, unacceptable for or incompatible with the other tenants of the Building, or who (1) is an Affiliate (as defined below), parent or subsidiary of Tenant; (2) is not acceptable to any Mortgagee of Landlord; (3) requires improvements to the Leased Premises to be made at Landlord's expense; or (4) is unwilling to accept lease terms then proposed by Landlord, including: (a) leasing for a shorter or longer term than remains under this Lease; (b) re-configuring or combining the Leased Premises with other space, (c) taking all or only a part of the Leased Premises; and/or (d) changing the use of the Leased Premises. Notwithstanding Landlord's duty to mitigate its damages as provided herein, Landlord shall not be obligated (i) to give any priority to reletting Tenant's space in connection with its leasing of space in the Building or any complex of which the Building is or becomes a part, or (ii) to accept below market rental rates for the Leased Premises or any rate that would negatively impact the market rates for the Building. To the extent that Landlord is required by applicable law to mitigate damages, Tenant must plead and prove by clear and convincing evidence that Landlord failed to so mitigate in accordance with the provisions of this Section 7.1(f), and that such failure resulted in an avoidable and quantifiable detriment to Tenant.

7.2. Insolvency or Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations under this Lease, or any general assignment by Tenant or any guarantor of Tenant's obligations under this Lease for the benefit of creditors, or any action taken or suffered by Tenant or any guarantor of Tenant's obligations under this Lease under any insolvency, bankruptcy, or reorganization act, shall, at Landlord's option, constitute a breach of this Lease by Tenant. Upon the happening of any such event or at any time thereafter, this Lease shall terminate five (5) days after written notice of termination from Landlord to Tenant. In no event shall this Lease be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise and in no event shall this Lease or any

rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency, or reorganization proceedings.

7.3. Late Payments. Tenant shall pay, as a one (1) time late charge on each installment of any Rental owed by Tenant hereunder that is not paid when due, the greater of $100.00 or an amount equal to five percent (5%) of the amount due for each and every thirty (30) day period that said amount remains unpaid (but in no event shall the amount of such late charge exceed an amount based upon the highest legally permissible rate chargeable at any time by Landlord under the circumstances). Should Tenant make a partial payment of past due amounts, the amount of such partial payment shall be applied first to reduce all accrued and unpaid late charges, in inverse order of their maturity, and then to reduce all other past due amounts, in inverse order of their maturity.

7.4. Attorney's Fees. In any action to enforce a party's rights under this Lease or the terms hereof, the prevailing party shall be entitled to collect from the other party all court costs, reasonable attorneys fees and litigation expenses, including, but not limited to, costs of depositions and expert witnesses, actually incurred by the prevailing party in connection with such action.

7.5. Waiver of Homestead. Tenant hereby waives and renounces all homestead or exemption rights which Tenant may have under or by virtue of the Constitutions and Laws of the United States, the State of Tennessee, and any other State as against any debt or sum Tenant may owe Landlord under this Lease and hereby transfers, conveys, and assigns to Landlord all homestead or exemption rights which may be allowed or set apart to Tenant, including such as may be set apart in any bankruptcy proceeding, to pay any debt or sum owing by Tenant to Landlord hereunder.

7.6. No Waiver of Rights. No failure or delay of Landlord to exercise any right or power given it herein or to insist upon strict compliance by Tenant of any obligation imposed on it herein and no custom or practice of either party hereto at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by Landlord or any right it has herein to demand strict compliance with the terms hereof by Tenant. No waiver of any right of Landlord or any default by Tenant on one occasion shall operate as a waiver of any of Landlord's other rights or of any subsequent default by Tenant. No express waiver shall affect any condition, covenant, rule, or regulation other than the one specified in such waiver and then only for the time and in the manner specified in such waiver. No person has or shall have any authority to waive any provision of this Lease unless such waiver is expressly made in writing and signed by an authorized officer of Landlord.

7.7. Holding Over. In the event of holding over by Tenant after expiration or termination of this Lease without the written consent of Landlord, Tenant shall pay as liquidated damages, solely for such holding over, double the Rental that would have been payable if this Lease had not so terminated or expired) for the entire holdover period. No holding over by Tenant after the term of this Lease shall be construed to extend this Lease, and Tenant shall be deemed a tenant at will, terminable on five (5) days notice from Landlord. In the event of any unauthorized holding over, Tenant shall indemnify Landlord against all claims for damages by any other tenant to whom Landlord shall have leased all or any part of the Leased Premises effective upon the termination of this Lease. Any holding over with the

express written consent of Landlord shall thereafter constitute this Lease to be a lease from month to month (terminable by either party on thirty (30) days notice) at a Base Rental, Tenant's Forecast Additional Rental, and all other sums required to be paid by Tenant prior to the expiration or termination of this Lease as may be determined by Landlord.

7.8. Subordination.

(a) Landlord may have heretofore or may hereafter encumber with a mortgage, deed of trust, deed to secure debt, financing statement or other security interests **(collectively, a *"Mortgage")*** the Land, the Project or any part thereof or any interest therein, may sell and lease back the Land, the Project or any part thereof, and may encumber the leasehold estate under such a sale and leaseback arrangement with a Mortgage. (The holder of any Mortgage is herein called a ***"Mortgagee."*** A lease creating Landlord's interest in the Land, the Project or part thereof is herein called a ***"Ground Lease"*** and the lessor under any such Ground Lease is herein called a ***"Ground Lessor."*** *)* This Lease and the rights of Tenant hereunder shall be and are hereby expressly made subject to and subordinate at all times to any Mortgage and to any Ground Lease now or hereafter existing, and to all amendments, modifications, renewals, extensions, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security thereof; provided, however, that the Mortgagee or Ground Lessor shall not, so long as Tenant shall not be in default under this Lease, disturb Tenant in its possession of the Leased Premises or terminate Tenant's rights hereunder. Tenant agrees to execute and deliver to Landlord such further instruments consenting to or confirming the subordination of this Lease to any Mortgage and to any Ground Lease and containing such other provisions which may be requested in writing by Landlord within ten (10) days after Tenant's receipt of such written request.

(b) Tenant agrees that if Landlord defaults in the performance or observance of any covenant or condition of this Lease required to be performed or observed by Landlord hereunder, Tenant will give written notice specifying such default by certified or registered mail, postage prepaid, to any Mortgagee or Ground Lessor of which Tenant has been notified in writing, and before Tenant exercises any right or remedy which it may have on account of any such default of Landlord, such Mortgagee or Ground Lessor shall have a reasonable amount of time to cure such default of Landlord, if such default can be cured without such Mortgagee or Ground Lessor taking possession of the mortgaged or leased estate, or to obtain possession of the mortgaged or leased estate and then to cure such default of Landlord, if such default cannot be cured without such Mortgagee or Ground Lessor taking possession of the mortgaged or leased estate.

(c) If any Mortgage is foreclosed, or Landlord's interest under this Lease is conveyed or transferred in lieu of foreclosure, or if any Ground Lease is terminated:

(i) No person or entity which as the result of any of the foregoing has succeeded to the interest of Landlord in this Lease (any such person or entity being hereafter called a *"**Successor**")* shall be liable for any default by Landlord or any other matter which occurred prior to the date such Successor succeeded to Landlord's interest in this Lease, nor shall such Successor be bound by or

subject to any offsets or defenses which Tenant may have against Landlord or any other predecessor in interest to such Successor.

(ii) Upon request of any Successor, Tenant will attorn to such Successor, as Landlord under this Lease, subject to the provisions of this **Section 7.8(c)** and **Section 7.8(e),** and will execute and deliver such instruments as may be necessary or appropriate to evidence such attornment within ten (10) days after receipt of a written request to do so.

(iii) No Successor shall be bound to recognize any prepayment by more than thirty (30) days of any Rental payable by Tenant hereunder.

(d) Notwithstanding anything to the contrary contained herein, any Mortgagee may subordinate, in whole or in part, its Mortgage to this Lease by sending Tenant notice in writing subordinating all or any part of such Mortgage to this Lease, and Tenant agrees to execute and deliver to such Mortgagee such further instruments consenting to or confirming the subordination of all or any portion of its Mortgage to this Lease and containing such other provisions which may be requested in writing by such Mortgagee within ten (10) days after Tenant's receipt of such written request.

(e) Whether or not any Mortgage is foreclosed or any Ground Lease is terminated, or any Mortgagee or Ground Lessor succeeds to any interest of Landlord under this Lease, no Mortgagee or Ground Lessor shall have any liability to Tenant for any security deposit paid to Landlord by Tenant hereunder, unless such security deposit has actually been received by such Mortgagee or Ground Lessor.

(f) Should any prospective Mortgagee or Ground Lessor require a modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, in the reasonable judgment of Tenant, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to Landlord within ten (10) days following written request therefor. Should any prospective Mortgagee or Ground Lessor require execution of a short form of this Lease for recording (containing, among other customary provisions, the names of the parties, a description of the Leased Premises and the term of this Lease), Tenant agrees to execute such short form of lease and deliver the same to Landlord within ten (10) days following the request therefor.

(g) If Tenant fails within ten (10) days after initial written demand therefor to execute and deliver any instruments as may be necessary or proper to effectuate any of the covenants of Tenant set forth above in this **Section,** Tenant hereby makes, constitutes and irrevocably appoints any one of Landlord or any of Landlord's beneficiaries or partners in such beneficiaries as attorney-in-fact for Tenant (such power of attorney being coupled with an interest) with full power and authority to execute and deliver any such instruments for and in the name of Tenant.

(h) No Mortgagee or Ground Lessor of which Tenant has been notified, in writing, shall be bound any amendment or modification of this Lease made without the written consent of such Mortgagee or Ground Lessor.

7.9. Estoppel Certificate. Tenant agrees that, from time to time upon not less than ten (10) days' prior request by Landlord, or any existing or prospective Mortgagee or Ground Lessor, Tenant will, and Tenant will cause any subtenant, licensee, concessionaire or other occupant of the Leased Premises claiming by, through or under Tenant, to complete, execute and deliver to Landlord or Landlord's designee or to any existing or prospective mortgagee or ground lessor, a written estoppel certificate certifying (i) that this Lease is unmodified and is in full force and effect (or if there have been modifications, that this Lease, as modified, is in full force and effect and setting forth the modifications); (ii) the amounts of the monthly installments of Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums then required to be paid under this Lease by Tenant; (iii) the date to which the Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums required to be paid under this Lease by Tenant have been paid; (iv) that Landlord is not in default under any of the provisions of this Lease, or if in default, the nature thereof in detail and what is required to cure same; and (v) such other information concerning the status of this Lease or the parties' performance hereunder reasonably requested by Landlord or the party to whom such estoppel certificate is to be addressed.

ARTICLE VIII.

8.1. Sublease or Assignment by Tenant.

(a) The Tenant shall not, without the Landlord's prior written consent, (i) assign, convey, mortgage, pledge, encumber, or otherwise transfer (whether voluntarily, by operation of law, or otherwise) this Lease or any interest hereunder; (ii) allow any lien to be placed upon Tenant's interest hereunder; (iii) sublet the Leased Premises or any part thereof; or (iv) permit the use or occupancy of the Leased Premises or any part thereof by any one other than Tenant. Any attempt to consummate any of the foregoing without Landlord's consent shall be void and of no force or effect. For purposes hereof, the transfer of the ownership or voting rights in a controlling interest of the voting stock of Tenant (if Tenant is a corporation) or the transfer of a general partnership interest or a majority of the limited partnership interest in Tenant (if Tenant is a partnership), at any time throughout the term of this Lease, shall be deemed to be an assignment of this Lease.

(b) Notwithstanding anything herein to the contrary, if at any time or from time to time during the term of this Lease, Tenant desires to sublet all or any portion of the Leased Premises or assign all or any portion of Tenant's interest in this Lease, Tenant shall notify Landlord in writing (hereinafter referred to in this **Section** as the *"**Notice**")* of the terms of the proposed subletting or assignment, the identity of the proposed sublessee or assignee, the area proposed to be sublet or covered by the assignment (hereinafter referred to as ***"Sublet Space"),*** and such other information as Landlord may request to evaluate Tenant's request to sublet or assign. Landlord shall then have the option (i) to sublet the Sublet Space from Tenant as provided in subsection (c) hereof at the same Base Rental and Tenant's Additional Rental as Tenant is required to pay to Landlord under this Lease for the Sublet Space, (ii) to terminate this Lease as to the Sublet Space as provided in subsection (d)

hereof, or (iii) to allow the proposed sublease or assignment subject only to the final review for approval as provided in subsection (e) hereof. Landlord s option to sublet, to terminate, or to allow the proposed sublease or assignment subject to final review, as the case may be, shall be exercisable by Landlord in writing within a period of thirty (30) calendar days after receipt of the Notice and any failure by Landlord to exercise any of such options within said thirty (30) day period shall be deemed to constitute the election of option (iii) above.

(c) In the event Landlord exercises the option to sublet the Sublet Space pursuant to Landlord's options set forth above, the term of the subletting from the Tenant to Landlord shall be the term set forth in the Notice (which shall not be longer than the then current term of this Lease unless Landlord expressly agrees in writing that any extension or renewal option contained in this Lease will apply to such Sublet Space) and shall be on such terms and conditions as are contained in this Lease to the extent applicable, except that the Landlord shall have the right to further sublet the Sublet Space freely and without any consent or approval from Tenant and upon such terms and for such rent as Landlord shall agree upon in its sole and absolute discretion.

(d) If Landlord elects to terminate this Lease pursuant to Landlord's options set forth above, then this Lease shall terminate as to the Sublet Space on the date set forth in Landlord's notice to Tenant, which date shall be no less than thirty (30) days and no more than ninety (90) days after the date of such notice. If the Sublet Space does not constitute the entire Leased Premises and Landlord exercises its option to terminate this Lease with respect to the Sublet Space, as to that portion of the Leased Premises which is not part of the Sublet Space, this Lease shall remain in full force and effect except that Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental shall be calculated on the difference between the Rentable Square Feet prior to such termination and the Rentable Square Feet of the Sublet Space.

(e) If Landlord elects or is deemed to have elected to allow the proposed sublease or assignment subject to final review, Tenant shall submit to Landlord, within twenty (20) calendar days after receipt of Landlord's notice of election (or the expiration of said thirty (30)-day period if no such election is made), a copy of the proposed sublease or assignment, which sublease or assignment must provide for the assumption of all of Tenant's obligations under this Lease, and such additional information concerning the business, reputation and credit-worthiness of the proposed sublessee or assignee as shall be sufficient to allow Landlord to form a commercially reasonable judgment with respect thereto. Landlord agrees not to unreasonably withhold its approval of any proposed sublease or assignment and, in the event Landlord fails to approve or disapprove any such sublease or assignment within thirty (30) days after Landlord's receipt of such submission from Tenant, such sublease or assignment shall be deemed to be approved; provided, however, that if Landlord approves any proposed sublease or assignment, Landlord shall receive from Tenant as additional rent hereunder seventy-five percent (75%) of any rents or other sums received by Tenant pursuant to said sublease or assignment in excess of the rentals payable to Landlord by Tenant under this Lease with respect to the Sublet Space (after deducting all of Tenant's reasonable costs associated therewith, including reasonable brokerage fees and the reasonable cost of remodeling or otherwise improving the Leased Premises for said sublessee or assignee), as such rents or other sums are received by Tenant from the approved sublessee or assignee. Landlord may require that any rent or other sums paid by a sublessee or assignee be paid directly to Landlord. If Landlord approves in writing the proposed sublessee or assignee and the terms of the proposed sublease

or assignment, but a fully executed counterpart of such sublease or assignment is not delivered to Landlord within sixty (60) calendar days after the date of Landlord's written approval, then Landlord's approval of the proposed sublease or assignment shall be deemed null and void and Tenant shall again comply with all the conditions of this **Section** as if the Notice and options hereinabove referred to had not been given, received or exercised. If Landlord fails to approve the form of sublease or assignment or the sublessee or assignee, Tenant shall have the right to submit amended forms or other sublessees or assignees to Landlord to review for approval.

(f) Notwithstanding the giving by Landlord of its consent to any sublease or assignment with respect to the Leased Premises, no sublessee or assignee may exercise any expansion option, right of first refusal option, or renewal option under this Lease except in accordance with a separate written agreement entered into directly between such sublessee or assignee and Landlord, and Tenant may not exercise any such right with respect to any space that Tenant has sublet or assigned.

(g) Notwithstanding the giving by Landlord of its consent to any subletting, assignment or occupancy as provided hereunder or any language contained in such lease, sublease or assignment to the contrary, unless this Lease is expressly terminated by Landlord, Tenant shall not be relieved of any of Tenant's obligations or covenants under this Lease and Tenant shall remain fully liable hereunder.

(h) If, with the consent of the Landlord, the Leased Premises or any part thereof is sublet or occupied by other than Tenant or this Lease is assigned, Landlord may, after default by Tenant, collect rent from the subtenant, assignee or occupant, and apply the net amount collected to the Rental herein reserved. No such subletting, assignment, occupancy, or collection shall be deemed (i) a waiver of any of Tenant's covenants contained in this Lease, (ii) a release of Tenant from further performance by Tenant of its covenants under this Lease, or (iii) a waiver of any of Landlord's other rights hereunder.

(i) In no event shall Tenant assign this Lease or enter into any sublease, license, concession or other agreement for use, occupancy or utilization of any part of the Leased Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the income or profits derived by any person from the Leased Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of gross receipts of sales), and Tenant agrees that all assignments, subleases, licenses, concessions or other agreements for use, occupancy or utilization of any part of the Leased Premises shall provide that the person having an interest in the possession, use, occupancy or utilization of the Leased Premises shall not enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Leased Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the income or profits derived by any person from the Leased Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of gross receipts of sales) and any such purported assignment, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Leased Premises.

8.2. Assignment by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder, in the Building, the Land and all other property referred to herein, and in such event and upon such transfer (any such transferee to have the benefit of, and be subject to, the provisions of Sections 8.03 and 8.04 hereof) no further liability or obligation shall thereafter accrue against Landlord hereunder.

8.3. Peaceful Enjoyment. Landlord covenants that Tenant shall and may peacefully have, hold and enjoy the Leased Premises free from hindrance by Landlord or any person claiming by, through or under Landlord but subject to the other terms hereof, provided that Tenant pays the rental and other sums herein recited to be paid by Tenant and performs all of Tenant's covenants and agreements herein contained. It is understood and agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during the ownership of the Landlord's interest hereunder.

8.4. Limitation of Landlord's Personal Liability. Tenant specifically agrees to look solely to Landlord's equity interest in the Building for the recovery of any monetary judgment against Landlord, it being agreed that Landlord (and its partners and shareholders) shall never be personally liable for any such judgment. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord.

8.5. Force Majeure. Landlord and Tenant (except with respect to the payment of Rental or any other monetary obligation under this Lease shall be excused for the period of any delay and shall not be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Lease when prevented from so doing by a cause or causes beyond the Landlord's or Tenant's (as the case may be) control (excluding financial inability to perform), which shall include, without limitation, all labor disputes, governmental regulations or controls, fire or other casualty, inability to obtain any material or services, acts of God, or any other cause not within the reasonable control of Landlord or Tenant (as the case may be).

ARTICLE IX.

9.1. Notices. Any notice or other communications required or permitted to be given under this Lease must be in writing and shall be effectively given or delivered if (i) hand delivered to the addresses for Landlord and Tenant stated below, (ii) sent by certified or registered United States Mail, return receipt requested, to said addresses, or (iii) sent by nationally recognized overnight courier (such as Federal Express, UPS Next Day Air or Airborne Express), with all delivery charges paid by the sender and signature required for delivery, to said address. Any notice mailed shall be deemed to have been given upon receipt or refusal thereof. Notice effected by hand delivery shall be deemed to have been given at the time of actual delivery. Either party shall have the right to change its address to which notices shall thereafter be sent and the party to whose attention such notice shall be directed by giving the other party notice thereof in accordance with the provisions of this **Section 9.1.** The initial addresses of the parties for purposes of this Lease are:

To:	Lionstone Cash Flow Office One, LP Five Greenway Plaza Houston, Texas 77046 Attn: Daniel R. Dubrowski Telecopy: (713) 285-2911
With copy to:	Property Tennessee One Corporation c/o Lionstone Cash Flow Office One, LP Five Greenway Plaza Houston, Texas 77046 Attn: F. Russ Nicholson Telecopy: (713) 285-2911
With copy to:	Nashville Hines Development, LLC Property Management Office 2525 West End Avenue Nashville, TN 37203 Attn: Project Manager
Tenant:	Cumberland Pharmaceuticals Inc. 2525 West End Avenue, Suite 950 Nashville, TN 37203 Attn: Jean W. Marstiller Telecopy: (615) 255-0094
With a copy to:	Adams and Reese / Stokes Bartholomew LLP 424 Church Street, Suite 2800 Nashville, TN 37219-2386 Attn: Martin S. Brown Telecopy: (615) 259-1470

Tenant shall also send a copy of each such notice to each Mortgagee that notifies Tenant in writing of its interest and the address to which notices are to be sent.

9.2. Miscellaneous.

(a) This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord, and shall be binding upon and inure to the benefit of Tenant, its successors, and, to the extent assignment may be approved by Landlord hereunder, Tenant's assigns. Where appropriate the pronouns of any gender shall include the other gender, and either the singular or the plural shall include the other.

(b) All rights and remedies of Landlord and Tenant under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law. This Lease is declared to be a Tennessee contract, and all of the terms hereof shall be construed according to the laws of the State of Tennessee.

(c) This Lease may not be altered, changed or amended, except by an instrument in writing executed by all parties hereto. Further, the terms and provisions of this

Lease shall not be construed against or in favor of a party hereto merely because such party is the ***"Landlord"*** or the ***"Tenant"*** hereunder or such party or its counsel is the draftsman of this Lease.

(d) If Tenant is a corporation, partnership or other entity, Tenant warrants that all consents or approvals required of third parties (including but not limited to its Board of Directors or partners) for the execution, delivery and performance of this Lease have been obtained and that Tenant has the right and authority to enter into and perform its covenants contained in this Lease. Likewise, if Landlord is a corporation, partnership or other entity, Landlord warrants that all consent or approvals required of third parties (including but not limited to its Board of Directors or partners) for the execution, delivery and performance of this Lease have been obtained and that Landlord has the right and authority to enter into and perform its covenants contained in this Lease.

(e) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE DEMISED PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. IN THE EVENT LANDLORD COMMENCES ANY PROCEEDINGS FOR NONPAYMENT OF RENT OR ANY OTHER AMOUNTS PAYABLE HEREUNDER, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING, UNLESS THE FAILURE TO RAISE THE SAME WOULD CONSTITUTE A WAIVER THEREOF. THIS SHALL NOT, HOWEVER, BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIMS IN ANY SEPARATE ACTION BROUGHT BY TENANT.

(f) Wherever in this Lease there is imposed upon Landlord the obligation to use best or reasonable efforts or due diligence, Landlord shall be required to do so only to the extent the same is economically feasible and otherwise will not impose upon Landlord extreme financial or other burdens.

(g) If any term or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and shall be enforceable to the extent permitted by law.

(h) Time is of the essence in this Lease.

(i) This Lease agreement shall not convey any leasehold estate from Landlord to Tenant. Landlord and Tenant hereby agree that this Lease creates only the interest of a usufruct in Tenant which may not be levied upon or assigned without Landlord's permission.

(j) Tenant represents and warrants to Landlord that Tenant did not deal with any broker in connection with this Lease. Tenant shall indemnify, defend and hold Landlord, Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building and their respective agents, partners and employees and the Building harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses (including, without limitation, court costs, reasonable attorneys' fees and litigation expenses) arising from any claims or demands of any broker or brokers or finders for any commission alleged to be due such other broker or brokers or finders claiming to have dealt with Tenant in connection with this Lease or with whom Tenant hereafter deals or whom Tenant employs. The provisions of this subsection shall survive the expiration or earlier termination of this Lease.

(k) If Tenant comprises more than one person, corporation, partnership, limited liability company or other entity, the liability hereunder of all such persons, corporations, partnerships or other entities shall be joint and several.

(1) Landlord's receipt of any Rental payable by Tenant hereunder with knowledge of the breach of a covenant or agreement contained in this Lease shall not be deemed a waiver of the breach. No acceptance by Landlord of a lesser amount than the installment of Rental which is due shall be considered, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed, an accord and satisfaction. Landlord may accept a check or payment without prejudice to Landlord's right to recover the balance due or to pursue any other remedy provided in this Lease.

(m) Wherever Landlord's consent or approval is required pursuant to the terms of this Lease, Landlord may grant or withhold the same in Landlord's sole and absolute discretion, except as otherwise expressly provided herein.

(n) Tenant covenants and agrees to keep strictly confidential all of the financial terms of this Lease and not to disseminate any such information to any third parties without the prior written consent of Landlord. Tenant further covenants and agrees that, at all times after the date of this Lease and prior to the Commencement Date, unless consented to in writing by Landlord, no press release or other public disclosure concerning this Lease shall be made by Tenant.

(o) Submission of this instrument for examination shall not constitute a reservation of or option to lease the Leased Premises or in any manner bind Landlord, and no lease or obligation on Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease to Landlord, or the managing agent of the Building or the leasing agent of the Building shall constitute an irrevocable offer by Tenant to lease the Leased Premises on the terms and conditions herein contained, which offer may not be revoked for thirty (30) days after such delivery.

(p) Financial Statements. Tenant shall deliver to Landlord, within fifteen (15) days after Landlord's request, Tenant's annual financial statement for the immediately previous fiscal year and Tenant's quarterly financial statements, if any, prepared since such annual financial statement, including balance sheets, income statements and cash flow statements,

prepared in accordance with generally accepted accounting principles consistently applied. Such financial statements shall be certified by the chief financial officer of Tenant as being true, accurate and complete in all material respects. If Tenant's annual financial statement will not be prepared or complete within such fifteen (15) day period, then Tenant's time to deliver its annual financial statement shall be extended to the day that such statement is completed in the normal course of Tenant's business and in keeping with reasonable business practices. However, if Tenant's time to respond would be extended by more than thirty (30) days, Tenant shall so notify Landlord in writing upon Tenant's receipt of Landlord's request for Tenant's financial statement, and shall offer to Landlord (in the interim) a copy of Tenant's prior year's financial statement with Tenant's chief financial officer's estimate of any material differences in Tenant's financial condition since that statement was prepared. Landlord shall only make request for such financial statements when Landlord determines, in the exercise of Landlord's reasonable judgment, that such information is of immediate value.

9.3. Option to Renew. Subject to the provisions hereinafter set forth and the expansion and renewal rights of other tenants on the floor containing the Leased Premises, Landlord hereby grants to Tenant an option to extend the Lease Term for not less than the entire initial Leased Premises (the ***"Option to Renew"*)** on the same terms, conditions and provisions as contained in this Lease, as modified in this **Section 9.3**, for one period of five (5) years (the ***"Renewal Period"*)** commencing on January 1, 2011 (the ***"Renewal Period Commencement Date"*)** and ending at 6:00 p.m. on December 31, 2015.

(a) The Option to Renew shall be exercisable by written notice from Tenant to Landlord of Tenant's election to exercise said option ***("Tenant's Renewal Notice")*** given not earlier than twenty-four (24) months nor later than nine (9) months prior to the Renewal Period Commencement Date, time being of the essence. If the Option to Renew is not so exercised, said option shall thereupon expire.

(b) Tenant may only exercise the Option to Renew, and an exercise thereof shall only be effective, if at the time of Tenant's exercise of said option and on the Renewal Period Commencement Date this Lease is in full force and effect and there is no Event of Default under this Lease. No sublessee shall be entitled to exercise the renewal option under this **Section 9.3.**

(c) Rent per Rentable Square Foot payable during the Renewal Period with respect to all space included in the Leased Premises as of the Renewal Period Commencement Date shall be equal to Landlord's then-quoted Building rental rate for the Leased Premises, which may be a stepped rate, taking into account other pecuniary concessions such as any rent abatement, tenant improvement allowances, commissions, lese term, lease rate escalations, operating expenses, and taxes. Landlord shall give Tenant written notice of the proposed Market Rental Rate within twenty (20) days following written request by Tenant made not earlier than fourteen (14) months prior to the Renewal Period Commencement Date; provided, however, Landlord shall not be required to provide its notice of the proposed Market Rental Rate until Landlord has received Tenant's Renewal Notice.

(d) If Tenant has validly exercised the Option to Renew, within thirty (30) days after request by either party hereto, Landlord and Tenant shall enter into a written

amendment to this Lease confirming the terms, conditions and provisions applicable to the Renewal Period as determined in accordance herewith, with such revisions to the rental provisions of this Lease as may be necessary to conform such provisions to the Market Rental Rate.

[signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed and sealed this Lease as of the date aforesaid.

LANDLORD:

NASHVILLE HINES DEVELOPMENT, LLC,
a Delaware limited liability company

By: Cash Flow Asset Management, L.P.,
a Texas limited partnership, its sole manager

By: CFAM GP, L.L.C.,
a Texas limited liability company, its sole partner

By: /s/ F. Russ Nicholson
F. Russ Nicholson
Vice President

TENANT:

CUMBERLAND PHARMACEUTICALS INC.,
a Tennessee corporation

By: /s/ A.J. Kazimi
Name: A. J. Kazimi
Title: Chief Executive Officer

EXHIBIT A

SITE PLAN AND LOCATION OF THE BUILDING

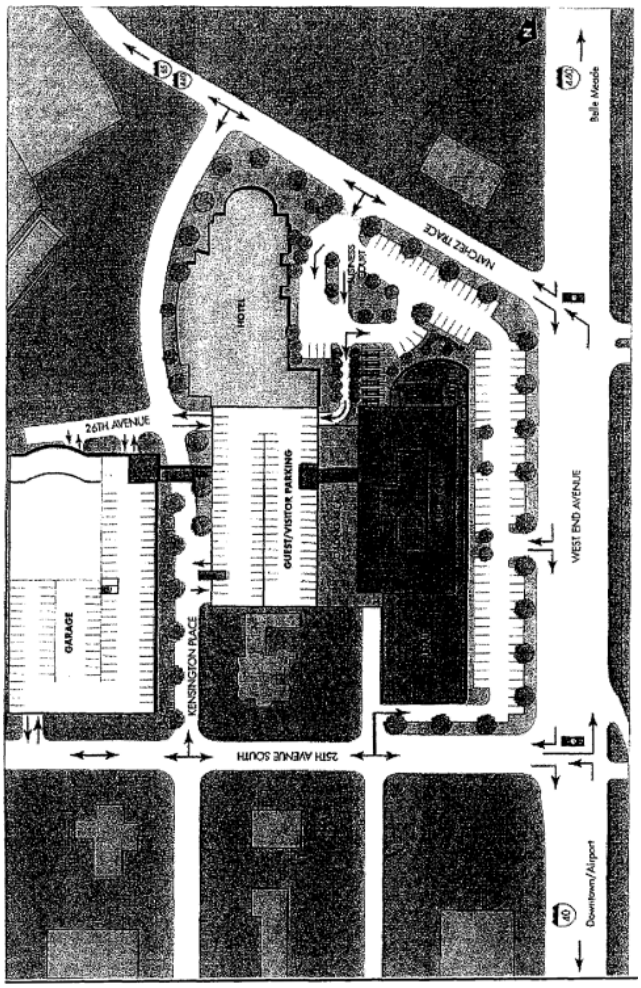

EXHIBIT A-1

DESCRIPTION OF LAND

Tract 1 / 3.01 Acres

Being a parcel of land in Nashville, First Civil District, Eighteenth Councilmanic District, Davidson County, Tennessee, generally located on the southerly side of West End Avenue between Twenty-Fifth Avenue South and Natchez Trace, being part of Lot 1, Vanderbilt University Consolidation Plat of record in Plat Book 9700, page 522, R.O.D.C. and being more particularly described as follows:

Beginning at a mag nail (new) in the westerly right-of-way line of Twenty-Fifth Avenue South (50-foot right-of-way) at the southerly terminus of a curve return to the southerly right-of-way line of West End Avenue (right-of-way varies);

THENCE, along said westerly right-of-way line of Twenty-Fifth Avenue South, S 36° 59' 53" E, 179.61 to an iron pipe (old) at the northeast corner of property conveyed to Vanderbilt University by deed of record in Book 5157, page 991, R.O.D.C.;

THENCE, along the northerly line of said property, S 53° 09' 57" W, 150.00 feet to an “x” in conc. wall;

THENCE, along the westerly line of said property, S 36° 59' 53" E, 179.81 feet to an iron pin (set) in the northerly line of a fifty foot wide ingress and egress easement;

THENCE, along the northerly line of said ingress and egress easement the following calls;

S 53° 08' 25" W, 90.85 feet to an iron pin (set) at the beginning of a curve to the left;

Along said curve to the left, 136.18 feet to a railroad spike (new), said curve having a central angle of 17° 56' 44", a radius of 434.80 feet, a tangent of 68.65 feet and a chord of S 44° 10' 03" W, 135.63 feet;

S 35° 11' 41" W, 8.07 feet to a mag nail (new);

THENCE, leaving the northerly line of said ingress and egress easement and along a severance line the following calls:

N 36° 59' 13" W, 103.37 feet to a mag nail (new);

S 53° 00' 47" W, 43.57 feet to a mag nail (new);

N 36° 59' 13" W, 3.57 feet to a mag nail (new);

S 53° 00' 47" W, 12.00 feet to a mag nail (new);

N 36° 59' 13" W, 285.90 feet to a mag nail (new) in the southerly right-of-way line of West End Avenue;

THENCE, along said right-of-way the following calls;

N 54° 13' 39" E, 33.07 feet to a mag nail (new);

N 53° 00' 47" E, 394.99 feet to an “x” in conc. (new) at the westerly terminus of a curve return to the right to the westerly right-of-way line of Twenty-Fifth Avenue South; Along said curve to the right 15.71 feet to the point of beginning, said curve having a central angle of 89° 59' 19", a radius of 10.00 feet, a tangent of 10.00 feet and a chord of S 81° 59' 33" E, 14.14 feet;

Containing 3.01 acres, more or less.

EXHIBIT B

FLOOR PLAN OF LEASED PREMISES

[to be attached]

Exhibit B

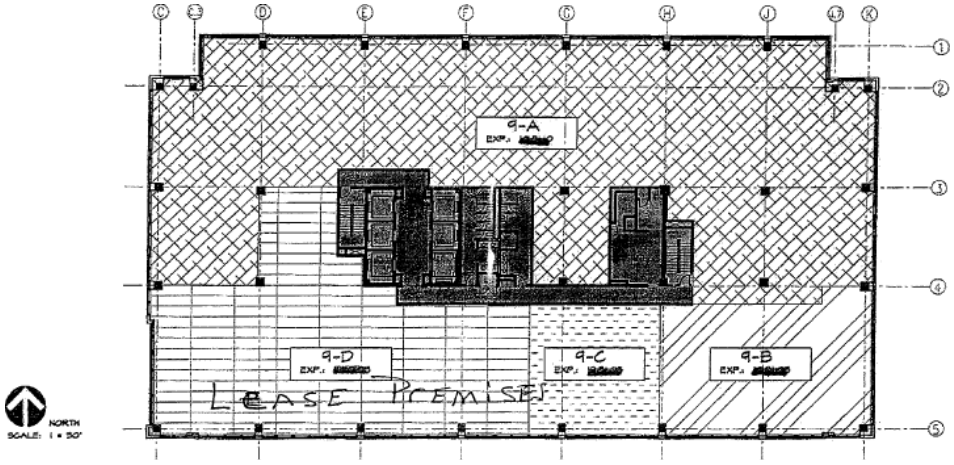
C
E3
D
E
F
G
H
J
L7
K
1
2
3
4
5
9-A
9-D
9-C
9-B
LEASE PREMISES
NORTH
SCALE: 1 = 50'

EXHIBIT C

AIR CONDITIONING AND HEATING SERVICES

Subject to the provisions of **Section 3.1(b),** Landlord will furnish Building Standard air conditioning and heating between 8 a.m. and 6 p.m. on weekdays (from Monday through Friday, inclusive) and between 8 a.m. and 1:00 p.m. on Saturdays, all exclusive of Holidays as defined below (the ***"Building Operating Hours"***). Upon request of Tenant made in accordance with the rules and regulations for the Building, Landlord will furnish air conditioning and heating at other times (that is, at times other than the times specified above), in which event Tenant shall reimburse Landlord for Landlord's actual cost of furnishing such services, plus an amount equal to fifteen percent (15%) of such costs to cover Landlord's administrative costs.

The Building Standard heating, ventilation and air conditioning system shall meet the following design conditions, at the stated outside design conditions, based on one person per 100 square feet:

1. Summer — Outdoor conditions 92 degrees Fahrenheit dry bulb, 75 degrees Fahrenheit wet bulb; indoor conditions 75 degrees Fahrenheit dry bulb, 50% relative humidity at design condition.
2. Winter — Outdoor conditions minus 16 degrees Fahrenheit dry bulb; indoor conditions 72 degrees Fahrenheit dry bulb.

The following dates shall constitute ***"Holidays"*** as said term is used in this Lease:

(a) New Year's Day

(b) Memorial Day

(c) Independence Day

(d) Labor Day

(e) Thanksgiving Day

(f) Friday following Thanksgiving Day

(g) Christmas

(h) Any other holiday generally recognized as such by landlords of office space in the metropolitan Nashville, Tennessee office market, as determined by Landlord in good faith.

If in the case of any holiday described in (a) through (g) above, a different day shall be observed than the respective day above-described, then that day which constitutes the day observed by national banks in Nashville, Tennessee on account of such holiday shall constitute the holiday under this Lease.

EXHIBIT D

BUILDING RULES AND REGULATIONS

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be used for the disposal of trash, be obstructed by tenants, or be used by tenants for any purpose other than entrance to and exit from the Leased Premises and for going from one part of the Building to another part of the Building.

2. Plumbing fixtures shall be used only for the purposes for which they are designed, and no sweepings, rubbish, rags or other unsuitable materials shall be disposed into them. Damage resulting to any such fixtures from misuse by a tenant shall be the liability of said tenant.

3. Signs, advertisements, or notices visible in or from public corridors or from outside the Building shall be subject to Landlord's prior written approval.

4. Movement in or out of the Building of furniture, office equipment, or any other bulky or heavy materials shall be restricted to such hours as Landlord shall reasonably designate. Landlord will determine the method and routing of said items so as to ensure the safety of all persons and property concerned. Advance written notice of intent to move such items must be made to the Building management office.

5. All routine deliveries to a tenant's Leased Premises during 8:00 a.m. to 5:00 p.m. weekdays shall be made through the freight elevators. Passenger elevators are to be used only for the movement of persons, unless an exception is approved by the Building management office. Delivery vehicles shall be permitted only in such areas as are designated by Landlord, from time to time, for deliveries to the Building.

6. Building management shall have the authority to prescribe the manner that heavy furniture and equipment are positioned.

7. Corridor doors, when not in use, shall be kept closed.

8. Tenant space that is visible from public areas must be kept neat and clean.

9. All freight elevator lobbies are to be kept neat and clean. The disposal of trash or storage of materials in these areas is prohibited.

10. No animals shall be brought into or kept in, on or about the Building, except for seeing-eye dogs.

11. Tenant shall not tamper with or attempt to adjust temperature control thermostats in the Leased Premises. Landlord shall adjust thermostats as required to maintain the Building standard temperature. Landlord requests that all window blinds remain down and tilted at a 45 degree angle toward the street to help maintain comfortable room temperatures and conserve energy.

12. Tenant will comply with all security procedures during business hours and after hours and on weekends.

13. Tenants are requested to lock all office doors leading to corridors and to turn out all lights at the close of their working day.

14. All requests for overtime air conditioning or heating must be submitted in writing to the Building management office by 2:00 p.m. on the day desired for weekday requests, by 2:00 p.m. Friday for weekend requests and by 2:00 p.m. on the preceding business day for holiday requests.

15. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and Tenant shall comply with all applicable building and fire codes relating thereto.

16. Tenant may not place any items on the balconies of the Building that alter the exterior appearance of the Building without obtaining Landlord's prior written consent.

17. Any motor vehicle exceeding the height restrictions of the Parking Facility shall not be parked at any location on the Land or Parking Area.

18. Tenant may not make any modifications, additions or repairs to the Leased Premises and may not install any furniture, fixtures or equipment in the Leased Premises which is in violation of any applicable building and/or fire code governing the Leased Premises or the Building.

19. Except in those areas designated by Landlord. if any, smoking is prohibited in the Building (including, but not limited to, the Leased Premises, the main building lobby, public corridors, elevator lobbies, service elevator vestibules, stairwells, restrooms and other common areas within the Building).

20. All Tenant contractors shall abide by the contractor's rules and regulations promulgated by Landlord from time to time.

Landlord reserves the right to rescind any of these rules and regulations and to make such other and further rules and regulations as in its reasonable judgment shall, from time to time, be required for the safety, protection, care and cleanliness of the Building, the operation thereof, the preservation of good order therein and the protection and comfort of the tenants and their agents, employees and invitees. Such rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed.

EXHIBIT F

[INTENTIONALLY DELETED]

EXHIBIT G

BASE RENTAL

PERIOD	ANNUAL BASE RENTAL RATE	RENTABLE SQUARE FOOTAGE	MONTHLY BASE RENTAL
1/1/06-12/31/06	[***]	6,341	[***]
1/1/07-12/31/07	[***]	6,341	[***]
1/1/08-12/31/09	[***]	6,341	[***]
1/1/09-12/31/09	[***]	6,341	[***]
1/1/10-12/31/10	[***]	6,341	[***]

JANITORIAL SPECIFICATIONS
EXHIBIT H

OFFICE AREAS

1. Empty, clean and damp dust all waste receptacles and remove waste paper and rubbish from the premises nightly; wash receptacles as necessary.
2. Empty and clean all ashtrays, screen all sand urns nightly and supply and replace sand as necessary.
3. Vacuum all rugs and carpeted areas in offices, lobbies and corridors nightly.
4. Hand dust and wipe clean with damp or treated cloth all office furniture, files, fixtures, paneling, window sills and all other horizontal surfaces nightly; wash window sills when necessary.
5. Damp wipe and polish all glass furniture tops nightly.
6. Remove all finger marks and smudges from vertical surfaces, including doors, door frames, around light switches, private entrance glass and partitions nightly.
7. Wash clean all water coolers nightly.
8. Sweep all stairways nightly,
9. Police all stairwells throughout the Building daily and keep in clean condition.
10. Damp mop spillage in office and public areas as required.
11. Damp dust all telephones weekly.

WASH ROOMS

1. Mop, rinse and dry floor nightly.
2. Scrub floors as necessary.
3. Clean all mirrors, bright work and enameled surfaces nightly.
4. Wash and disinfect all basins, urinals and bowls nightly, using non-abrasive cleaners to remove stains and clean undersides of rim of urinals and bowls.
5. Wash both sides of all toilet seats with soap and water and disinfect nightly.
6. Damp wipe nightly, wash with disinfectant when necessary, all partitions, tile walls and outside surface of all dispensers and receptacles.
7. Empty and sanitize all receptacles and sanitary disposals nightly; thoroughly clean and wash at least once per week.

8. Fill toilet tissue, soap, towel and sanitary napkin dispensers nightly.
9. Clean flushometers, piping, toilet seat hinges and other metal work nightly.
10. Wash and polish all walls, partitions, and enamel surfaces from trim to floor monthly.
11. Vacuum all louvers, ventilating grills, and dust light fixtures monthly.

FLOORS

1. Ceramic tile, marble and terrazzo floors to be swept and buffed nightly and washed or scrubbed as necessary.
2. Vinyl asbestos, asphalt, vinyl, rubber, or other composition floors and bases to be swept nightly; such floors in public areas on multiple tenancy floors to be waxed and buffed as needed.
3. Tile floors in office areas will be waxed and buffed monthly.
4. All floors stripped and rewaxed at tenant's request and billed to tenant.
5. All carpeted areas and rugs to be vacuumed clean nightly and spot cleaned as needed.
6. Carpet shampooing will be performed at tenant's request and billed to tenant.

GLASS

1. Clean glass entrance doors, the adjacent glass panels and the doorframe around the doors nightly.
2. Clean inside surface of exterior widows at least once per year.
3. Clean outside surface of exterior windows at least twice per year; provided, however, in the event landlord cleans more frequently than twice per year the exterior windows of floors of the Building located above the leased premises in such a manner so as to dirty the windows of the leased premises, the landlord shall clean the windows of the leased premises as frequently as those located above same.

HIGH DUSTING (Quarterly)

1. Dust and wipe clean all closet shelving when empty and carpet sweep or dry mop all floors in closets if such are empty.
2. Dust all picture frames, charts, graphs and similar wall hangings.
3. Dust clean all vertical surfaces such as walls, partitions, doors, door bucks and other surfaces above shoulder height.
4. Damp dust all ceiling air conditioning diffusers, wall grilles, registers and other ventilating louvers.
5. Dust the exterior surfaces of lighting fixtures, including glass and plastic enclosures.

COMPUTER ROOM AND HIGH-SECURITY AREAS

1. If areas are secured, tenant must be present and provide access for cleaning staff to clean any secured areas.
2. Special cleaning requirements for equipment shall be at extra cost to tenant.

GENERAL

1. Wipe all interior metal window frames/mullions and other unpainted interior metal surfaces of the perimeter walls of the building each time the interior of the windows are washed.
2. Keep slopsink rooms in a clean, neat and orderly condition at all times.
3. Wipe clean and polish all metal hardware fixtures and other bright work nightly.
4. Dust and/or wash all directory boards as needed. Remove fingerprints and smudges nightly.
5. Maintain building lobby, corridors and other public areas in a clean condition.
6. Maintain all landscaped areas.
7. Maintain and clean all parking garages.

EXHIBIT 10.22.1

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment which has been filed separately with the SEC.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT is made and entered into this 14th day of December, 2006 ("Effective Date"), by and between **ROBERT W. BAIRD & CO. INCORPORATED**, a Wisconsin corporation ("Sublessor") and **CUMBERLAND PHARMACEUTICALS INC.**, a Tennessee corporation ("Sublessee").

RECITALS

A. Sublessor is the current tenant under a certain "Office Lease Agreement" by and between Nashville Hines Development, LLC ("Landlord") and Sublessor, dated as of July 24, 2000 ("Prime Lease") for space consisting of approximately 40,000 rentable square feet on the 9th and 10th Floor in the building commonly known as 2525 West End Avenue (the "Building") located in Nashville, Tennessee, as more fully described in the Prime Lease (the "Leased Premises"). A copy of the Prime Lease is attached hereto as **EXHIBIT A**.

B. With the consent of Landlord, Sublessor has the right to sublease a part of the Leased Premises pursuant to the terms and conditions of the Prime Lease.

C. Sublessor desires to sublet to Sublessee, and Sublessee desires to sublease from Sublessor, a portion of the Leased Premises consisting of approximately 8,606 rentable square feet of space on the 9th Floor of the Building (the "Subleased Premises"). The Subleased Premises are more fully described and are as situated on the floor plan attached hereto as **EXHIBIT B**.

D. The obligations of Sublessor and Sublessee to perform this Sublease are conditioned upon first obtaining the written consent of Landlord to this Sublease as required under Section 8.01 of the Prime Lease and to such other conditions precedent as are herein set forth.

IN CONSIDERATION of the above recitals and the mutual covenants contained in this Sublease, the parties agree as follows:

1. Subleased Premises.

1.1 Sublessor sublets to Sublessee and Sublessee subleases from Sublessor, the Subleased Premises. Sublessor warrants and represents that the copy of the Prime Lease attached hereto as **EXHIBIT A** is a true, correct and complete copy thereof and that such Prime Lease represents the entire understanding and agreement between Landlord and Sublessor with respect to the Subleased Premises. Except as otherwise provided in this Sublease, Sublessee acknowledges and agrees that Sublessor has made and makes no warranties or representations of any nature whatsoever with respect to any aspect of the condition or otherwise relative to the Subleased Premises and that Sublessee is taking the Subleased Premises strictly in its "**AS IS**" condition. Sublessor agrees to provide Sublessee with a Tenant Improvement Allowance of [***]. Such allowance shall be paid to Sublessee as a Rent credit over the six (6) month period of the sublease term from July 1, 2007 through December 31, 2007. As such, Sublessee shall have the right to deduct up to one sixth (1/6th) of the Tenant Improvement Allowance or [***] from its monthly Rent during the six (6) month period of July 1, 2007 through December 31, 2007 of the Sublease.

1.2 As of the Effective Date, Sublessor warrants and represents to Sublessee that: (a) Sublessor is not now, and as of the Commencement Date (as defined below) will not be, in default or breach of any of the terms or provisions of the Prime Lease, (b) Sublessor has no notice or knowledge of any claim by Landlord that Sublessor is or would, with the passage of time or the giving of notice or otherwise, be in default or breach of any of the terms or provisions of the Prime Lease, (c) to the knowledge of Sublessor, Landlord is

not in default or breach of any of the terms or provisions of the Prime Lease, (d) to the knowledge of Sublessor, the Subleased Premises are in full compliance with all applicable laws, statutes, ordinances, rules, regulations, directives, orders and other requirements of any federal, state and municipal entities, or otherwise, including without limitation the Americans with Disabilities Act and all applicable environmental laws, rules and regulations.

1.3 Sublessor shall indemnify and hold Sublessee harmless from claims arising from Sublessor's breach of its representations and warranties contained in this Sublease. This Section 1.3 shall survive the termination or expiration of this Lease.

2. <u>Sublease Subject to the Prime Lease</u>.

2.1 Except as otherwise provided herein, the terms, conditions and Exhibits of the Prime Lease shall be incorporated into this Sublease. This Sublease is subject and subordinate in all respects to the terms and conditions of the Prime Lease and Sublessee shall comply therewith with respect to the Subleased Premises. Sublessee agrees to be bound by and to perform all obligations and responsibilities of Sublessor as tenant under the Prime Lease as such obligations and responsibilities may apply to the Subleased Premises. Except as provided herein, Sublessee shall be entitled to all rights and benefits of Sublessor pertaining to the Subleased Premises under the Prime Lease and be subject to the same obligations, liabilities and limitations of Sublessor pertaining to the Subleased Premises under the Prime Lease. Sublessee shall neither do nor permit anything to be done that would cause the Prime Lease to be terminated or forfeited by reason of any right of termination or forfeiture reserved or vested in Landlord under the Prime Lease. Notwithstanding anything contained herein or otherwise to the contrary, sections 9.03, 9.04 and 9.05 of the Prime Lease shall not be part of this Sublease and Sublessee shall have no rights of first refusal or options to extend with respect to the Subleased Premises, whether pursuant to the terms of the Prime Lease or otherwise.

2.2 Sublessee acknowledges that Sublessor does not, pursuant to this Sublease, covenant or agree to do or perform any obligations undertaken or assumed by Landlord under the Prime Lease. Sublessor will, upon Sublessee's request, use its reasonable efforts to obtain performance by Landlord under the Prime Lease provided such efforts shall be at no cost to Sublessor. In strict compliance with the Prime Lease, Sublessor shall reasonably cooperate, at no expense to Sublessor, with Sublessee to enable Sublessee to enforce any obligations or covenants of Landlord under the Prime Lease. Sublessee shall be entitled to receive the pro-rata portion attributable to the Subleased Premises of any rent abatements or credits received by Sublessor from Landlord as result of any interruption in, or failure by Landlord to provide, any of the services and utilities required under the Prime Lease or any failure by Landlord to maintain and repair the Leased Premises or the Building under the Prime Lease or for any other reason under the Prime Lease.

2.3 Sublessor agrees to perform, according to the terms of the Prime Lease, the obligations of Sublessor under the Prime Lease that have not been assumed by Sublessee hereunder with respect to the Subleased Premises. Sublessor further agrees that Sublessor shall not enter into any agreement with Landlord to modify or terminate the Prime Lease which would affect the Subleased Premises or to exercise any right to terminate the Prime Lease without obtaining Sublessee's prior written consent in each instance. Sublessor agrees to promptly provide Sublessee with copies of all notices received from Landlord with respect to the Subleased Premises and all notices of default received from Landlord under the Prime Lease at the location specified in Section 12.1 hereof.

2.4 Sublessor agrees, at no cost to Sublessor, to use reasonable efforts to cooperate with Sublessee in obtaining for Sublessee (i) any additional services requested by Sublessee

under the Prime Lease, (ii) any benefit to Sublessor relating to the Subleased Premises under the Prime Lease that would directly benefit Sublessee including, without limitation any dispute rights regarding Operating Expenses and other payments as set forth in the Prime Lease, and (iii) Landlord's consent to any action for which the Prime Lease requires Landlord's consent. Sublessor agrees to promptly forward any request made by Sublessee to Landlord for services or consent or approval and to provide Landlord with any information reasonably requested by Landlord in connection therewith. If Landlord grants any consent required under the Prime Lease, Sublessor agrees that it shall not unreasonably withhold, condition or delay its consent with respect thereto.

3. Term. The term of this Sublease shall commence on June 1, 2007 ("Commencement Date") and end on October 31, 2010 (the "Term"). Prior to the Commencement Date, Sublessee may inspect, at reasonable times agreed upon by Sublessor, the Subleased Premises. In the event Sublessee discovers conclusive evidence that a health and/or safety hazard ("Hazard") is present on the Subleased Premises, Sublessee shall deliver to Sublessor a copy of the written inspection report disclosing the Hazard and a written notice identifying the Hazard. If Sublessor fails to cure the Hazard within ten (10) days after receipt of the written notice from Sublessee, or such longer period as is reasonably required for Sublessor to cure the Hazard, Sublessee may terminate this Sublease prior to the Commencement Date, upon written notice to Sublessor as Sublessee's sole remedy. Sublessee shall be responsible for all costs of inspection of the Subleased Premises and shall promptly restore the Subleased Premises to the same condition existing immediately prior to such inspection by Sublessee (except for any such Hazard). Sublessor shall deliver possession of the Subleased Premises to Sublessee on the Commencement Date for the purpose of installing the Sublessee Improvements in the Subleased Premises.

4. Rent; Security Deposit.

4.1 Commencing on the Commencement Date, and continuing thereafter on or before the first day of each month during the Term of this Sublease, and subject to the Rent credit to Sublessee described in Section 1.1 herein, Sublessee shall pay to Sublessor at the address specified for notices in this Sublease, monthly rent in advance, as follows:

Period	Monthly Rent
06/01/07 – 06/30/07	$0.00
07/01/07 – 12/31/07	[***]
01/01/08 – 12/31/08	[***]
01/01/09 – 12/31/09	[***]
01/01/10 – 10/31/10	[***]

4.2 Pursuant to the Prime Lease, Landlord is responsible for paying Operating Expenses (as defined in the Prime Lease) during any calendar year to the extent such Operating Expenses are less than or equal to [***] per square foot of space in the Building leased to rent paying tenants (the "Expense Stop") and Sublessor is responsible for paying its pro-rata share of the Operating Expenses for any calendar year in excess of the Expense Stop. Sublessee shall pay directly to Landlord or such other provider (i.e., utilities), as appropriate, or to reimburse Sublessor (for amounts actually paid by Sublessor) for Sublessee's proportionate share (based upon the square footage, from time to time, of the Subleased Premises), under the Prime Lease, of Operating Expenses for any calendar year in excess of the Operating Expenses for 2006. Sublessor shall provide to Subtenant copies of all statements and other documentation of such Operating Expenses provided by Landlord under the Prime Lease and a statement prepared by Sublessor indicating the pro-rata portion thereof payable by Sublessee hereunder.

4.3 **Security Deposit.** Intentionally Deleted.

5. Alterations to Subleased Premises. Sublessee shall not perform any alterations to the Subleased Premises without the prior written consent of Sublessor and Landlord, which consent by Sublessor shall not be unreasonably withheld. Sublessee shall surrender the Subleased Premises to Sublessor upon termination or expiration of this Sublease in the condition as upon delivery of possession to Sublessee hereunder, normal wear and tear and fire and casualty excepted, and shall remove any of its trade fixtures and equipment from the Subleased Premises. Notwithstanding the foregoing, Sublessee shall not be obligated to remove the Sublessee Improvements from the Subleased Premises upon the termination or expiration of this Sublease.

6. Parking. Sublessee shall be entitled to no more than 30 Parking Permits (as defined in the Prime Lease) to park in the Kensington Parking Facility, on a nonreserved, unassigned basis and upon the same terms and conditions governing Sublessor's use of Parking Permits under the Prime Lease.

7. Use.

7.1 Sublessee shall have the right to use the Subleased Premises for the purposes authorized under the Prime Lease and for no other purpose.

7.2 Sublessee shall obtain, at its expense, all licenses and permits necessary for its use and occupancy of the Subleased Premises.

7.3 Sublessee's use and occupancy of the Subleased Premises shall, during the term of this Sublease, be in compliance with all Applicable Laws (as defined in the Prime Lease) provided Sublessee shall not be required to make any repairs or alterations to the Building to comply with such Applicable Laws, except as may be required in connection with any alteration to the Subleased Premises made by Sublessee. Sublessee shall, during the term of this Sublease, keep and maintain the Subleased Premises in the condition required of Sublessor (as tenant under the Prime Lease).

8. Default. In addition to such other rights or remedies as may be available to Sublessor at law or in equity, in the event Sublessee shall default in the performance of any of the terms, covenants and conditions on its part to be performed under this Sublease (after notice and expiration of any applicable cure period), then Sublessor shall have the same rights and remedies with respect to the default as are given to Landlord with respect to defaults by Sublessor as tenant under the Prime Lease. In the event of a breach of this Sublease by Sublessor or Sublessee, the prevailing party shall be entitled to its costs and reasonable attorneys fees in enforcing or seeking to enforce the terms and provision hereof. Sublessee further agrees that Sublessor shall have no liability of any nature whatsoever to Sublessee as a consequence of Landlord's acts or omissions or its default under or breach of any of its duties or obligations in connection with the Prime Lease. Any conflicts between the terms, covenants and conditions of this Sublease and the Prime Lease shall be resolved in favor of this Sublease.

9. Insurance.

9.1 Sublessee shall, at all times during the term of this Sublease, maintain in full force and effect the insurance required of Sublessor as tenant under the Prime Lease for comprehensive general public liability insurance. All such insurance shall be written by responsible companies licensed to do business in Tennessee and shall name Sublessor and Landlord as additional insureds. Sublessee shall furnish Sublessor with a certificate of insurance evidencing the required coverage prior to the Commencement Date, in form satisfactory to Sublessor and Landlord. All such policies shall require at least 30 days' written notice to Sublessor and Landlord of any cancellation, nonrenewal or any change affecting Sublessor's coverage or the Landlord's coverage thereunder. All insurance required to be maintained by Sublessee hereunder shall be primary and noncontributing with any other insurance. If Sublessee fails to obtain, maintain and/or provide evidence of insurance required hereunder (after notice and expiration of any applicable cure period), Sublessor may obtain the same and Sublessee shall, immediately upon demand, reimburse Sublessor for the reasonable cost thereof. No such action by Sublessor or

reimbursement from Sublessee shall be a waiver of any default or other remedies. In no event shall the limits of any such policies of insurance be considered as limiting the liability of Sublessee under this Sublease.

9.2 Sublessor and Sublessee each release and relieve the other and their respective agents, partners, officers, directors, shareholders or employees, and waive their entire rights of recovery for, loss or damage to property located within or constituting a part of or all of the Subleased Premises, or to any improvements thereto to the extent that the loss or damages are covered by (a) the injured party's insurance, or (b) the insurance the injured party is required to carry under this Section 9, whichever is greater. This waiver applies whether or not the loss or damage is due to the negligent acts or omissions of Sublessor or Sublessee, or their respective agents, partners, officers, directors, shareholders or employees, it being understood that such parties will look solely to their insurers for reimbursement, and each such party covenants to cause its insurers to waive such rights of subrogation against the other party or parties.

9.3 All of Sublessee's personal property, fixtures, trade fixtures and equipment of any kind or description whatsoever in or about the Subleased Premises (including without limitation the Furniture) shall be at Sublessee's sole risk. Sublessor and Landlord shall not be liable for any damage done to or loss of such personal property, fixtures, trade fixtures or equipment or damage or loss suffered by the business or occupation of Sublessee arising from any acts or neglect of any other occupants of the building of which the Subleased Premises are a part or of any other persons or from bursting, overflowing or leaking of water, sewer or steampipes, or from the heating or plumbing or sprinkler fixtures, or from electrical current or wires, or from gas, or odors, or caused in any other manner whatsoever unless and then only to the extent such loss or damage is caused by the intentional misconduct of Sublessor or its agents, employees, servants, customers, clients, contractors or invitees, or the breach of Sublessor's obligations under this Sublease.

10. Indemnification.

10.1 Except as provided in Section 9.2 above, Sublessee shall defend, indemnify and hold Sublessor and Landlord harmless from and against any and all claims, demands, actions, causes of action, liabilities, suits and expenses, including without limitation reasonable attorney's fees, for or in connection with any injury (included without limitation death), loss or damage in, on or about the Subleased Premises or arising out of or in connection with (a) the use or occupancy of the Subleased Premises; or (b) negligence or intentional act of Sublessee or Sublessee's agents, employees, servants, customers, clients, contractors or invitees. This indemnification and hold harmless shall survive the termination or expiration of this Sublease but shall not apply to any claims, demands or actions to the extent caused by the negligence or intentional wrongdoing of Sublessor or its agents, employees, servants, customers, clients, contractors or invitees.

10.2 Except as provided in Section 9.2 above, Sublessor shall defend, indemnify and hold Sublessee harmless from and against any and all claims, demands, actions, causes of action, liabilities, suits and expenses, including without limitation reasonable attorney's fees, for or in connection with any injury (included without limitation death), loss or damage in, on or about the Subleased Premises to the extent arising out of or in connection with any negligence or intentional act of Sublessor or Sublessor's agents, employees, servants, customers, clients, contractors or invitees. This indemnification and hold harmless shall survive the termination or expiration of this Sublease but shall not apply to any claims, demands or actions to the extent caused by the negligence or intentional wrongdoing of Sublessee or its agents, employees, servants, customers, clients, contractors or invitees.

11. Brokerage. Sublessor and Sublessee each warrant and represent that it has dealt with no real estate brokers in connection with this transaction. Sublessor and Sublessee each indemnifies and holds the other harmless from any loss, cost, damage or expense (including attorneys' fees and expenses) resulting from any breach of the foregoing representation and warranty.

12. Miscellaneous.

12.1 All notices hereunder to the respective parties shall be in writing and shall be served by personal delivery or by prepaid express mail via reputable national delivery service, or by prepaid, registered or certified mail, addressed to the respective parties at their addresses set forth below. Any such notice will be deemed to be given and effective if (a) personally delivered, then on the date of such deliver; (b) sent via express mail or overnight courier, then 24 hours after the date such notice is sent; or (c) sent via registered or certified mail, then three days following the day on which such notice is deposited in the United States mail addressed as stated below. Copies of all notices or other communications shall be delivered to the parties as follows:

To Sublessor: Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attn: D. Michael Schaefer and Legal Department
Phone: (414) 298-2627
Fax: (414) 298-2405

To Sublessee: Cumberland Pharmaceuticals Inc.
2525 West End Avenue, Suite 950
Nashville, Tennessee 37203
Attn: Jean W. Marstiller, VP Admin Services
Phone: (615) 255-0068
Fax: (615) 255-0094

Either party may, upon prior written notice to the other, specify a different address for the giving of notices.

12.2 This Sublease and the exhibits, if any, attached to it, set forth all the covenants, promises, agreements, conditions and understandings between Sublessor and Sublessee concerning the Subleased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. No alteration, amendment, change or addition to this Sublease shall be binding upon Sublessor or Sublessee unless reduced to writing and signed by each party.

12.3 Sublessee may not assign this Sublease nor further sublet the Subleased Premises in whole or in part without the prior written consent of Sublessor and Landlord, which consent by Sublessor shall not be unreasonably withheld. Notwithstanding anything contained in this Sublease to the contrary, Sublessee shall have the right, without Sublessor's prior written consent, at any time during the Term of this Sublease, to assign or otherwise transfer this Sublease and its rights hereunder, or sublet the Subleased Premises, in whole or in part, to any corporation or other entity controlling, controlled by, or under common control with, Sublessee, or to any corporation or other entity into or with which Sublessee may be merged or consolidated, or to any corporation or other entity which shall be a successor of Sublessee or to any corporation or other entity which has acquired, or is concurrently therewith acquiring, ownership or control of all or substantially all of the business and assets of Sublessee and has a comparable net worth of Sublessee as of the date of this Sublease. Any assignment or subletting by Sublessee

pursuant to this Section shall not release Sublessee from its obligations under this Sublease.

12.4 The covenants, conditions and agreements contained in this Sublease shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns, but in the case of assigns, only to the extent that assignment is permitted.

12.5 This Sublease may be executed in one or more counterparts, each and all of which is deemed an original and all of which together constitutes but one and the same instrument.

12.6 The obligations of the parties under this Sublease are expressly subject to and conditioned upon Landlord's prior written consent to the terms and conditions of this Sublease, as evidenced by its execution of the "Consent to Sublease" set forth below.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Agreement effective as of the day and year first set forth above.

SUBLESSOR:

ROBERT W. BAIRD & CO. INCORPORATED
a Wisconsin corporation

By: /s/ Russell P. Schwei
Name: Russell P. Schwei
Its: Managing Director

SUBLESSEE:

CUMBERLAND PHARMACEUTICALS INC.
a Tennessee corporation

By: /s/ Jean M. Marstiller
Name: Jean W. Marstiller
Its: Vice President, Administrative Services

CONSENT TO SUBLEASE

THIS CONSENT TO SUBLEASE (this "***Consent")*** *is* entered into to be effective as of the Effective Date by and among Lessor, Lessee and Sublessee.

1. General Terms.

(a)	***Effective Date:***	December 15, 2006
(b)	***Lessor:***	Nashville Hines Development, LLC, a Delaware limited liability company
(c)	***Lessee:***	Robert W. Baird & Co. Incorporated, a Wisconsin corporation
(d)	***Sublessee:***	Cumberland Pharmaceuticals Inc., a Tennessee corporation
(e)	***Building:***	2525 West End, Nashville, Tennessee
(f)	***Primary Lease:***	Office Lease Agreement dated as of July 24, 2000. Any capitalized term used but not defined in this Consent shall have the same meaning given to such term in the Primary Lease.
(g)	***Primary Premises:***	Approximately forty thousand (40,000) square feet of RSF located on the ninth (9th) and tenth (l0th) floors of the Building.
(h)	***Sublease:***	Sublease dated as of December 14, 2006.
(i)	***Subleased Premises:***	Approximately eight thousand, six hundred and six (8,606) square feet of RSF on the ninth (9th) floor of the Building.

2. Recitals.

(a) Lessee is the lessee under the Primary Lease, under which Lessor leased to Lessee the Primary Premises located in the Building.

(b) Lessee desires to sublease the Subleased Premises to Sublessee.

(c) The Primary Lease requires Lessor's consent to any sublease.

3. Lessor's Consent.

(a) Consent and Sublessee Acknowledgement. As of the Effective Date, Lessor consents to the sublease of the Subleased Premises from Lessee to Sublessee pursuant to the Sublease, a copy of which is attached to this Consent as **Exhibit "A",** subject to the terms and conditions of this Consent. Sublessee acknowledges that it has examined and is familiar with all of the terms and provisions of the Primary Lease.

(b) Prohibition Against Further Transfers. Lessee and Sublessee shall not, without Lessor's prior written consent in each instance, (i) convey, assign or encumber the Primary Lease or the Sublease or any interest in either, directly or indirectly, voluntarily or by operation of law, including the merger or conversion of Lessee or Sublessee with or into another entity, (ii) sublet all or any portion of the Primary Premises or Subleased Premises, (iii) permit the use or occupancy of any part of the Primary Premises or Subleased Premises by anyone other than Lessee or Sublessee, as applicable (any of the foregoing actions shall be a ***"Prohibited Transfer"***), or (iv) amend the Sublease. If Lessee or Sublessee is other than an individual, any change in Control (defined in the following sentence) of Lessee or Sublessee shall constitute a Prohibited Transfer. ***"Control"*** means the direct or indirect power to direct or cause direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise. Conversely, Lessee and Sublessee shall not sublease space from, or assume the lease obligations of, another lessee in the Building without Lessor's prior written consent, which shall not be unreasonably withheld or delayed. Following any Prohibited Transfer, Lessee or Sublessee, as applicable (and any guarantors) shall remain fully liable under the Primary Lease and this Consent, as either maybe amended with or without notice to or consent of Lessee or Sublessee (or any guarantors), and Lessor may proceed directly under the Primary Lease or this Consent against Lessee or Sublessee (or any guarantors) without first proceeding against any other party. Notwithstanding the foregoing, Lessor's consent shall not be unreasonably withheld or delayed in the event (i) an assignee under a Prohibited Transfer shall have a net worth equal to or greater than Lessee as evidenced by its then available most recent financial statements, and (ii) such assignee's use of the Primary Premises and Subleased Premises is permitted under the terms of the Primary Lease and does not conflict with any exclusive usage rights granted to any other tenant in the Building.

4. Sublease Subordination. The Sublease shall be subject and subordinate at all times to all of the covenants, agreements, terms, provisions and conditions of the Primary Lease and of this Consent. Neither Lessee nor Sublessee shall do or permit anything to be done in connection with the Sublease or Sublessee's occupancy of the Subleased Premises that will violate the Primary Lease or this Consent. As between Lessor and Sublessee, the Sublease shall automatically terminate upon termination of the Primary Lease for any reason whatsoever, notwithstanding any other provision of the Sublease to the contrary.

5. Alterations. Sublessee agrees that no alterations, additions or physical changes will be made in or to any part of the Subleased Premises without Lessor's prior written consent in each instance, which shall not be unreasonably withheld or delayed, except as may be permitted under the Primary Lease.

6. No Release. Lessor's consent shall not be deemed in any way or manner to be a waiver or release of Lessee or any guarantor(s) of Lessee's obligations under the Primary Lease from the responsibility and liability for the payment of rent under the Primary Lease and for compliance with any and all obligations to be performed by Lessee as the Lessee under the Primary Lease. Without limiting the scope of the preceding sentence, it is specifically understood that Lessee shall remain fully liable for the obligation to pay Lessor for any special services provided to Sublessee in the course of Sublessee's use and occupancy of the Subleased Premises, whether or not specifically provided for in the Primary Lease (including, without limitation, after-hours heating and air conditioning of the Subleased Premises), and Lessee hereby covenants and agrees that

unless and until Lessor receives a written notice to the contrary from Lessee, Lessor may honor Sublessee's request for any such special services without the specific consent of Lessee. After an event of default by Lessee under the Primary Lease, Lessor may, in addition to any other remedies under the Primary Lease or at law, collect directly from Sublessee all rents due and owing from Sublessee and apply any such rent against sums due to Lessor by Lessee as Lessee under the Primary Lease. Further, Lessee authorizes and directs Sublessee to make such payments of rent directly to Lessor upon its receipt of written notice of default from Lessor. The collection of any such rents shall not be deemed a waiver of any rights and remedies of Lessor against Lessee as the Lessee under the Primary Lease or constitute a novation or release of Lessee as Lessee from the further performance of its obligations under the Primary Lease. Lessee acknowledges that the receipt by Lessor from Sublessee of any such rents shall be a full and complete release, discharge and acquittance of any claims by Lessee for rent against such Sublessee to the extent of any such amount of rent so paid to Lessor. In addition, Lessee agrees that it forfeits its rights to any excess consideration to which it may otherwise be entitled during any period when Lessee is in default under the Primary Lease, and any such excess consideration shall be payable to Lessor.

7. Lessor's Obligations. Notwithstanding anything to the contrary contained in the Sublease, neither the Sublease nor this Consent shall (i) enlarge or increase Lessor's obligations or liability, or (ii) reduce or decrease Lessor's rights, under the Primary Lease or otherwise. Lessor is not a party to the Sublease and, therefore, is not bound by the Sublease or any of its terms. Lessor shall have no responsibility or obligation to Sublessee for the performance by Lessee of its obligations under the Sublease. Similarly, Lessor shall have no responsibility or obligation to Sublessee for the performance of any obligations Lessor may owe to Lessee under the Primary Lease.

8. Excess Rents. In the event that the rental and other consideration payable to Lessee by Sublessee under the Sublease exceed the rental payable under the Primary Lease with respect to the Subleased Premises, then Lessee shall be bound and obligated to pay Lessor fifty percent (50%) of such excess rental within thirty (30) days of Lessee's receipt of the same from Sublessee. Lessee's failure to pay to Lessor such amounts when due shall be an event of default under the Primary Lease.

9. Options. Sublessee acknowledges and agrees that Sublessee shall not have the right to exercise any renewal, expansion, right of first refusal or other similar options or rights afforded to Lessee under the Primary Lease.

10. Brokerage. Lessee and Sublessee each agree to indemnify, defend and hold Lessor and its designated property management, construction and marketing firms harmless from and against any and all damage, loss, cost or expense, including, without limitation, all attorneys' fees and disbursements, incurred by reason of any claim of or liability to any broker or other person for commissions or other compensation or charges with respect to the negotiation, execution and delivery of the Sublease. The obligations of Lessee and Sublessee under this Paragraph shall survive the expiration or earlier termination of the Sublease.

11. Miscellaneous.

(a) Attorneys' Fees. In the event of any action to enforce this Consent, the prevailing party shall be entitled to receive from the other party(ies) all costs and expenses, including all attorneys' fees and costs of court (or other venue of dispute resolution), incurred in connection with such action.

(b) Other Agreements. Other than the Sublease, the Primary Lease and this Consent, there are no other agreements or understandings, whether written or oral, between Lessee and Sublessee with respect to Sublessee's use and occupancy of the Subleased Premises or any property of Lessee located in the Building. No compensation or consideration is payable or will become due and payable to Lessee or any affiliate of Lessee in connection with the Sublease other than the rentals expressly set forth in the Sublease. This Consent shall not be amended orally, but only by an agreement in writing signed by all parties to this Consent.

(c) Successors and Assigns. This Consent shall be binding upon and inure to the benefit of Lessor, Lessee and Sublessee and their respective successors and permitted assigns.

(d) Recording. Neither this Consent nor the Sublease may be recorded without Lessor's prior written consent.

(e) Conflicts. In the event of any conflicts among the provisions of the Primary Lease, the Sublease and this Consent, the provisions of this Consent and the Primary Lease shall control; and in the event of any conflicts between the provisions of the Primary Lease and this Consent, the provisions of this Consent shall control.

(f) Counterparts. This Consent may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall be one instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Consent to Sublease has been executed by the parties to be effective as of the Effective Date.

Lessor:

Nashville Hines Development, LLC, a Delaware limited liability company

By: Cash Flow Asset Management, L.P., a Texas limited partnership, its General Partner

By: CFAM GP, L.L.C., a Texas limited liability company, its sole general partner

By: /s/ Joanne M. Johnson
Joanne M. Johnson,
Vice President

Lessee:

Robert W. Baird & Co. Incorporated, a Wisconsin corporation

By: /s/ Russell P. Schwei
Russell P. Schwei, Managing Director

Sublessee:

Cumberland Pharmaceuticals, Inc, a Tennessee corporation

By: /s/ Jean W. Marstiller
Jean W. Marstiller, Vice President,
Administrative Services

Exhibit "A"

(Sublease Agreement)

[Intentionally omitted. See Sublease Agreement immediately preceding Consent to Sublease.]

EXHIBIT A TO SUBLEASE
PRIME LEASE

Exhibit "A"

2525 WEST END

OFFICE LEASE AGREEMENT

BY AND BETWEEN

NASHVILLE HINES DEVELOPMENT, LLC
AS LANDLORD

AND

ROBERT W. BAIRD & CO. INCORPORATED
AS TENANT

BASIC LEASE INFORMATION

Lease Date:	July 24, 2000
Tenant:	Robert W. Baird & Co. Incorporated
Address of Tenant:	777 East Wisconsin Avenue Milwaukee, Wisconsin 53202
Primary Contact:	D. Michael Schaefer First Vice President Manager of Real Estate and Facilities
Landlord:	Nashville Hines Development, LLC
Address of Landlord:	2800 Post Oak Boulevard Houston, Texas 77056-6190 Attention: Profit Center Office/Central Division
Leased Premises:	Approximately 40,000 square feet of RSF located on all of Floor 10 and a portion of Floor 9.
Estimated Commencement Date:	November 1, 2000
Lease Term:	Ten (10) years
Base Rental:	$23.90 per RSF, increasing by 3% annually beginning on the first year anniversary
Floor Ready Date:	July 1, 2000
Construction Allowance:	$31.00 per square foot of RSF subject. to adjustment as provided herein

The foregoing Basic Lease Information is hereby incorporated into and made a part of the Lease identified above. In the event of any conflict between any Basic Lease Information and the Lease, the Lease shall control.

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2525 WEST END
OFFICE LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into on this 24th day of July, 2000, by and between NASHVILLE HINES DEVELOPMENT, LLC, a limited partnership organized under the laws of the State of Delaware, whose address for purposes hereof is 2800 Post Oak Boulevard, Houston, Texas 77056-6190 Attention: Profit Center Office/Central Division (hereinafter called "Landlord"), and ROBERT W. BAIRD & CO. INCORPORATED, a corporation organized under the laws of the State of Wisconsin, whose address for purposes hereof is 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: D. Michael Shaefer, First Vice President and Manager of Real Estate and Facilities, prior to the commencement of the term of this Lease, and thereafter shall be 2525 West End Avenue, Suite 1000, Nashville, Tennessee 37203 (the address of the leased premises within the Building) (hereinafter called "Tenant").

ARTICLE I.

1.01. Leased Premises.

(a) Landlord has constructed or intends to construct certain improvements on a certain tract or parcel of land located on West End Avenue: in Nashville, Davidson County, Tennessee, and more particularly described in Exhibit A-1, attached hereto and incorporated herein by this reference (the "Land"). The improvements contemplated shall include an office building with a retail area included within it known as 2525 West End Avenue or such other name as Landlord may determine (the `Building'.") and the Parking Facility (as defined herein). The Building, the Parking Facility, and the Land together with all common areas not specifically made a part of the Building or the Parking Facility, and all other improvements from time to time located thereon or related thereto are hereinafter collectively referred to as the "Project." Subject to and upon the terms hereinafter set forth, and in consideration of the sum of Ten Dollars ($10.00), the premises, and the mutual covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, Landlord does. hereby lease and demise to Tenant and Tenant does hereby lease and take from Landlord (subject to all matters of record in Davidson County, Tennessee, that affect the Project) those certain premises (hereinafter sometimes called the "Leased Premises") located in the Building as shown on Exhibit A, attached hereto and incorporated herein, such Leased Premises being more particularly described as follows:

Approximately 40,000 square feet of contiguous rentable square feet on the 10th and a portion of the 9th Floor of the Building and as generally described or depicted on Exhibit B, attached hereto and incorporated herein ("Leased Premises").

(b) The terms "Rentable Square Feet" and "RSF", as used herein, shall be based on BOMA standards and refer to (i) in the case of a floor leased to a single tenant, the total square

footage of all floor area measured from the inside surface of the exterior glass line of the Building to the inside surface of the opposite exterior glass line, excluding only Service Areas (defined below) and General Common Areas (defined below), plus an allocation of the square footage of the General Common Areas, and (ii) in the case of a floor leased to more than one tenant, the total square footage of all floor areas within the inside surface of the exterior glass line of the Building enclosing the Leased Premises and measured to the mid-point of demising walls (i.e., walls separating the Leased Premises from areas leased to or held for lease to other tenants, from On-Floor Common Areas (defined below), and from General Common Areas), excluding only Service Areas, plus an allocation of the square footage of the General Common Areas and an allocation of the square footage of the On-Floor Common Areas. No deductions from Rentable Square Feet shall be made for columns or projections.

"Service Areas" shall mean the areas within (and measured from the exterior surface of the interior walls enclosing, or from the inside surface of the-exterior glass or wall enclosing, as the case may be) Building stairs, elevator shafts, flues, vents, stacks, pipe shafts and vertical ducts. Areas for the specific use of Tenant or other tenants of the Building or installed at the request of Tenant such as special stairs or elevators are not included within the definition of Service Areas.

"General Common Areas" shall mean those areas 'within (and measured from the midpoint of the walls or from the inside surface of the exterior glass enclosing). the Building's elevator machine rooms, main mechanical rooms, electrical rooms, and public lobbies, engineering and cleaning staging areas, and other areas not leased or held for lease within the Building but which are reasonably necessary for the proper utilization of the Building or to provide customary services to the Building, plus an allocation of any On-Floor Common Areas to the General Common Areas on the floor for floors that contain General Common Areas. The allocation of the square footage of the General Common Areas shall be equal to the total square footage of the General Common Areas multiplied by a fraction, the numerator of which is the Rentable Square Kept of the Leased Premises (excluding the total square footage of the General Common Areas) and the denominator of which is the total of all Rentable Square Feet contained in the Building (excluding the allocation. of the General Common Areas).

"On-Floor Common Areas" shall mean the total square footage of all areas within (and measured from the midpoint of the walls enclosing) public corridors, elevator foyers, rest rooms, mechanical rooms, janitor closets, telephone and equipment rooms, and other similar facilities for the use of all tenants on the floor on which the Leased Premises are located. The allocation of the square footage of the On-Floor Common Areas shall be equal to the total On-Floor Common Areas on said floor multiplied by a fraction, the numerator of which is the Rentable Square Feet of the portion of the Leased Premises (excluding the allocations of General Common Areas and On-Floor Common Areas) located on said floor and the denominator of which is the total of all Rentable Square Feet on said floor (excluding the allocations of General .Common Areas and On-Floor Common Areas on the floor).

"Parking Facility" shall mean the parking structure that is constructed and located adjacent to the Building (the "Adjacent Parking Facility"), the surface parking area adjacent to the Building (the "Surface Parking Area"), and the existing garage located across Kensington Place (the

"Kensington Parking Facility") as shown and labeled on Exhibit A (which shall only be used by Tenant as parking for Tenant's employees and the employees of other office tenants, not customer parking), together with any connecting walkways, covered walkways, or other means of access to said building or buildings, the grounds related thereto and any additional improvements at any time related thereto. The Parking Facility may be operated by a parking contractor charging commercially reasonable rates as designated from time to time by Landlord.

(c) Within twenty (20) days after the Commencement Date -(defined below), Landlord shall deliver to Tenant Exhibit G, attached hereto and incorporated herein, which shall contain an acknowledgment of the date upon which the Commencement Date (defined below) of this Lease occurred, Landlord's calculation of the exact number of square feet of Rentable Square Feet within the Leased Premises, including a breakdown of Landlord's calculations with regard to Service Areas, General Common Areas and On-Floor Common Areas, and such other information regarding this Lease and the Leased Premises as Landlord shall then reasonably stipulate. Tenant shall have the right to object to Exhibit G by delivering written notice to Landlord within twenty (20) days after Landlord delivers Exhibit G to Tenant, failing which Tenant shall be deemed to have agreed that all information contained in Exhibit G is correct. If Tenant objects to Exhibit G within said twenty (20) day period, Landlord and Tenant shall work together to resolve their differences and, after such differences have been resolved, Landlord shall execute Exhibit G and deliver same to Tenant and Tenant shall have a period of five (5) days to give written notice to Landlord objecting to Exhibit G, failing which Tenant shall be deemed to have agreed that Exhibit G is correct. Upon Tenant agreeing or being deemed to have agreed. that all information contained in Exhibit G is correct, the Commencement Date as shown on Exhibit G shall be the Commencement Date for purposes of Section 1.02(a) of this Lease and for all other purposes under this Lease and the Rentable Square Feet of the Leased Premises as shown on Exhibit G shall replace the Rentable Square Feet of the Leased Premises as shown in Section 1.01(a) and as defined in Section 1.01(b) and shall be deemed to be the Rentable Square Feet of the Leased Premises for all purposes under this Lease. All payments of Rental (hereinafter defined) shall be made as. and when required herein, notwithstanding any unresolved objections to Exhibit G. All such payments shall be based upon the Exhibit G prepared by Landlord until such objections have been finally resolved, whereupon any overpayment or any underpayment theretofore made shall be adjusted by increasing or reducing, as the case may be, the next installment of Base Rental coming due. At any time after the execution of this Lease, Landlord shall also provide Tenant with a subordination, non-disturbance and attornment agreement in accordance with Section 7.08 of this Lease.

(d) This Lease does not grant Tenant any rights, to light, air or view over or about the Land or any other real property. Landlord specifically excepts and reserves to itself all rights to and the use of any roofs, the exterior portions of the Leased Premises, the Land, improvements and air and other rights below the improved floor level of the Leased Premises, the improvements and air and other rights above the improved ceiling of Leased Premises, the improvements and air and other rights located outside the demising walls of the Leased Premises and such areas within the Leased Premises as are required for installation of utility lines and other installations required to serve the Building or any occupants of the Building, and Landlord specifically reserves to itself the

right to use, maintain and repair same, and no rights with respect thereto are conferred upon Tenant, unless otherwise specifically provided herein. Provided, however, Landlord shall not construct additional improvements to the Leased Premises which reduce the volume of Tenant's space.

(e) Tenant's taking possession of the Leased Premises or any portion thereof shall be conclusive evidence against Tenant that such portion of the Leased Premises was then in good order and satisfactory condition. Tenant acknowledges that no promise by or on behalf of Landlord, any of Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building or any of their respective agents, partners or employees to alter, remodel, improve, repair, decorate or clean the Leased Premises has been made to or relied upon by Tenant, and that no representation respecting the condition of the Leased Premises or the Building by or on behalf of Landlord, any of Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building or any of their respective agents, partners or employees has been made to or relied upon by Tenant, except, to the extent expressly set forth in this Lease.

1.02. Term.

(a) Subject to and upon the terms and conditions set forth herein, or in any exhibit hereto, the term of this Lease shall commence on the Commencement Date (defined below) and shall expire on the last day of the month that is one hundred twenty (120) calendar months after the Commencement Date at 6:00 P.M.

(b) As used herein, "Commencement Date" means the earlier to occur of (i) the date Tenant occupies the Leased Premises for the purpose of conducting business; or (ii) November 1, 2000.

1.03. Use. The Leased Premises are to be used and occupied by Tenant (and its permitted assignees and subtenants) solely for the purpose of office space and for no other purpose. The Leased Premises shall not be used for any purpose which would create unreasonable elevator loads or otherwise unreasonably interfere with Building operations, and Tenant shall not engage in any activity which is not in keeping with the first class standards of the Building. In no event shall the Leased Premises be used for the purpose of installing, marketing, operating, or providing electronic telecommunications, information or data processing, storage or transmissions, or other electronic office services or equipment for tenants or other occupants of the Building on a shared-usage basis through a central switch or a local area network.

1.04. Intentionally Deleted

1.05. Surrender of Premises.

(a) Upon the termination of this Lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, Tenant shall quit and surrender possession of the Leased Premises to Landlord, broom clean, in the same condition as upon delivery of possession to Tenant hereunder, normal wear and tear and fire and casualty excepted; provided, however, Tenant shall deliver to Landlord any and all insurance proceeds Tenant receives for damage to its Tenant's

improvements to the Leased Premises. Before surrendering possession of the Leased Premises, Tenant shall, without expense to Landlord, remove all signs, furnishings, equipment (including all communication and other cables), trade fixtures, merchandise and other personal property installed or placed in the Leased Premises and all debris and rubbish, and Tenant shall repair all damage to the Leased Premises resulting from such removal; provided if Tenant is then in default under this Lease, Tenant shall not remove any such item unless Tenant receives written directions from Landlord authorizing or directing the removal thereof. If Tenant fails to remove any of the signs, furnishings, equipment, trade fixtures, merchandise and other personal property installed or placed in the Leased Premises by the expiration or termination of this Lease, then Landlord may, after written notice to Tenant, at its sole option, (i) treat Tenant as a holdover, in which event the provisions of this Lease regarding holding over shall apply, (ii) deem any or all of such items abandoned and the sole property of Landlord, or (iii) remove any and all such items and dispose of same in any manner. Tenant shall pay Landlord on demand any and all expenses incurred by Landlord in the removal of such items, including, without limitation, the cost of repairing any damage to the Leased Premises or the Building caused by such removal and storage charges. (if Landlord elects to store such property).

(b) All installations, additions, partitions, hardware, cables, wires, fixtures and improvements, temporary or permanent (including, but not limited to, Tenant's Extra Work), except for Tenant's signs, furnishings, equipment, communication cables, telephone switches, trade fixtures, merchandise and other personal property, in or upon the Leased Premises, whether placed there by Tenant or Landlord, shall, upon the termination of this lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, become Landlord's property and shall remain upon the Leased Premises, all without compensation, allowance or credit to Tenant; provided,. however, that if at the time Landlord consents to Tenant's installation of any installations, additions, partitions, hardware, cables, wires, fixtures and improvements or at any time prior to termination of this Lease, Landlord requires removal of the same upon termination, then Tenant,. at Tenant's sole cost and expense, upon termination of this Lease by lapse of time or otherwise or upon the earlier termination of Tenant's right of possession, shall promptly remove such designated items placed in or upon the Leased Premises by 'or on behalf of Tenant and, repair any damage to the Leased Premises or the Building caused by such removal, failing which Landlord may remove the same and repair the Leased Premises or the Building, as the case maybe, and Tenant shall pay the actual cost of such removal thereof to Landlord on written demand.

1.06. Survival. Any claim, cause of action, liability or obligation arising under the term of this Lease and under the provisions hereof in favor of a party hereto against or obligating the other party hereto and all of Tenant's indemnification obligations hereunder shall survive the expiration or any earlier termination of this Lease.

ARTICLE II.

2.01. Rental Payments.

(a) Commencing on the Commencement Date and continuing thereafter throughout the full term of this Lease, Tenant hereby agrees to pay the Base Rental (defined below), and Tenant's Forecast Additional Rental (defined below) and Tenant's Additional Rental Adjustment (defined below) in accordance with this Article. The Base Rental and Tenant's Forecast Additional Rental shall be due and payable in equal monthly installments on the first day of each calendar month during the initial term of this Lease and any extensions or renewals hereof, and Tenant hereby agrees to so pay such rent to Landlord at Landlord's address as provided herein (or such other address as may be designated by Landlord from time to time) monthly in advance.

(b) If the Commencement Date is other than the first day of a calendar month, then the installments of Base Rental and Tenant's Forecast Additional Rental for such month shall be prorated and the installment or installments so prorated shall be paid in advance. Said installments for such prorated month shall be calculated by multiplying the equal monthly installment by a fraction, the numerator of which shall be the number of days of the Lease term occurring during said commencement or expiration month, as the case maybe, and the denominator of which shall be thirty (30). If the term of this Lease commences or expires on other than , the first day of a calendar year, Tenant's Forecast Additional Rental and Tenant's Additional Rental shall be prorated for such commencement or expiration year, as the case may be, by multiplying Tenant's Forecast Additional Rental and Tenant's Additional Rental by a fraction, the numerator of which shall be the-number of whole and partial months of the Lease term during the commencement or expiration year, as the case may be, and the denominator of which shall be. twelve (12). In such event the Tenant's Additional Rental Adjustment shall be made as soon as reasonably possible after the termination of this Lease.

(c) For purposes hereof, the term "Rental" shall mean and collectively refer to the Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums payable by Tenant hereunder. Tenant agrees to pay all Rental at the times and in the manner provided in this Lease, without abatement, demand, notice, set-off, deduction or counterclaim, and all sums payable under this Lease by Tenant shall be deemed to be rent due and owing hereunder. All Rental shall bear interest from the fifth (5th) day after the date due thereof until paid at the lesser of (i) a per annum rate equal to the "prime rate" announced by Chase Manhattan Bank, New York, New York, or its successor, (or if the "prime rate" is discontinued, the rate announced as that being charged to the most credit-worthy commercial borrowers) plus two percent (2%) or (ii) the maximum interest rate per annum allowed by law; provided, however, Landlord shall, no more than two (2) times per twelve (12) month period, provide Tenant with written notice of its failure to timely, pay the Rental due hereunder prior to imposing the interest penalty set forth in this subsection 2.01(c).

2.02. Base Rental. Throughout the full term of this Lease, Tenant hereby agrees to pay a base annual rental (the "Base Rental") in accordance with the schedule attached hereto as Exhibit

H, as such dollar amount may be adjusted from lease year to lease year pursuant to the terms of this Lease.

2.03. Additional Rental.

(a) Commencing with the calendar year in which the Commencement Date occurs and continuing thereafter for each calendar year during the full term of this Lease, Landlord shall present to Tenant prior to the beginning of said calendar year (or for the calendar year in which the Lease term commences, on the Commencement Date) a statement of Tenant's Forecast Additional Rental. Landlord's failure to deliver such a statement of Tenant's Forecast Additional Rental shall not operate to excuse Tenant from the payment of the monthly installment of Tenant's Forecast Additional Rental due under Section 2.01(a). Rather, Tenant shall continue to pay the monthly installment of Tenant's Forecast Additional Rental based on Landlord's most recent calculation thereof until such a statement is delivered to Tenant, with such statement being applied retroactively to the beginning of the calendar year and Tenant making up any under payments immediately upon its receipt of such statement. Landlord may, from time to time, but not more than two (2) times per year, recalculate Tenant's Forecast Additional Rental in order to more accurately reflect Landlord's good faith estimate of Tenant's Additional Rental, and Tenant shall commence paying the recalculated Tenant's Forecast Additional Rental, in accordance with Section 2.01(a) hereof, immediately after receiving notice thereof.

(b) As used herein, "Tenant's Forecast Additional Rental" shall mean Landlord's reasonable estimate of Tenant's Additional Rental (defined below) for the coming calendar year (or, in the calendar year in which the lease term commences, for such calendar year).

(c) Landlord shall absorb and be responsible for paying Operating Expenses (defined below) during any calendar year to the extent such Operating Expenses are less than or equal to Six and 90/100 Dollars ($6.90) per square foot of space in the Building leased to rent paying tenants (the "Expense Stop"). As part of Tenant's Additional Rental, Tenant shall be responsible for paying its pro rata share of the Operating Expenses for any calendar year in excess of the Expense Stop. For purposes hereof, "Tenant's Additional Rental" for any calendar year shall mean Tenant's Percentage Share (defined below) of the Operating Expenses for such calendar year in excess of the Expense Stop. As used herein, "Tenant's Percentage Share" shall mean a fraction, the numerator of which is the total number of square feet of Rentable Square Feet within the Leased Premises and the denominator of which is the greater of (i) ninety-five percent (95%) of the total square footage of all Rentable Square Feet in the Building (exclusive of any retail space) held for lease, or (ii) the total square footage of all Rentable Square Feet in the Building (exclusive of any retail space) actually leased to rent paying tenants.

(d) Landlord shall use reasonable efforts. to provide Tenant, within one hundred twenty (120) days after the end of the calendar year in which the Commencement Date occurs and of each calendar year thereafter during the term of this Lease, with a statement detailing the Operating Expenses for each such calendar year (the "Annual Operating Expense Statement") and

a statement prepared by Landlord comparing Tenant's Forecast Additional Rental with Tenant's Additional Rental. In the event that Tenant's Forecast Additional Rental exceeds Tenant's Additional Rental for said calendar year, Landlord shall, within thirty (30) days, pay Tenant (in the form of a credit against rentals next due or, upon expiration of this Lease, in the form of Landlord's check) an amount equal to such excess. In the event that the Tenant's Additional Rental exceeds Tenant's Forecast Additional Rental for said calendar year, Tenant hereby agrees to pay Landlord, within thirty (30) days of receipt of the statement, an amount equal to such difference ("Tenant's Additional Rental Adjustment").

(e) Tenant, at Tenant's sole cost and expense, shall have the right, to be exercised by written notice given to Landlord within sixty (60) days after receipt of the Annual Operating Expense Statement for any calendar year, to audit Landlord's books and records pertaining only to the Operating Expenses for such calendar year, provided such audit must commence within sixty (60) days after Tenant's notice to Landlord and thereafter proceed regularly and continuously to conclusion and, provided, further, that such audit must be conducted by a nationally recognized independent public accounting firm in a manner that does not unreasonably interfere with the conduct of Landlord's business. Notwithstanding the foregoing, Tenant shall not have the right to audit Landlord's books and records regarding the Operating Expenses for any calendar year if (i) the Annual Operating Expense Statement for such calendar year was prepared by a nationally recognized independent public accounting firm, or (ii) Tenant is in default under the terms of this Lease or any circumstance exists which with the giving of notice, the passage of time, or both, would constituted such a default. Landlord agrees to cooperate in good faith with Tenant in the conduct of any such audit. Tenant (and its agents, employees and accountants) shall hold the results of such audits in strict confidence and not disclose the same to any third party, except as is necessary during any dispute between Landlord and Tenant related thereto or as required by law. A copy of the results of any such audit shall be promptly provided to Landlord, and Landlord may conduct an independent review of the same. If there is any disagreement regarding the results of any such audit, the parties shall select a third party auditor to resolve the dispute.

2.04. Operating Expenses.

(b) "Operating Expenses", for each calendar year, shall consist of (i) all Operating Costs (defined below) for the Building, plus (ii) an amount equal to the sum of the total ownership, management, maintenance, repair, replacement and operating costs accruing during each such calendar year for portions of the Project not within the Building that are designated or maintained from time to time as common areas, including, but not limited to, fifty (50%) percent of the cost of maintaining the Kensington Place roadway adjoining the Project and those areas which are for the benefit of the occupants of the Project whether or not so designated or maintained as common areas (net of any contribution received from time to time from the owners of the other portions of the Project for such expenses):

(b) For the purposes of this Lease, "Operating Costs" shall mean all expenses, costs and accruals (excluding therefrom, however, specific costs billed to or otherwise incurred for the particular benefit of specific tenants of the Building) of every kind and nature, computed on an accrual basis, incurred or accrued in connection with, or relating to, the ownership, operation,

management, maintenance, repair and replacement of the Building during each calendar year, including, but not limited to, the following:

(i) wages and salaries, including taxes, insurance and benefits, of all on and off-site employees engaged in operations, management, maintenance, repair, replacement or access control, as reasonably allocated by Landlord and rent for the Building's management office exclusive of that portion of such office used for leasing;

(ii) cost of all supplies, tools, equipment and materials to the extent used in operations, management, maintenance, repairs or replacements, as reasonably allocated by Landlord;

(iii) cost of all utilities, including, but not limited to, the cost of electricity, the cost of water and the cost of power for heating, lighting, air conditioning and ventilating;

(iv) the cost of trash and garbage removal, cleaning, vermin extermination, snow, ice and debris removal, and other services;

(v) cost related to and fees payable under all maintenance, management and service agreements, including, but not limited to, a management fee contribution equal to three percent (3%) of the gross revenues;

(vi) costs related to those agreements related to access control services, garage operations, window cleaning, elevator maintenance, janitorial service, pest control and landscaping maintenance;

(vii) cost of inspections, repairs, maintenance and replacements (except to the extent covered by proceeds of insurance); provided the cost of capital repairs and replacements shall be amortized over such reasonable period of time as Landlord shall reasonably determine and only the portion of such costs allocable to any calender year (plus interest on the unpaid balance of such costs) may be included in the Operating Costs for such calendar year;

(viii) the reasonable cost of legal and accounting services incurred by Landlord relating to management and maintenance of the Building but not including any such expenses related to leasing of space in the Building;

(ix) amortization of the cost (plus interest on the unpaid balance of such costs) of any system, apparatus, device, or equipment which is installed

for the principal purpose of (i) reducing Operating Expenses, (ii) promoting safety or (iii) complying with governmental requirements;

(x) the cost of all insurance, including, but not limited to, the cost of casualty, rental loss and liability insurance, and insurance on Landlord's personal property, plus the cost of all deductible and co-insurance payments made by Landlord in connection therewith;

(xi) amounts due under easements, operating agreements, parking operating agreements, declarations, covenants or instruments encumbering the Land;

(xii) reasonable replacement reserves;

(xiii) cost of maintaining, striping, repairing, replacing, repaving and lighting grounds, streets, parking areas, sidewalks, curbs, walkways, landscaping, drainage and lighting facilities; and

(xiv) all taxes, assessments and governmental charges, whether or not directly paid by Landlord, whether federal, state, county or municipal and whether they be by taxing districts or authorities presently taxing the Building and said common areas or by others subsequently created or otherwise, and any other taxes, assessments and governmental charges attributable to the Building and that portion of the common areas or their operation, excluding, however, taxes and assessments attributable to the personal property of other tenants, federal and state taxes on income, death taxes, franchise taxes, and any taxes imposed or measured on or by the income of Landlord from the operation of the Building or imposed in connection with any change of ownership of the Building; provided, however, that if at any time during the term of this Lease, the present method of taxation or assessment shall be so changed that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and the improvements thereon shall be discontinued and as a substitute therefor, or in lieu of or in addition thereto, taxes, assessments, levies, impositions or charges shall be levied, assessed or imposed, wholly or partially, as a capital levy or otherwise, on the rents received from the Building or the rents reserved herein or any part thereof, then such substitute or additional taxes, assessments, levies, impositions or charges, to the extent so levied, assessed or imposed with respect to the Building, shall be deemed to be included within the Operating Costs. Consultation, legal fees and costs resulting from any challenge of tax assessments as reasonably allocated by Landlord shall also be included in Operating Costs. It is agreed that Tenant will be responsible for ad valorem taxes on its personal property and on the value of the leasehold improvements in the Leased Premises

to the extent that the same exceed the Tenant Improvement Allowance (and if the taxing authorities do not separately assess Tenant's leasehold improvements, Landlord may make a reasonable allocation of the ad valorem taxes allocated to the Building to give effect to this sentence). In the case of special taxes and assessments which may be payable in installments, only the amount of each installment accruing during a calendar year shall be included in the Operating Costs for such year.

(c) Notwithstanding any language contained herein to the contrary, Tenant hereby agrees that, during any calendar year in which the entire Building is not provided with Building Standard Services or is not completely occupied, Landlord shall compute all Variable Operating Costs (defined below) for such calendar year as though the entire Building were provided with Building Standard Services and were completely occupied. For purposes of this Lease the term "Variable Operating Costs" shall mean any operating cost that is variable with the level of occupancy of the Building (e.g. utilities and cleaning services). In the event that Landlord excludes from "Operating Costs" any specific costs billed to or otherwise incurred for the particular benefit of specific tenants of the Building or to other buildings or projects on the Land, Landlord shall have the right to increase "Operating Costs" by an amount equal to the cost of providing standard services similar to the services for which such excluded specific costs were billed or incurred. In no event shall Landlord receive from all tenants of the Building more than one hundred percent (100%) of any Operating Costs.

(d) Except as expressly provided in Section 2.05(b), Operating Costs shall not include:

(i) costs of alterations and other leasehold improvements (including the supervision and administration of such construction) and relocations of the premises of tenants of the Building;

(ii) the cost of construction of the Base Building;

(iii) the cost of correcting defects in the initial construction of the Base Building, other than (1) normal repair and maintenance, or (2) minor repairs equivalent to those normally undertaken by Landlord whether or not resulting from a construction defect;

(iv) interest and principal payments on mortgages or any loan fees or _other loan related costs or expenses payable in connection therewith;

(v) ground rental payments;

(vi) legal fees in connection with negotiating leases with tenants in the Building or in connection with enforcing lease obligations of tenants in the Building;

(vii) interest, fines and penalties on late payments;

(viii) real estate brokerage and leasing commissions;

(ix) costs and expenses attributable to leased retail or storage areas (as reasonably determined by Landlord) and which are directly reimbursable by retail or storage tenants in the Building;

(x) any expenditures for which Landlord has been directly reimbursed by tenants of the Building (other than pursuant to rent escalation or tax and operating expense reimbursement provisions in leases);

(xi) the costs of providing services to other tenants of the Building without a charge (i.e., excluding any services paid for by such tenants through payment of operating expenses and taxes) that are in excess of those services provided or made available to Tenant without a charge (i.e., excluding any services provided to Tenant and paid for through payment of operating expenses), to the extent of such excess;

(xii) legal, appraisal and accounting fees, disbursements and charges incurred in connection with the leasing, sale or refinancing of the Building;

(xiii) legal, appraisal and accounting fees, disbursements and charges incurred in connection with disputes with tenants or occupants of the Building;

(xiv) costs of investigating the presence of, removal or other remediation of hazardous substances existing in the Building on the Commencement Date and required by environmental laws in effect on the Commencement Date;

(xv) salaries paid to any executive employees above the grade of regional building manager and regional building engineer (which are includable only to the extent that such regional building manager and regional building engineer are engaged in servicing the Building);

(xvi) expenses for repairs, maintenance or replacements for which Landlord is reimbursed from or pursuant to insurance or condemnation proceeds (or for which Landlord would have been so reimbursed had it maintained the insurance required hereunder);

(xvii) advertising, entertainment and promotional expenditures relating to leasing of space at the Building;

(xviii) costs of capital improvements made to cure violations of laws existing as of the Commencement Date, including any fines or penalties imposed by legal authorities having jurisdiction thereof by reason of such existing violations;

(xix) costs of electricity furnished to individual tenant spaces, to the extent such costs are separately charged and payable by such tenants (other than pursuant to provisions in such tenants' leases providing for reimbursement of operating expenses and taxes of the Building);

(xx) overhead and profit increment paid to subsidiaries or affiliates of Landlord for services to the Building, to the extent only that the costs of such services exceed the competitive cost of such services were they not so rendered by a subsidiary or affiliate (provided that this exclusion shall in no way reduce or affect the management or administration fees otherwise permitted hereunder);

(xxi) cost of acquisition of sculptures, paintings or other works of art displayed in. the public areas of the Building;

(xxii) damages awarded .to a tenant. of the Building against Landlord by reason of Landlord's breach of that tenant's lease or Landlord's negligent or willful conduct;

(xxiii) costs for repairs, maintenance, replacements or services for which Landlord is directly reimbursed from warranties, guaranties or any other source (other than payments by tenants of operating expenses); and

(xxiv) the costs of any judgment, settlement or arbitration award resulting from Landlord's liability for failure to perform its obligations under any lease or other contract by which it may be bound.

2.05. Intentionally Deleted.

2.06. Intentionally Deleted.

ARTICLE III.

3.01. Services. Landlord shall furnish the following services to Tenant during the term of this Lease ("Building Standard Services"):

(a) Hot and cold domestic water to common use rest rooms and toilets, in commercially reasonable amounts.

(b) Subject to curtailment as required by governmental laws, rules or mandatory regulations, central heat and air conditioning in season, at such temperatures and in such amounts as are reasonably determined by Landlord and on such dates and at such times as are more particularly described on Exhibit E attached hereto and incorporated herein.

(c) Electric lighting service for all public areas and special service areas of the Building in such amounts and locations as are reasonably determined by Landlord.

(d) Janitor service shall be provided five (5) days per week, exclusive of holidays, in such manner as Landlord reasonably. determines, but similar to other suburban Nashville Class A buildings; provided, however, if Tenant's floor coverings or other improvements are other than building standard commercial grade, Tenant shall pay one hundred and fifteen percent (115%) of the actual additional cleaning cost, if any, attributable thereto. Landlord shall inform Tenant upon completion of Tenant's improvements whether any such improvements require janitorial services in excess of building standard.

(e) Access control for the Building shall be provided to the extent and in the manner reasonably determined by Landlord; provided, however, Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for, any liability or loss to Tenant, its agents, employees and visitors arising out of losses .due .to theft, burglary, or damage or injury to persons or property caused by persons gaining access to the Leased Premises, and Tenant hereby releases Landlord from all liability for such losses, damages or injury, Landlord's gross negligence and willful misconduct excepted.

(f) Electrical service shall be provided to Tenant as specified in Exhibit C hereto.

Should Tenant's total rated electrical design load exceed the Building Standard rated electrical design load for either low or high voltage electrical consumption, or if Tenant's electrical design requires low voltage or high voltage circuits in excess of Tenant's share of the Building Standard Shell Condition circuits, Landlord will (at Tenant's expense) install one (1) additional high voltage panel and/or one (1) additional low voltage panel with associated transformer, space for which has been provided in the base building electrical closets based on a maximum of two (2) such additional panels per floor for all tenants on the floor (which additional panels and transformers shall be hereinafter referred to as the "additional electrical equipment"). If the additional electrical equipment is installed because Tenant's low or high voltage rated electrical design load exceeds the

applicable Building Standard rated electrical design load, then a meter shall also be added (at Tenant's expense for the actual cost of such separately metered electricity and after notice to Tenant) to measure the electricity used through the additional electrical equipment.

The design and installation of any additional electrical equipment (or any related meter) required by Tenant shall be subject to the prior approval of Landlord (which approval shall not be unreasonably withheld). All expenses incurred by Landlord in connection with the review and approval of any additional electrical equipment shall also be reimbursed to Landlord by Tenant. Tenant shall also pay on demand the actual metered cost of electricity consumed through the additional electrical equipment (if applicable), plus any actual accounting expenses incurred by Landlord in connection with the metering thereof.

If any of Tenant's electrical equipment requires conditioned air in excess of Building Standard Shell Condition air conditioning, the same shall, after written notice to Tenant, be installed by Landlord (on Tenant's behalf), and Tenant shall pay all design, installation, metering and operating costs relating thereto.

If Tenant requires that certain areas within Tenant's demised premises must operate in excess of the normal Building Operating Hours (as defined in Exhibit E attached hereto), the electrical service to such areas shall, after written notice to Tenant, be separately circuited and metered such that Tenant shall be billed the costs associated with electricity consumed during hours other than Building Operating Hours.

(g) All Building Standard fluorescent bulb replacement in all areas and all incandescent bulb replacement in General Common Areas, Service Areas and On-Floor Common Areas.

(h) Non-exclusive multiple cab passenger service to the Leased Premises during Building Operating Hours (as defined in Exhibit E) and at least one (1) cab passenger service to the Leased Premises twenty-four (24) hours per day and non-exclusive freight elevator service during Building Operating Hours (all subject to temporary cessation for ordinary repair and maintenance and during times when life safety systems override normal building operating systems) with such freight elevator service available at other times upon reasonable prior notice and the payment by Tenant to Landlord of any additional expense actually incurred by Landlord in connection therewith.

To the extent the services described in subsection (a), (b), (c), (f) and (h) above require electricity and water supplied by public utilities, Landlord's covenants thereunder shall only impose on Landlord the obligation to use its good faith, reasonable efforts to cause the applicable public utilities. to furnish the same. Failure by Landlord to furnish the services described in this Section, or any cessation thereof, shall not render Landlord liable for damages to either person or property, nor be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof. In addition to the foregoing, should any of the equipment or machinery, for any cause except Landlord's gross negligence, fail to operate, or

function properly, Tenant shall have no claim for rebate of rent or damages on account of an interruption in service occasioned thereby or resulting therefrom and Tenant shall rely on its own business interruption insurance; provided, however, Landlord agrees to use reasonable efforts to repair said equipment or machinery promptly and to restore said services.

3.02. Keys and Locks. Landlord shall install a card reader on the elevator servicing the Leased Premises that restricts after hours access to the Leased Premises. Landlord shall also supply Tenant with two (2) keys for. each Building Standard lockset on code required doors entering the Leased Premises from public areas. Additional keys will be furnished by Landlord upon an order signed by Tenant and at Tenant's expense, which shall be at Landlord's actual cost plus ten percent (10%). All such keys shall remain the property of Landlord. No additional locks shall be allowed on any door of the Leased Premises without Landlord's permission, and Tenant shall not make or permit to be made any duplicate keys. Upon termination of this Lease, Tenant shall surrender to Landlord all keys to any locks on doors entering or within the Leased Premises, and give to Landlord the explanation of the combination of all locks for safes, safe cabinets and vault doors, if any, in the Leased Premises.

3.03. Graphics, Building Directory and Name. Landlord shall provide and install all graphics, letters, and numerals at the entrance to the Leased Premises on multi-tenant floors, if any (it being understood that Tenant shall be responsible for all graphics on full floors occupied by Tenant. Landlord shall maintain an electronic directory in such main lobby which shall include such information relating to Tenant, including the names of Tenant's officers and senior employees. All such letters and numerals shall be in the Building standard graphics (font· size to be approved by Landlord). Tenant agrees that Landlord shall not- be liable for any inconvenience or damage occurring as a result of any error or omission in any directory or graphics. Tenant at Tenant's sole cost and expense, upon prior written consent of Landlord which shall not be unreasonably withheld, shall be entitled to install signage incorporating the firm's name and standard logo within the Leased Premises, or within the elevator lobby for any floor or floor which Tenant occupies an entire floor. Tenant shall be responsible for removing such signage from the elevator lobby or lobbies prior to the expiration of this Lease. No signs, numerals, letters or other graphics shall be used or permitted on the exterior of, or may be visible from outside, the Leased Premises, unless approved in writing by Landlord. All on-floor graphics for full-floor tenants shall be removed by Tenant upon lease expiration.

3.04. Parking.

(a) Subject to the other provisions hereof, Landlord hereby agrees to make available, or to cause the lessee or operator of the Parking Facility (the "Garage Operator"), to make available to Tenant up to one (1) permit per two hundred and fifty (250) RSF to park in the Kensington Parking Facility upon Terms and conditions set forth below (the "Parking Permits"). Landlord shall also provide (or cause the Garage Operator to provide) visitor parking in a portion of the Parking Facility on a "first come-first served" pay basis at such published rates and upon such conditions as Landlord or the Garage Operator, as applicable, shall establish from time to time, as shown on Exhibit J. At any time during the Term, Tenant may elect to relinquish up to fifteen (15) Parking Permits by giving thirty (30) days prior written notice to Landlord (or

its designee), in which event Tenant shall have no further right to or interest in such relinquished Parking Permits and Landlord shall have no further obligation to provide such Parking Permits in order to meet the ratio set forth hereinabove.

(b) Tenant shall notify Landlord within thirty (30) days following the Commencement Date of the number of Parking Permits that it intends to utilize. Neither Landlord nor the Garage Operator shall be obligated to hold any Parking Permits that Tenant does not elect to utilize.

(c) Tenant shall pay as rental for the Parking Permits at the rate charged from time to time by Landlord (or the Garage Operator), in its sole and absolute discretion; provided the rate charged for the Parking Permits shall be prorated for any partial months during the term of this Lease. The initial charge to Tenant for each Parking Permit shall be Forty Dollars ($40.00) per month. In the event the rate charged for the Parking Permits is increased, Tenant may elect as its sole remedy with respect to such increase to relinquish all or a portion of the Parking Permits by giving written notice to Landlord (or its designee) within thirty (30) days after receiving notice of such increase, in which event Tenant shall have no further right to or interest in such Parking Permit and neither Landlord nor the Garage Operator shall have any obligation to provide replacement parking for Tenant. If the rate charged for the Parking Permits is increased and Tenant fails to notify Landlord, in writing, of its election to relinquish all or a portion of the Parking Permits within thirty (30) days after receiving notice of such increase, then Tenant shall be deemed to have agreed to such increase and shall have no further right to relinquish its Parking Permits on account thereof. Unless Landlord directs otherwise, Tenant shall pay the monthly charges established from time to time in accordance with this Lease by the Garage Operator for parking in the Kensington Parking Facility to Landlord and Landlord shall collect such payments, on behalf of the Garage Operator, monthly in advance, at the same time and place as Tenant makes payments of Base Rent under the terms of this Lease.

(d) In the event the parking spaces covered by the Parking Permits are not available to Tenant due to causes beyond the control of Landlord or the Garage Operator and Landlord is unable to provide replacement parking to Tenant, neither Landlord nor Garage Operator shall be liable for any damages that Tenant suffers on account thereof, nor shall such fact be construed as a constructive eviction of Tenant, entitle Tenant to an abatement of any Rental, or relieve Tenant from fulfillment of any covenant or agreement hereof.

(e) Landlord or the Garage Operator may make, modify and enforce reasonable rules and regulations relating to the parking of vehicles in the Parking Facility, and Tenant agrees to abide by such rules and regulations; provided such rules and regulations do not materially reduce Tenant's parking rights provided hereunder. Except as expressly provided herein, this Lease does not grant Tenant (or its agents, employees, contractors and visitors) the right to use the Parking Facilities or any other parking areas located on the Land or serving the Building. So long as Landlord ensures that there is sufficient parking available in the Parking Facilities to accommodate the holders of the Parking Permits, Landlord or the Garage Operator may, from

time to time, designate specific portions of the Parking Facilities as reserved areas and Tenant shall have no right to park in such reserved areas, except Tenant may park in reserved areas made available to tenants of the Building to the extent Tenant has purchased Parking Permits specifically entitling Tenant to use the same. Landlord agrees to make (or cause the Garage Operator to make) parking for Tenant's guests and visitors available on a non-exclusive basis in the Parking Facility. Landlord or the Garage Operator may restrict Tenant's right to utilize the Parking Permits on weekends and after 6:00 p.m. in the evening when athletic events are scheduled in the nearby athletic facilities.

ARTICLE IV.

4.01. Care of Leased Premises. Tenant shall not commit or allow to be committed by Tenant's employees, agents or contractors, any waste or damage to any portion of the Leased Premises or the Building. Upon the expiration or any earlier termination of this Lease, Landlord shall have the right to re-enter and resume possession of the Leased Premises immediately.

4.02. Entry for Repairs and Inspection. Tenant shall permit Landlord and its contractors, agents or representatives to enter into and upon any part of the Leased Premises during reasonable hours to inspect or clean the same, make repairs, alterations or additions thereto, and, upon reasonable prior notice to Tenant, for the purpose of showing the same to prospective tenants or purchasers and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof. Landlord shall use its reasonable efforts not to interfere materially with the operation of Tenant's business during any such entry.

4.03. Nuisance. Tenant shall conduct its business and control its agents, employees, invitees, contractors and visitors in such a manner as not to create any nuisance, or interfere with, annoy or disturb any other tenant or Landlord in its operation of the Building.

4.04. Laws and Regulations: Encumbrances; Rules of Building. Tenant shall comply with, and Tenant shall cause its employees, contractors and agents to comply with, and shall use its best efforts to cause its visitors and invitees to comply with, (i) all laws, ordinances, orders, rules and regulations of all state, federal, municipal and other governmental or judicial agencies or bodies relating to the use, condition or occupancy of the Leased Premises, (ii) all recorded easements, operating agreements, parking agreements, declarations, covenants and instruments encumbering the Leased Premises, and (iii) the rules of the Building reasonably adopted and altered by Landlord from time to time for the safety, care and cleanliness of the Leased Premises and Building and for the preservation of good order therein. The initial rules of the Building are attached hereto and incorporated herein as Exhibit F. Landlord warrants that the Building shall be in compliance in all material respects with applicable municipal, county, state and federal laws, codes and requirements as of the Commencement Date.

4.05. Legal Use and Violations of Insurance Coverage. Tenant shall not occupy or use the Leased Premises, or permit any portion of the Leased Premises to be occupied or used, for any business or purpose which is unlawful or knowingly deemed to be hazardous in any manner, or

permit anything to be done which would in any way increase the rate of fire, liability, or any other insurance coverage on the Building or its contents.

4.06. Hazardous Substances. Tenant shall comply, at its sole expense, with all laws, ordinances, orders, rules and regulations of all state, federal, municipal and other governmental or judicial agencies or bodies relating to the protection of public health, safety, welfare or the environment (collectively, "Environmental Laws") in the use, occupancy and operation of the Leased Premises. Tenant agrees that no Hazardous Substances (as hereinafter defined) shall be used, located, stored or processed on the Leased Premises or be brought onto any other portion of the Building by Tenant or any of its agents, employees, contractors, assigns, subtenants, guests or invitees, and no Hazardous Substances will be released or discharged from the Leased Premises (including, but not limited to, ground water contamination). The term "Hazardous Substances" shall mean and include all hazardous and toxic substances, waste or materials, any pollutant or contaminant, including, without limitation, PCB's, asbestos and raw materials that include hazardous constituents or any other similar substances or materials that are now or hereafter included under or regulated by any Environmental Laws or that would pose a health, safety or environmental hazard. Tenant hereby agrees to indemnify, defend and hold harmless Landlord from and against any and all losses, liabilities (including, but not limited to, strict liability), damages, injuries, expenses (including, but not limited to, court costs, litigation expenses, reasonable attorneys' fees and costs of settlement or judgment), suits and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, Landlord by any person, entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence in or the escape, leakage, spillage, discharge, emission or release from the Leased Premises of any Hazardous Substances or the presence of any Hazardous Substances placed on or discharged from the Building by Tenant or any of its agents, employees, contractors, assigns, subtenants, guests or invitees, including, without limitation, any losses, liabilities (including, but not limited to, strict liability), damages, injuries, expenses (including, but not limited to, court costs, litigation expenses, reasonable attorneys' fees and costs of settlement or judgment), suits and claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), any so-called federal, state or local "Superfund" or "Superlien" laws or any other Environmental Law.

Landlord hereby confirms that, to its knowledge, there are no Hazardous Substances (as now defined) existing at the Building in violation of applicable environmental laws (as now existing). Without limitation of the foregoing, Landlord agrees, as to any Hazardous Substances (as now defined) existing in the Leased Premises or the Building or the Land on the Commencement Date, to remove or otherwise remediate such Hazardous Substances to the extent required by law (as now existing), at Landlord's sole cost and expense. Tenant shall cooperate with Landlord in allowing proper access to the Leased Premises to perform the foregoing removal or remediation activities, and shall use reasonable efforts not to take any action which may worsen any such environmental condition once discovered. Landlord shall restore any damage caused to the Leased Premises as a result of such access by Landlord under this Section 4.06, to the extent such damage was not caused by Tenant's negligence or willful misconduct or Tenant's breach of its obligations hereunder. In any

entry into the Leased Premises under this Section 4.06, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's business operations at the Leased Premises.

4.07. Tenant Taxes. Tenant shall pay promptly when due all taxes directly or indirectly imposed or assessed upon Tenant's gross sales, business operations, machinery, equipment, trade fixtures and other personal property or assets, whether such taxes are assessed against Tenant, Landlord or the Building. In the event that such taxes are imposed or assessed against Landlord or the Building, Landlord shall furnish Tenant with all applicable tax bills, public charges and other assessments or impositions and Tenant shall forthwith pay the same either directly to the taxing authority or, at Landlord's option, to Landlord.

ARTICLE V.

5.01. Leasehold Improvements.

(a) Tenant shall receive a tenant improvement allowance of $31.00 per square foot of Rentable Square Feet (the "Tenant Improvement Allowance"), to be paid in installments in accordance with Exhibit D, no more often than once per month. Tenant may elect to increase the Tenant Improvement Allowance by up to an additional $5.00 per square foot of Rentable Square Feet by giving written notice of its desire to do so to Landlord on or before the Floor Ready Date, in which event the Initial Base Rental payable hereunder shall increase by $0.18 per Rental Square Foot per annum for each dollar of increase of Tenant Improvement Allowance which Tenant elects to use above the primary allowance of $31.00 per RSF. Tenant hereby agrees that the provisions of Exhibit D shall govern the construction of Tenant's initial leasehold improvements. Tenant shall not install any improvements which are not compatible with Landlord's plans and specifications for the Building or which are not approved by Landlord or Landlord's architect. Landlord shall at Landlord's cost provide to Tenant on-floor improvements as described in Exhibit C "Base Building Shell Condition."

(b) Notwithstanding any language contained herein or in Exhibit D to the contrary, if for any reason the Leased Premises should not be ready for occupancy by the Commencement Date, Landlord shall not be liable or responsible for any claims, damages or liabilities in connection therewith or by reason thereof.

(c) Tenant shall not make or allow to be made any alterations or physical additions in or to the Leased Premises, or place safes, vaults or other heavy furniture or equipment within the Leased Premises, without first obtaining the written consent of Landlord which consent shall not be unreasonably withheld so long as said alterations do not impact on Building systems or structure and are not visible from outside the Leased Premises. Tenant shall deliver to Landlord a copy of the record drawings for all alterations or physical additions so made in or to the Leased Premises. Tenant further specifically agrees that no food, soft drink or other vending machine will be installed within the Leased Premises without the written consent of Landlord, which consent will not be unreasonably withheld, delayed or conditioned, provided that Tenant shall be allowed to install such vending machines for the sole use of Tenant' s employees so long as the vending machine is not visible from outside of the Leased Premises.

(d) Tenant shall indemnify and hold Landlord harmless from and against all costs (including reasonable attorneys' fees and costs of suit), losses, liabilities, or causes of action arising out of or relating to any alterations, additions or improvements made by Tenant to the Leased Premises, including, but not limited to, any mechanics' or materialmen's liens asserted in connection therewith. No portion of Landlord's interest in the Building shall be subject to attachment on account of any work performed by or on account of Tenant, and Tenant shall provide written notice of same to all of its contractors.

(e) Should any mechanic's or other liens be filed against any portion of the Building by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be canceled or discharged of record by bond or otherwise within thirty (30) days after notice by Landlord. If Tenant shall fail to cancel or discharge said lien or liens, within said thirty (30) day period, Landlord may, at its sole option, cancel or discharge the same and upon Landlord's demand, Tenant shall promptly reimburse Landlord for all reasonable costs incurred in canceling or discharging such liens, and if canceling or discharging such liens requires active managerial oversight by Landlord, Landlord shall be entitled to collect an administrative fee equal to fifteen percent (15%) of the cost thereof.

5.02. Repairs by Landlord. All repairs, alterations or additions that affect the Building's structural components or the Building's mechanical, electrical and plumbing systems shall be made solely by Landlord or its contractor, and Landlord shall timely cause such repairs to be made. In the event of any damage to such components or systems or any other portion of the Building caused by Tenant or Tenant's agents, contractors, employees, visitors or invitees, the cost of repair or restoration of such damage shall be paid for solely by Tenant in an amount equal to Landlord's costs plus ten percent (10%) for administrative cost recovery. Landlord shall make such repairs to Building Standard Shell Condition improvements as may be deemed necessary by Landlord for normal maintenance operations and Landlord shall not otherwise be obligated to make improvements to, or repairs of, the Leased Premises.

5.03. Repairs by Tenant. Subject to Section 5.02 and 6.03, Tenant shall at its own cost and expense, keep the Leased Premises and all leasehold improvements in a condition similar to the condition as of the Commencement Date, normal wear and tear excepted, and Tenant shall perform all maintenance, repairs and replacements necessary to accomplish the same. In addition, Tenant shall perform all maintenance, repairs, replacements and improvements required by any governmental law, ordination, rule or regulation. If Tenant fails to commence any maintenance, repairs, replacements or improvements which it is required to perform hereunder within ten (10) days after written notice from Landlord to Tenant and thereafter diligently proceed with such work until completion, Landlord may, at its option, perform any such maintenance, repairs, replacements or improvements deemed necessary by Landlord, and Tenant shall pay to Landlord on demand Landlord's cost thereof plus a charge of ten percent (10%) for administrative cost recovery.

ARTICLE VI.

6.01. Condemnation. If all or substantially all of the Leased Premises, or such portion of the Leased Premises or the Building as would render, in Landlord's reasonable judgment, the continuance of Tenant's business from the Leased Premises impracticable, shall be permanently taken or condemned for any public purpose, then this Lease, at the option of Tenant or Landlord upon the giving of written notice to the other party within ten (10) days from the date of such condemnation or taking, shall forthwith cease and terminate. If less than all or substantially all of the Leased Premises or any portion of the Building shall be permanently taken or condemned for any public purpose, then Landlord shall have the option of terminating this Lease by written notice to Tenant within ten (10) days from the date of such condemnation or taking. If this Lease is terminated as provided above, this Lease shall cease and expire as if the date of transfer of possession of the Leased Premises, the Building, or any portion thereof, was the expiration date of this Lease. In the event that this Lease is not terminated by either Landlord or Tenant as aforesaid, Tenant shall pay the Rental up to the date of transfer of possession of such portion of the Leased Premises so taken or condemned and this Lease shall thereupon cease and terminate with respect to such portion of the Leased Premises so taken or condemned as if the date of transfer of possession of the Leased Premises was the expiration date of the term of this Lease relating to such portion of the Leased Premises. Thereafter the Base Rental, Tenant's Forecast Additional Rental and Tenant's Additional Rental shall be adjusted on a pro rata, net rentable square foot basis. In the event of any such condemnation or taking and this Lease is not so terminated, Landlord shall promptly repair the Leased Premises or the Building, as the case may be, to Building Standard Shell Condition so that the remaining portion of the Leased Premises or Building, as the case may be, shall constitute an architectural unit, fit for Tenant's occupancy and business; provided, however, that Landlord's obligation to repair hereunder shall be limited to the extent of the net proceeds made available to Landlord for such repair from any such condemnation or taking. In the event of any temporary taking or condemnation for any public purpose of the Leased Premises or any portion thereof, then this Lease shall continue in full force and effect except that Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental shall be adjusted on a pro rata net rentable square foot basis for the period of time that the Leased Premises are so taken as of the date of transfer of possession of the Leased Premises and Landlord shall be under no obligation to make any repairs or alterations. In the event of any condemnation or taking of the Leased Premises, Tenant hereby assigns to Landlord the value of all or any portion of the unexpired term of the Lease and all leasehold improvements and Tenant may not assert a claim for a condemnation award therefor; provided, however, Tenant may pursue a separate attempt to recover an award or compensation against or from the condemning authority provided such pursuit does not reduce Landlord's award.

6.02. Damages from Certain Causes. Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, riot, strike, insurrection, war, act or omission of any tenant or occupant of the Building, any nuisance or interference caused or created by any tenant or occupant of the Building, requisition or order of governmental body or authority, court order or injunction, or any cause beyond Landlord's control or, except in the case of the gross negligence or intentional misconduct of Landlord, for any damage

or inconvenience which may arise through repair or alteration of any part of the Building. Tenant shall notify Landlord of any damage to the Leased Premises, regardless of the cause of such damage.

6.03. Casualty Clause.

(a) In the event any portion of the Leased Premises or any portion of the General Common Areas is damaged by fire or other casualty, earthquake or flood or by any other cause of any kind or nature (hereinafter collectively referred to as the "damaged property") and the damaged property can, in the opinion of the Landlord's architect, be repaired within ninety (90) calendar days from the date of notice of Landlord's architect's opinion, then Landlord shall proceed to rebuild or restore the damaged property to Building Standard Shell Condition, subject to subsection (e) hereof.

(b) In the event the damaged property can not, in the reasonable opinion of Landlord's architect, be repaired within ninety (90) days from the date of notice of Landlord's architect's opinion, but can be repaired within one hundred eighty (180) days from the date of notice of Landlord's architect's opinion, Landlord, at Landlord's sole option, shall have the right (i) to terminate this Lease by notifying Tenant of such termination within twenty (20) days of receipt of Landlord's architect's opinion, or (ii) to restore or rebuild the damaged property to Building Standard Shell Condition, subject to subsection (e) hereof.

(c) If, in the opinion of Landlord's architect, damage to the damaged property cannot be repaired within one hundred eighty (180) days from the date of notice of Landlord's architect's opinion, then both Landlord and Tenant shall have the right to terminate this Lease by notifying the other party in writing of such termination within twenty (20) days of receipt of Landlord's architect's opinion.

(d) Notwithstanding any language herein to the contrary, if at the time of any such damage, less than one (1) year remains in the term of this Lease, exclusive of any renewal options, then Landlord, at Landlord's sole option, shall have the right to terminate this Lease.

(e) If at anytime during the term of this Lease the Building is damaged and the cost of repairing and restoring the same exceeds twenty-five percent (25%) of the replacement cost of the improvements comprising the Building, then Landlord, at Landlord's sole option, shall have the right to terminate this Lease.

(f) Notwithstanding any language contained herein to the contrary, in the event this Lease is not terminated as provided hereunder (i) Landlord shall be obligated to rebuild or restore the damaged property only to the extent of the net insurance proceeds available to Landlord for the purpose of rebuilding and restoration, (ii) if the damaged property is all or any portion of the Leased Premises Landlord shall be obligated to rebuild or restore the damaged property only to Building Standard Shell Condition, except that Tenant shall have the right to require Landlord to rebuild or restore the damaged property substantially to the condition which existed immediately prior to such damage, provided that Tenant shall bear all costs and expenses, including without

limitation, rentals that are lost due to extended construction time, in excess of the lesser of (A) any net insurance proceeds available to Landlord for the purpose of rebuilding or restoration, or (B) the cost to Landlord of rebuilding and restoring the damaged property to Building Standard condition (with Building Standard Tenant Allowances); and (iii) if Landlord is able to obtain rental loss insurance on reasonable terms and conditions (and Landlord shall carry such rental loss insurance so long as it is reasonably available), then Tenant shall be entitled to a pro rata abatement of Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental during the period of time the Leased Premises, or any portion thereof, are untenantable due to such damage. Landlord's architect's opinion shall be delivered to both Landlord and Tenant within thirty (30) days from the date of any such damage. In the event of any termination of this Lease under this Section, this Lease shall cease and terminate as if the date of such damage was the expiration date of the term of this Lease. Notwithstanding any contrary language in this Section, if the Leased Premises, the Building, or any portion thereof shall be damaged through the negligence or willful misconduct of Tenant and the cost of repairing the same is not covered by Landlord's insurance, such damage shall be repaired by Landlord at the sole expense of Tenant and rent shall continue hereunder unabated.

(g) If any portion of Tenant's leasehold improvements (including, but not limited to, Tenant's Extra Work), alterations, additions, improvements, fixtures, furnishing, equipment or trade fixtures are damaged by fire or other casualty, earthquake or flood or by any other cause of any kind or nature, Tenant shall immediately restore the same to the condition existing immediately prior to such damage, unless such damage is so extensive as to permit termination of this Lease as provided herein and the Lease is terminated in accordance with such provisions.

6.04. Casualty Insurance. Landlord shall maintain all-risk property insurance on the Building and on all Building Standard Shell Condition improvements. Said insurance shall be maintained with an insurance company authorized to do business in Tennessee, at full replacement cost and payments for losses thereunder shall be made solely to Landlord. Tenant shall maintain at its expense business interruption insurance and all-risk property insurance on the full replacement cost of all its personal property, including removable trade fixtures, located in the Leased Premises and on Tenant's Extra Work and all other, additions and improvements (including fixtures) made by Tenant and not required to be insured by Landlord above, regardless of whether such improvements were made at Landlord's or Tenant's expense. If the annual premiums to be paid by Landlord shall exceed the standard rates because of Tenant's operations within, or contents of, the Leased Premises or because the improvements to the Leased Premises are in excess of improvements contemplated by the Tenant Improvement Allowance, Tenant shall either (i) promptly pay the excess amount of the premium upon request by Landlord (and if necessary, Landlord may allocate the insurance costs of the Building to give effect to this sentence), or (ii), if the insurance company agrees to reduce the premium to the premium prior to the increase due to Tenant's operations, cease the operation that caused the increase in insurance premiums. Upon the request of Landlord, a duly executed certificate of insurance, reflecting Tenant's maintenance of the insurance required under this Section 6.04 and Section 6.05, shall be delivered to Landlord.

6.05. Liability Insurance. Landlord and Tenant shall each maintain a policy or policies of commercial general liability insurance with the premiums thereon fully paid on or before the due dates, issued by and binding upon a solvent insurance company authorized to transact business in

Tennessee. Such insurance shall be written on an occurrence basis and shall afford minimum protection (which may be affected by primary and/or excess coverage) of not less than $2,000,000.00 combined single limit for bodily injury and property damage in any one occurrence; provided, however, Tenant shall carry such greater limits of coverage as Landlord may reasonably request from time to time so long as Landlord maintains similar limits of coverage.

6.06. Hold Harmless. Landlord shall not be liable to Tenant, its agents, servants, employees, contractors, customers or invitees for any damage to person or property caused by any act, omission or neglect of Tenant. Without limiting or being limited by any other indemnity in this Lease, but rather in confirmation and furtherance thereof, Tenant agrees to indemnify, defend by its in house or outside counsel, and hold Landlord, Landlord's beneficiaries (if Landlord is a land trust), the managing agent of the Building, the leasing agent of the Building and their respective agents, partners, shareholders, officers, directors and employees of the Building harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses (including, but not limited to, court costs, reasonable attorneys' fees and litigation expenses) in connection with injury to or death of any person or damage to or theft, loss or loss of the use of any property occurring in or about the Leased Premises or the Building arising from Tenant's occupancy of the Leased Premises, or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Leased Premises or the Building, or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or due to any other act or omission or willful misconduct of Tenant or any of its agents, employees, contractors, assigns, subtenants, guest or invitees.

6.07. Waiver of Subrogation Rights. Anything, in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, its agents, servants, partners, shareholders, officers or employees, for personal injury, loss or damage to business, and loss or damage that may occur to the Leased Premises, the Building or any improvements thereto or thereon or any personal property of such party therein or thereon by reason of fire, the elements, or any other cause to the extent such loss or damage is covered by terms of the all-risk property insurance policies referred to in Section 6.04 hereof or any other insurance policy maintained by Landlord or Tenant, as applicable, regardless of cause or origin, including negligence of the other party hereto, its agents, officers, partners, shareholders, servants or employees, and covenants that no insurer shall hold any right of subrogation against such other party. The foregoing waiver shall apply regardless of the cause or origin of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors, but shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant. Each party shall obtain any special endorsements, if any, required by their respective insurers to evidence compliance with the aforementioned waiver.

ARTICLE VII.

7.01. Default and Remedies.

(a) The occurrence of any of the following shall constitute a default under and breach of this Lease by Tenant (an "Event of Default"):

(i) Failure by Tenant to pay any Rental within (5) days after the same becomes due hereunder; provided that no more than two (2) times per twelve (12) month period Landlord shall deliver written notice to Tenant that the Rental is more than five (5) days past due and Tenant shall have (5) days from the date such notice is sent to pay such Rental;

(ii) The Leased Premises are deserted, vacated for more than thirty (30) days, or not used as regularly or consistently as would normally be expected for similar premises put to general office use, even though the Tenant continues to pay the stipulated monthly rent;

(iii) Failure by Tenant to observe or perform any of the covenants in respect of assignment and subletting set forth in Article VIII;

(iv) Failure by Tenant to cure forthwith, immediately after receipt of notice from Landlord, any hazardous condition which Tenant has created or permitted in violation of law or of this Lease;

(v) Failure by Tenant to complete, execute and deliver any instrument or document required to be completed, executed and delivered by Tenant pursuant to Section 7.08 or Section 7.09 of this Lease, within ten (10) days after the initial written demand therefor to Tenant;

(vi) Failure by Tenant to observe or perform any other covenant, agreement, condition or provision of this Lease, if such failure shall continue for thirty (30) days after written notice thereof from Landlord to Tenant; provided that such thirty (30) day period shall be extended for the time reasonably required to complete such cure, if such failure cannot reasonably be cured within said thirty (30) day period and Tenant commences to cure such failure within said thirty (30) day period and thereafter diligently and continuously proceeds to cure such failure;

(vii) The levy upon execution or the attachment by legal process of the leasehold interest of Tenant, or the filing or creation of a lien in respect of such leasehold interest, which lien shall not be released or discharged within fifteen (15) days from the date of such filing;

(viii) Tenant or any guarantor of Tenant's obligations under this Lease becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for all or a major part of its property;

(ix) A trustee or receiver is appointed for Tenant, any guarantor of Tenant's obligations under this Lease or for a major part of either party's property and is not discharged within ninety (90) days after such appointment;

(x) Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding for relief under any bankruptcy law or similar law for the relief of debtors, is instituted (A) by Tenant or any guarantor of Tenant's obligations under this Lease, or (B) against Tenant or any guarantor of Tenant's obligations under this Lease and is allowed against it or is consented to by it or is not dismissed within sixty (60) days after such institution;

(xi) Tenant's repeated or continued failure to timely pay any Rental due Landlord hereunder where such failure shall continue or be repeated for two (2) consecutive months, or for a total of four (4) months in any period of twelve (12) consecutive months; or

(xii) Tenant's repeated failure to observe or perform any of the other covenants; terms or conditions hereof more than six (6) times, in the aggregate, in any period of twelve (12) consecutive months.

(b) Upon the occurrence of an Event of Default, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:

(i) Landlord, with or without terminating this Lease, may immediately or at any time thereafter re-enter the Leased Premises and correct or repair any condition which shall constitute a failure on Tenant's part to keep, observe, perform, satisfy, or abide by any term, condition, covenant, agreement, or obligation of this Lease or of the Rules and Regulations now in effect or hereafter adopted or of any notice given Tenant by Landlord pursuant to the terms of this Lease, and Tenant shall fully reimburse and compensate Landlord on demand.

(ii) Landlord, with or without terminating this Lease, may immediately or at any time thereafter demand in writing that Tenant vacate the

Leased Premises and thereupon Tenant shall vacate the Leased Premises and remove therefrom all property thereon belonging to or placed on the Leased Premises by, at the direction of, or with consent of Tenant within ten (10) days of receipt by Tenant of such notice from Landlord, whereupon Landlord shall have the right to re-enter and take possession of the Leased Premises. Any such demand, re-entry and taking possession of the Leased Premises by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Leased Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(iii) Landlord, with or without terminating this Lease, may immediately or at any time thereafter, re-enter the Leased Premises and remove therefrom Tenant and all property belonging to or placed on the Leased Premises by, at the direction of, or with consent of Tenant. Any such re-entry and removal by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Leased Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(iv) Landlord, with or without terminating this Lease, may immediately or at any time thereafter relet the Leased Premises or any part thereof for such time or times, at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, and Landlord may make any alterations or repairs to the Leased Premises which it may deem necessary or proper to facilitate such reletting; and Tenant shall pay all costs of such reletting including but not limited to the cost of any such alterations and repairs to the Leased Premises, attorneys' fees, leasing inducements, and brokerage commissions; and if this Lease shall not have been terminated, Tenant shall continue to pay all rent and all other charges due under this lease up to and including the date of beginning of payment of rent by any subsequent tenant of part or all of the Leased Premises, and thereafter Tenant shall pay monthly during the remainder of the term of this Lease the difference, if any, between the rent and other charges collected from any such subsequent tenant or tenants and the rent and other charges reserved in this Lease, but Tenant shall not be entitled to receive any excess of any such rents collected over the rents reserved herein.

(v) Landlord may immediately or at any time thereafter terminate this Lease, and this Lease shall be deemed to have been terminated upon receipt by Tenant of written notice of such termination; upon such termination Landlord shall recover from Tenant all damages Landlord may suffer by reason of such termination including, without

limitation, unamortized sums expended by Landlord for leasing commissions and construction of tenant improvements, all arrearages in rentals, costs, charges, additional rentals, and reimbursements, the cost (including court costs and attorneys' fees) of recovering possession of the Leased Premises, the cost of any alteration of or repair to the Leased Premises which is necessary or proper to prepare the same for reletting and, in addition thereto, Landlord at its election shall have and recover from Tenant either (A) an amount equal to the excess, if any, of the total amount of all rents and other charges to be paid by Tenant for the remainder of the term of this Lease over the then reasonable rental value of the Leased Premises for the remainder of the term of this Lease, or (B) the rents and other charges which Landlord would be entitled to receive from Tenant pursuant to the provisions of Section 7.01(b)(iv) if the Lease were not terminated. Such election shall be made by Landlord by serving written notice upon Tenant of its choice of one of the two said alternatives within thirty (30) days of the notice of termination.

(c) If Landlord re-enters the Leased Premises or terminates this Lease pursuant to any of the provisions of this Lease, Tenant hereby waives all claims for damages which may be caused by such re-entry or termination by Landlord. Tenant shall and does hereby indemnify and hold Landlord harmless from any loss, cost (including court costs and attorneys' fees), or damages suffered by Landlord by reason of such re-entry or termination. No such re-entry or termination shall be considered or construed to be a forcible entry.

(d) The exercise by Landlord of any one or more of the rights and remedies provided in this Lease shall not prevent the subsequent exercise by Landlord of any one or more of the other rights and remedies herein provided. All remedies provided for in this Lease are cumulative and may, at the election of Landlord, be exercised alternatively, successively, or in any other manner and are in addition to any other rights provided for or allowed by law or in equity.

(e) No act by Landlord with respect to the Leased Premises shall terminate this Lease, including, but not limited to, acceptance of the keys, institution of an action for detainer or other dispossessory proceedings, it being understood that this Lease may only be terminated by express written notice from Landlord to Tenant, and any reletting of the Leased Premises shall be presumed to be for and on behalf of Tenant, and not Landlord, unless Landlord expressly provides otherwise in writing to Tenant.

7.02. Insolvency or Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations under this Lease, or any general assignment by Tenant or any guarantor of Tenant's obligations under this Lease for the benefit of creditors, or any action taken or suffered by Tenant or any guarantor of Tenant's obligations under this Lease under any insolvency, bankruptcy, or reorganization act, shall, at

Landlord's option, constitute a breach of this Lease by Tenant. Upon the happening of any such event or at any time thereafter, this Lease shall terminate five (5) days after written notice of termination from Landlord to Tenant. In no event shall this Lease be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise and in no event shall this Lease or any rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency, or reorganization proceedings.

7.03. Late Payments. Tenant shall pay, as a one (1) time late charge on each installment of any Rental owed by Tenant hereunder that is not paid when due, an amount equal to five percent (5%) of the amount due for each and every thirty (30) day period that said amount remains unpaid (but in no event shall the amount of such late charge exceed an amount based upon the highest legally permissible rate chargeable at any time by Landlord under the circumstances). Should Tenant make a partial payment of past due amounts, the amount of such partial payment shall be applied first to reduce all accrued and unpaid late charges, in inverse order of their maturity, and then to reduce all other past due amounts, in inverse order of their maturity.

7.04. Attorney's Fees. If either party initiates any action to enforce its rights under this Lease or the terms hereof, the prevailing party shall be entitled to collect from the non-prevailing party all court costs, reasonable attorneys fees and litigation expenses, including, but not limited to, costs of depositions and expert witnesses, that Landlord incurs in connection with such action.

7.05. Waiver of Homestead. Tenant hereby waives and renounces all homestead or exemption rights which Tenant may have under or by virtue of the Constitutions and Laws of the United States, the State of Tennessee, and any other State as against any debt or sum Tenant may owe Landlord under this Lease and hereby transfers, conveys, and assigns to Landlord all homestead or exemption rights which maybe allowed or set apart to Tenant, including such as may be set apart in any bankruptcy proceeding, to pay any debt or sum owing by Tenant to Landlord hereunder.

7.06. No Waiver of Rights. No failure or delay of Landlord to exercise any right or power given it herein or to insist upon strict compliance by Tenant of any obligation imposed on it herein and no custom or practice of either party hereto at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by Landlord or any right it has herein to demand strict compliance with the terms hereof by Tenant. No waiver of any right of Landlord or any default by Tenant on one occasion shall operate as a waiver of any of Landlord's other rights or of any subsequent default by Tenant. No express waiver shall affect any condition, covenant, rule, or regulation other than the one specified in such waiver and then only for the time and in the manner specified in such waiver. No person has or shall have any authority to waive any provision of this Lease unless such waiver is expressly made in writing and signed by an authorized officer of Landlord.

7.07. Holding Over. In the event of holding over by Tenant after expiration or termination of this Lease without the written consent of Landlord, Tenant shall pay as liquidated damages, solely for such holding over, one hundred and fifty percent of the Rental that would have been payable if this Lease had not so terminated or expired for the first two (2) months of the holdover period, and double the Rental for the remainder of the holdover period. No holding over by Tenant after the

term of this Lease shall be construed to extend this Lease, and Tenant shall be deemed a tenant at will, terminable on five (5) days notice from Landlord. In the event of any unauthorized holding over, Tenant shall indemnify Landlord against all claims for damages by any other tenant to whom Landlord shall have leased all or any part of the Leased Premises effective upon the termination of this Lease. Any holding over with the express written consent of Landlord shall thereafter constitute this Lease to be a lease from month to month (terminable by either party on thirty (30) days notice) at a Base Rental, Tenant's Forecast Additional Rental, and all other sums required to be paid by Tenant prior to the expiration or termination of this Lease as may be determined by Landlord.

7.08. Subordination.

(a) Landlord may have heretofore or may hereafter encumber with a mortgage, deed of trust, deed to secure debt, financing statement or other security interests (collectively, a "Mortgage") the Land, the Project or any part thereof or any interest therein, may sell and lease back the Land, the Project or any part thereof, and may encumber the leasehold estate under such a sale and leaseback arrangement with a Mortgage. (The holder of any Mortgage is herein called a "Mortgagee." A lease creating Landlord's interest in the Land, the Project or part thereof is herein called a "Ground Lease" and the lessor under any such Ground Lease is herein called a "Ground Lessor.") This Lease and the rights of Tenant hereunder shall be and are hereby expressly made subject to and subordinate at all times to any Mortgage and to any Ground Lease now or hereafter existing, and to all amendments, modifications, renewals, extensions, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security thereof, provided, however, that the Mortgagee or Ground Lessor shall not, so long as Tenant shall not be in default under this Lease, disturb Tenant in its possession of the Leased Premises or terminate Tenant's rights hereunder. Tenant agrees to execute and deliver to Landlord such further instruments, including a subordination, nondisturbance and attornment agreement in a form acceptable to the Mortgagee or Ground Lessor, consenting to or confirming the subordination of this Lease to any Mortgage and to any Ground Lease and containing such other provisions which may be requested in writing by Landlord within ten (10) days after Tenant's receipt of such written request.

(b) Tenant agrees that if Landlord defaults in the performance or observance of any covenant or condition of this Lease required to be performed or observed by Landlord hereunder, Tenant will give written notice specifying such default by certified or registered mail, postage prepaid, to any Mortgagee or Ground Lessor of which Tenant has been notified in writing, and before Tenant exercises any right or remedy which it may have on account of any such default of Landlord, such Mortgagee or Ground Lessor shall have a reasonable amount of time to cure such default of Landlord, if such default can be cured without such Mortgagee or Ground Lessor taking possession of the mortgaged or leased estate, or to obtain possession of the mortgaged or leased estate and then to cure such default of Landlord, if such default cannot be cured without such Mortgagee or Ground Lessor taking possession of the mortgaged or leased estate.

(c) If any Mortgage is foreclosed, or Landlord's interest under this Lease is conveyed or transferred in lieu of foreclosure, or if any Ground Lease is terminated:

(i) No person or entity which as the result of any of the foregoing has succeeded to the interest of Landlord in this Lease (any such person or entity being hereafter called a "Successor") shall be liable for any default by Landlord or any other matter which occurred prior to the date such Successor succeeded to Landlord's interest in this Lease, nor shall such Successor be bound by or subject to any offsets or defenses which Tenant may have against Landlord or any other predecessor in interest to such Successor.

(ii) Upon request of any Successor assuming the rights of Landlord hereunder, Tenant will attorn to such Successor, as Landlord under this Lease, subject to the provisions of this Section 7.08(c) and Section 7.08(e), and will execute and deliver such instruments as may be necessary or appropriate to evidence such attornment within ten (10) days after receipt of a written request to do so.

(iii) No Successor shall be bound to recognize any prepayment by more than thirty (30) days of any Rental payable by Tenant hereunder.

(d) Notwithstanding anything to the contrary contained herein, any Mortgagee may subordinate, in whole or in part, its Mortgage to this Lease by sending Tenant notice in writing subordinating all or any part of such Mortgage to this Lease, and Tenant agrees to execute and deliver to such Mortgagee such further instruments consenting to or confirming the subordination of all or any portion of its Mortgage to this Lease and containing such other provisions which may be requested in writing by such Mortgagee within ten (10) days after Tenant's receipt of such written request.

(e) Whether or not any Mortgage is foreclosed or any Ground Lease is terminated, or any Mortgagee or Ground Lessor succeeds to any interest of Landlord under this Lease, no Mortgagee or Ground Lessor shall, have any liability to Tenant for any security deposit paid to Landlord by Tenant hereunder, unless such security deposit has actually been received by such Mortgagee or Ground Lessor.

(f) Should any prospective Mortgagee or Ground Lessor require a modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, in the reasonable judgment of Tenant, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to Landlord within ten (10) days following written request therefor. Should any prospective Mortgagee or Ground Lessor require execution of a short form of this Lease for recording (containing, among other customary provisions, the names of the parties, a description of the Premises and the term of this Lease), Tenant agrees to execute such short form of lease and deliver the same to Landlord within ten (10) days following the request therefor. Landlord will reimburse Tenant for Tenant's reasonable attorneys fees, not to exceed $500.00, for reviewing such required short form pursuant to this subsection (f).

(g) No Mortgagee or Ground Lessor of which Tenant has been notified, in writing, shall be bound any amendment or modification of this Lease made without the written consent of such Mortgagee or Ground Lessor.

7.09. Estoppel Certificate. Tenant agrees that, from time to time upon not less than fifteen (15) days' prior request by Landlord, or any existing or prospective Mortgagee or Ground Lessor, Tenant will, and Tenant will cause any subtenant, licensee, concessionaire or other occupant of the Leased Premises claiming by, through or under Tenant, to complete, execute and deliver to Landlord or Landlord's designee or to any existing or prospective mortgagee or ground lessor, a written estoppel certificate certifying (i) that this Lease is unmodified and is in full force and effect (or if there have been modifications, that this Lease, as modified, is in full force and effect and setting forth the modifications); (ii) the amounts of the monthly installments of Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums then required to be paid under this Lease by Tenant; (iii) the date to which the Base Rental, Tenant's Forecast Additional Rental, Tenant's Additional Rental Adjustment and other sums required to be paid under this Lease by Tenant have been paid; (iv) that Landlord is not in default under any of the provisions of this Lease, or if in default, the nature thereof in detail and what is required to cure same; and (v) such other information concerning the status of this Lease or the parties' performance hereunder reasonably requested by Landlord or the party to whom such estoppel certificate is to be addressed. If Tenant fails to execute such estoppel certificate within the time permitted then Landlord shall give written notice thereof to Tenant and if Tenant fails to execute the same or furnish specific written objections to such certificate within five (5) days after such notice, then the facts contained therein shall be conclusively presumed to be correct.

ARTICLE VIII.

8.01. Sublease or Assignment by Tenant.

(a) The Tenant shall not, without the Landlord's prior written consent, (i) assign, convey, mortgage, pledge, encumber, or otherwise transfer (whether voluntarily, by operation of law, or otherwise) this Lease or any interest hereunder; (ii) allow any lien to be placed upon Tenant's interest hereunder; (iii) sublet the Leased Premises or any part thereof; or (iv) permit the use or occupancy of the Leased Premises or any part thereof by any one other than Tenant. Any attempt to consummate any of the foregoing without Landlord's consent shall be void and of no force or effect. For purposes hereof, the transfer of the ownership or voting rights in a controlling interest of the voting stock of Tenant (if Tenant is a corporation) or the transfer of a general partnership interest or a majority of the limited partnership interest in Tenant (if Tenant is a partnership), at any time throughout the term of this Lease, shall be deemed to be an assignment of this Lease. Notwithstanding anything to the contrary contained herein, Tenant may assign this lease to an affiliate, subsidiary, parent company with the same financial strength or Northwestern Mutual Life Insurance Company (each a "Permitted Transferee") without the prior consent of, but upon prior written notice (including, as applicable, financial statements and other documentation of affiliation) to, Landlord.

(b) Notwithstanding anything herein to the contrary, if at any time or from time to time during the term of this Lease, Tenant desires to sublet all or any portion of the Leased Premises or assign all or any portion of Tenant's interest in this Lease, Tenant shall notify Landlord in writing (hereinafter referred to in this Section as the "Notice") of the terms of the proposed subletting or assignment, the identity of the proposed sublessee or assignee, the area proposed to be sublet or covered by the assignment (hereinafter referred to as "Sublet Space"), and such other information as Landlord may reasonably request to evaluate Tenant's request to sublet or assign. Landlord shall then have the option (i) to terminate this Lease as to the Sublet Space as provided in subsection (d) hereof or (ii) to allow the proposed sublease or assignment subject only to the final review for approval as provided in subsection (e) hereof. Landlord's option to sublet, to terminate, or to allow the proposed sublease or assignment subject to final review, as the case may be, shall be exercisable by Landlord in writing within a period of thirty (30) calendar days after receipt of the Notice and any failure by Landlord to exercise any of such options within said thirty (30) day period shall be deemed to constitute the election of option (ii) above.

(c) Intentionally deleted.

(d) If Landlord elects to terminate this Lease pursuant to Landlord's options set forth above, then this Lease shall terminate as to the Sublet Space on the date set forth in Landlord's notice to Tenant, which date shall be no less than thirty (30) days and no more than ninety (90) days after the date of such notice. If the Sublet Space does not constitute the entire Leased Premises and Landlord exercises its option to terminate this Lease with respect to the Sublet Space, as to that portion of the Leased Premises which is not part of the Sublet Space, this Lease shall remain in full force and effect except that Base Rental, Tenant's Forecast Additional Rental, and Tenant's Additional Rental shall be calculated on the difference between the Rentable Square Feet prior to such termination and the Rentable Square Feet of the Sublet Space. Notwithstanding anything to the contrary in this subsection (d), if Landlord elects this option to terminate the Lease, Tenant shall: have a maximum of five (5) days after the date that the notice of such election to terminate is sent to Tenant in which to rescind its notice of its desire to sublet the Sublet Space.

(e) If Landlord elects or is deemed to have elected to allow the proposed sublease or assignment subject to final review, Tenant shall submit to Landlord, within ten (10) calendar days after receipt of Landlord's notice of election (or the expiration of said thirty (30)-day period if no such election is made), a copy of the proposed sublease or assignment, which sublease or assignment must provide for the assumption of all of Tenant's obligations under this Lease, and such additional information concerning the business, reputation and credit-worthiness of the proposed sublessee or assignee as shall be sufficient to allow Landlord to form a commercially reasonable judgment with respect thereto. Landlord agrees not to unreasonably withhold its approval of any proposed sublease or assignment and, in the event Landlord fails to approve or disapprove any such sublease or assignment within thirty (30) days after Landlord's receipt of such submission from Tenant, such sublease or assignment shall be deemed to be approved; provided, however, that if Landlord approves any proposed sublease or assignment, Landlord shall receive from Tenant as additional rent hereunder fifty percent (50%) of any rents or other sums received by Tenant pursuant to said sublease or assignment in excess of the rentals payable to Landlord by Tenant under this Lease with respect to the Sublet Space (after deducting all of Tenant's reasonable costs associated therewith,

including reasonable brokerage fees and the reasonable cost of remodeling or otherwise improving the Leased Premises for said sublessee or assignee), as such rents or other sums are received by Tenant from the approved sublessee or assignee. Landlord may require that any rent or other sums paid by a sublessee or assignee be paid directly to Landlord. If Landlord approves in writing the proposed sublessee or assignee and the terms of the proposed sublease or assignment, but a fully executed counterpart of such sublease or assignment is not delivered to Landlord within sixty (60) calendar days after the date of Landlord's written approval, then Landlord's approval of the proposed sublease or assignment shall be deemed null and void and Tenant shall again comply with all the conditions of this Section as if the Notice and options hereinabove referred to had not been given, received or exercised. If Landlord fails to approve the form of sublease or assignment or the sublessee or assignee, Landlord shall notify Tenant of its reason not to approve such form of sublease or assignment and Tenant shall have the right to submit amended forms or other sublessees or assignees to Landlord to review for approval.

(f) Notwithstanding the giving by Landlord of its consent to any sublease or assignment with respect to the Leased Premises, no sublessee or assignee, except a Permitted Transferee, may exercise any expansion option, right of first refusal option, or renewal option under this Lease except in accordance with a separate written agreement entered into directly between such sublessee or assignee and Landlord, and Tenant may not exercise any such right with respect to any space that Tenant has sublet or assigned, except as to space that Tenant has sublet or assigned to a Permitted Transferee.

(g) Notwithstanding the giving by Landlord of its consent to any subletting, assignment or occupancy as provided hereunder or any language contained in such lease, sublease or assignment to the contrary, unless this Lease is expressly terminated by Landlord, Tenant shall not be relieved of any of Tenant's obligations or covenants under this Lease and Tenant shall remain fully liable hereunder.

(h) If, with the consent of the Landlord, the Leased Premises or any part thereof is sublet or occupied by other than Tenant or this Lease is assigned, Landlord may, after default by Tenant, collect rent from the subtenant, assignee or occupant, and apply the net amount collected to the Rental herein reserved. No such subletting, assignment, occupancy, or collection shall be deemed (i) a waiver of any of Tenant's covenants contained in this Lease, (ii) a release of Tenant from further performance by Tenant of its covenants under this Lease, or (iii) a waiver of any of Landlord's other rights hereunder.

(i) In no event shall Tenant assign this Lease or enter into any sublease, license, concession or other agreement for use, occupancy or utilization of any part of the Leased Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the income or profits derived by any person from the Leased Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of gross receipts of sales), and Tenant agrees that all assignments, subleases, licenses, concessions or other agreements for use, occupancy or utilization of any part of the Leased Premises shall provide that

the person having an interest in the possession, use, occupancy or utilization of the Leased Premises shall not enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Leased Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the income or profits derived by any person from the Leased Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of gross receipts of sales) and any such purported assignment, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Leased Premises.

8.02. Assignment by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder, in the Building, the Land and all other property referred to herein, and in such event and upon such transfer and transferee's assumption of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of Sections 8.03 and 8.04 hereof) no further liability or obligation shall thereafter accrue against Landlord hereunder.

8.03. Peaceful Enjoyment. Landlord covenants that Tenant shall and may peacefully have, hold and enjoy the Leased Premises free from hindrance by Landlord or any person claiming by, through or under Landlord but subject to the other terms hereof, provided that Tenant pays the rental and other sums herein recited to be paid by Tenant and performs all of Tenant's covenants and agreements herein contained. It is understood and, agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during the ownership of the Landlord's interest hereunder.

8.04. Limitation of Landlord's Personal Liability. Tenant specifically agrees to look solely to Landlord's equity interest in the Building for the recovery of any monetary judgment against Landlord, it being agreed that Landlord (and its partners and shareholders) shall never be personally liable for any such judgment. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord.

8.05. Force Majeure. Landlord and Tenant (except with respect to the payment of Rental or any other monetary obligation under this Lease, including any obligations arising pursuant to Exhibit D hereto) shall be excused for the period of any delay and shall not be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Lease when prevented from so doing by a cause or causes beyond the Landlord's or Tenant's (as the case may be) control (excluding financial inability to perform), which shall include, without limitation, all labor disputes, governmental regulations or controls, fire or other casualty, inability to obtain any material or services, acts of God, or any other cause not within the reasonable control of Landlord or Tenant (as the case maybe); provided, however, that any delay or prevention caused by Tenant Delay Items (defined in Exhibit D) shall be deemed to be due to a cause or causes within Tenant's control.

ARTICLE IX.

9.01. Notices. Any notice or other communications required or permitted to be given under this Lease must be in writing and shall be effectively given or delivered if (i) hand delivered to the addresses for Landlord and Tenant stated below, (ii) sent by certified or registered United States Mail, return receipt requested, to said addresses, or (iii) sent by nationally recognized overnight courier (such as Federal Express, UPS Next Day Air or Airborne Express), with all delivery charges paid by the sender and signature required for delivery, to said address. Any notice mailed shall be deemed to have been given upon receipt or refusal thereof. Notice effected by hand delivery shall be deemed to have been given at the time of actual delivery. Either party shall have the right to change its address to which notices shall thereafter be sent and the party to whose attention such notice shall be directed by giving the other party notice thereof in accordance with the provisions of this Section 9.01. The initial addresses of the parties for purposes of this Lease are:

To: Hines Interests Limited Partnership
70 West Madison, Suite 440
Chicago, IL 60602-4205
Attn: C. Kevin Shanahan and Thomas J. Danilek
Telecopy: (312) 346-4180

With a copy to: Hines Interests Limited Partnership
2800 Post Oak Boulevard, 50th Floor
Houston, TX 77056-6118
Attn: Jeffrey C. Hines and C. Hastings Johnson
Telecopy: (713) 966-2020

With copy to: Nashville Hines Development, LLC
Property Management Office
2525 West End Avenue
Nashville, TN 37203
Attn: Project Manager

Tenant: Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attn: D. Michael Schaefer, First Vice President

With a copy to: Robert W. Baird & Co. Incorporated
2525 West End Avenue, Suite 1000
Nashville, Tennessee 37203
Attn: Branch Manager

Tenant shall also send a copy of each such notice to each Mortgagee that notifies Tenant in writing of its interest and the address to which notices are to be sent.

9.02. Miscellaneous.

(a) This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord, and shall be binding upon and inure to the benefit of Tenant, its successors, and, to the extent assignment may be approved by Landlord hereunder, Tenant's assigns. Where appropriate the pronouns of any gender shall include the other gender, and either the singular or the plural shall include the other.

(b) All rights and remedies of Landlord and Tenant under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law. This Lease is declared to be a Tennessee contract, and all of the terms hereof shall be construed according to the laws of the State of Tennessee.

(c) This Lease may not be altered, changed or amended, except by an instrument in writing executed by all parties hereto. Further, the terms and provisions of this Lease shall not be construed against or in favor of a party hereto merely because such party is the "Landlord" or the "Tenant" hereunder or such party or its counsel is the draftsman of this Lease.

(d) If Tenant is a corporation, partnership or other entity, Tenant warrants that all consents or approvals required of third parties (including but not limited to its Board of Directors or partners) for the execution, delivery and performance of this Lease have been obtained and that Tenant has the right and authority to enter into and perform its covenants contained in this Lease. Likewise, if Landlord is a corporation, partnership or other entity, Landlord warrants that all consent or approvals required of third parties (including but not limited to its Board of Directors or partners) for the execution, delivery and performance of this Lease have been obtained and that Landlord has the right and authority to enter into and perform its covenants contained in this Lease.

(e) IN THE EVENT LANDLORD COMMENCES ANY PROCEEDINGS FOR NONPAYMENT OF RENT OR ANY OTHER AMOUNTS PAYABLE HEREUNDER, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING, UNLESS THE FAILURE TO RAISE THE SAME WOULD CONSTITUTE A WAIVER THEREOF. THIS SHALL NOT, HOWEVER, BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIMS IN ANY SEPARATE ACTION BROUGHT BY TENANT.

(f) Wherever in this Lease there is imposed upon Landlord the obligation to use best or reasonable efforts or due diligence, Landlord shall be required to do so only to the extent the same is economically feasible and otherwise will not impose upon Landlord extreme financial or other burdens.

(g) If any term or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the

application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and shall be enforceable to the extent permitted by law.

(h) Time is of the essence in this Lease.

(i) This Lease agreement shall not convey any leasehold estate from Landlord to Tenant. Landlord and Tenant hereby agree that this Lease creates only the interest of a usufruct in Tenant which may not be levied upon or assigned without Landlord's permission.

(j) Tenant represents and warrants to Landlord that Tenant did not deal with any broker in connection with this Lease other than The John Buck Company and Eakin & Smith Real Estate (collective referred to herein as "Broker"), who shall be paid by Landlord. Tenant shall indemnify, defend and hold Landlord, Landlord's beneficiaries, the managing agent of the Building, the leasing agent of the Building and their respective agents, partners and employees and the Building harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses (including, without limitation, court costs, reasonable attorneys' fees and litigation expenses) arising from any claims or demands of any other broker or brokers or finders for any commission alleged to be due such other broker or brokers or finders claiming to have dealt with Tenant in connection with this Lease or with whom Tenant hereafter deals or whom Tenant employs. The provisions of this subsection shall survive the expiration or earlier termination of this Lease.

(k) If Tenant comprises more than one person, corporation, partnership, limited liability company or other entity, the liability hereunder of all such persons, corporations, partnerships or other entities shall be joint and several.

(1) Landlord's receipt of any Rental payable by Tenant hereunder with knowledge of the breach of a covenant or agreement contained in this Lease shall not be deemed a waiver of the breach. No acceptance by Landlord of a lesser amount than the installment of Rental which is due shall be considered, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed, an accord and satisfaction. Landlord may accept a check or payment without prejudice to Landlord's right to recover the balance due or to pursue any other remedy provided in this Lease.

(m) Wherever Landlord's consent or approval is required pursuant to the terms of this Lease, unless provided otherwise in the specific provision, Landlord may grant or withhold the same in Landlord's sole and absolute discretion, except as otherwise expressly provided herein.

(n) Tenant covenants and agrees to keep strictly confidential all of the financial terms of this Lease and not to disseminate any such information to any third parties without the prior written consent of Landlord. Tenant further covenants and agrees that, at all times after the date of this Lease and prior to the Commencement Date, unless consented to in writing by Landlord, no press release or other public disclosure concerning this Lease shall be made by Tenant.

(o) Submission of this instrument for examination shall not constitute a reservation of or option to lease the Leased Premises or in any manner bind Landlord, and no lease or obligation on Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease to Landlord, or the managing agent of the Building or the leasing agent of the Building shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions herein contained, which offer may not be revoked for fifteen (15) days after such delivery.

(p) Financial Statements. Tenant shall, upon Landlord's reasonable requests from time to time, deliver to Landlord such financial information regarding Tenant as may be reasonably available.

9.03. Tenant's Right of First Offer. Provided at the time Tenant exercises its Right of First Offer, Tenant shall not be in default of any of its obligations under this Lease and no material adverse change shall have occurred in Tenant's financial condition, Landlord agrees that it shall not lease any of the remaining space on the ninth floor of the Building, containing approximately 11,000 RSF, prior to August 1, 2000, and during such time Tenant shall have the option to lease all of such space on the same terms and conditions as are set forth herein for the initial Leased Premises. If Tenant has not elected to lease such space, Landlord may lease the same after August 1, 2000, provided that Landlord shall notify Tenant if Landlord intends to enter into a lease for any of such space prior to September 1, 2000, and Tenant shall have five (5) business days after its receipt of such notice to elect to lease the balance of the ninth floor on the terms and conditions set forth herein for the Initial Leased Premises. If Tenant does not exercise such right by September 1, 2000, such right shall terminate. Landlord hereby agrees that after September 1, 2000, Landlord shall not enter into a lease for the remaining space on the Ninth Floor with any other tenant with a term of longer than five (5) years (a "Ninth Floor Lease"). If Landlord does enter into such a Ninth Floor Lease, Tenant shall have a one (1) time right of first offer (the "Right of First Offer"), to lease the leased premises as defined in such Ninth Floor Lease (excluding any roof or storage space rights contained in such Ninth Floor Lease)(an "Available Space") subject to the following:

(a) At the time Tenant exercises a Right of First Offer and at the time the Available Space is available for leasing by Tenant:

(i) Tenant shall not be in default of any of its obligations under this Lease.

(ii) No material adverse change shall have occurred in Tenant's financial condition.

(b) Landlord shall not offer any such Available Space on the open market unless and until Landlord has first notified Tenant in writing (the "Offer Notice") at least ten (10) months prior to the Ninth Floor Lease expiration date that the Ninth Floor Lease is set to expire and Landlord intends to offer the designated Available Space to third parties. Within five (5) business days after a request from Tenant, Landlord shall advise Tenant of the then current Market Rental Rate for such space. Landlord shall not offer such Available Space on the open market until

thirty (30) days have lapsed from the date of the Offer Notice without Tenant having notified Landlord in writing of Tenant's desire to lease all of the designated Available Space ("Tenant's Acceptance"). The Offer Notice shall:

(i) Describe the amount and location of the Available Space that will become available and attach a floor plan showing the Available Space cross-hatched; and

(ii) Contain the date on which the Available Space will be available for leasing by Tenant.

(c) If Tenant delivers Tenant's Acceptance within the thirty (30) days following the Offer Notice, the Available Space shall become a part of the Leased Premises and shall be leased by Tenant at the then current Market Rental Rate for similar expansion space. Market Rental Rate shall be mutually agreed upon by Landlord and Tenant, taking into account floor location, leasehold improvements, allowances for expansion space in the Building, the remaining term of the Lease, age and location of the Building within the market, and the total square footage within the Building leased and occupied by Tenant. The commencement date of the lease for each particular Available Space shall be the earlier of (i) ninety (90) days after delivery of such Available Space if it is first generation space, or sixty (60) days after delivery if it has previously been occupied by a tenant; or (ii) Tenant's occupancy of the Available Space, and the termination date shall be the same as for the Leased Premises. The Available Space shall be delivered to the Tenant broom clean, free of tenants or other occupants. If the Available Space has not previously been leased then it shall be delivered to Tenant in Base Building Shell Condition.

(d) If Tenant declines or fails to effectively exercise the Right of First Offer as provided herein, Landlord shall thereafter be free to offer the Available Space on the open market and to lease some or all of that Available Space at any time without regard to the restrictions in this Section and on whatever terms Landlord may decide in its sole discretion.

(e) Landlord shall use commercially reasonable efforts to remove any holdover tenants or other occupants from the Available Space Tenant leases under this Section. Although Landlord shall not be liable for any damages for any holdover tenant or other occupant (unless Landlord is not using commercially reasonable efforts to remove the holdover tenant or other occupant), all of Tenant's obligations regarding the Available Space shall be abated until the holdover tenant or other occupant is removed and the commencement date for the Available Space shall be delayed until the holdover tenant or other occupant is removed, following which Tenant's occupancy shall commence as provided in Section 9.03(d), above.

9.04. Renewal Option. Subject to the provisions hereinafter set forth, Landlord hereby grants to Tenant an option to extend the Term of this Lease on the same terms, conditions and provisions as contained in this Lease, except as otherwise provided herein, for one period of five (5)

years (the “Renewal Period”) after the expiration of the initial Term, which Renewal Period shall commence on the day after the expiration date for the initial ten (10) year term (the “Renewal Period Commencement Date”) and end on the day before the fifth (5) anniversary thereof.

(a) Said option shall be exercisable by written notice from Tenant to Landlord of Tenant’s election to exercise said option given not earlier than the date which is twenty-four (24) months prior to the Renewal Period Commencement Date, nor later than twelve (12) months prior to such date, time being of the essence. If Tenant’s option is not so exercised, said option shall thereupon expire.

(b) Tenant may only exercise said option, and an exercise thereof shall only be effective, if at the time of Tenant’s exercise of said option and on the Renewal Period Commencement Date this Lease is in full force and effect and Tenant is not in Default under this Lease. No sublessee shall be entitled to exercise the renewal option under this Section 9.04.

(c) Rent per Rentable Square Foot of the Leased Premises payable during the Renewal Period with respect to all space included in the Leased Premises as of the Renewal Period Commencement Date shall be equal to the Market Rental Rate for the Building, taking into account other pecuniary concessions such as rent abatement and tenant improvement allowances. Landlord shall give Tenant written notice of the proposed Market Rental Rate within thirty (30) days following written request by Tenant made not earlier than fourteen (14) months prior to the Renewal Period Commencement Date.

(d) If Tenant has validly exercised said option, within thirty (30) days after request by either party hereto Landlord and Tenant shall enter into a written amendment to this Lease confirming the terms, conditions and provisions applicable to the Renewal Period as determined in accordance herewith, with such revisions to the rental provisions of this Lease as may be necessary to conform such provisions to the Market Rental Rate.

9.05. Satellite Dish Subject to the terms and conditions hereinafter set forth, Landlord grants to Tenant, during the Term, the right to install, maintain, repair and replace one (1) satellite or microwave dish relating to Tenant’s business in the Leased Premises on the roof of the Building where designated by Landlord, for receiving signals relayed by satellite and, except as otherwise provided, to connect such equipment through existing mechanical shafts to the Leased Premises. Such satellite dish or microwave dish shall be no greater than twenty-four (24) inches in diameter.

(a) If Tenant desires to exercise such right, Tenant shall give a written notice to that effect to Landlord (a “Satellite Notice”). The Satellite Notice shall specify in detail the requirements of such installation, all of which shall be subject to the approval of Landlord. Landlord shall not unreasonably withhold its approval provided that the use of the roof for such purposes shall (i) be compatible with Landlord’s use of the roof, (ii) be subject to Landlord’s supervision, (iii) be non-penetrating and shall not adversely affect the structural safety or integrity of the Building, (iv) meet reasonable aesthetic and other standards of Landlord and Landlord’s architect and (v) satisfy other

conditions hereinafter set forth. If Landlord approves Tenant's use of the roof for such purposes, Landlord shall designate by written notice to Tenant an appropriate area for such installation ("Installation Area"). Landlord shall use good faith efforts to select an Installation Area which will be consistent with adequate reception. The right granted to Tenant under this Section shall be subject to the following conditions precedent: (1) there must be available space on the roof and existing mechanical shafts from the roof to the Leased Premises for Tenant's proposed installation; (2) Landlord's architect shall approve of the location of the Installation Area and the appearance of those portions of the equipment to be visible to the public; (3) Landlord's structural engineer shall approve of the location of the Installation Area, the design and specifications of the equipment, the load caused on the roof of the Building by such equipment, and other structural requirements of the installation; (4) the installation must comply with the applicable requirements of any covenant, condition or restriction of record and any municipal, county, state, federal or other governmental ordinance, law, rule or regulation including, but not limited to zoning ordinances; and (5) the installation and operation of such equipment shall not interfere with the safety or operations of the Building or reduce or affect its structural integrity, and shall comply with the terms of this lease.

(b) Tenant shall pay all costs and expenses of any kind related to the installation, operation, maintenance or removal of its communication equipment, including any reasonable architect's or engineering fees incurred in connection with required approvals, but Tenant shall not be obligated to pay any fee for the roof or access thereto. Tenant shall maintain all such equipment in good repair. Tenant shall be responsible for any damage, loss or injury to the Building or other property and for any injury to persons caused by installation, operation, maintenance or removal of such equipment. Upon the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, (i) remove the communication equipment and restore that portion of the roof of the Building where the communications equipment was located to its condition existing prior to the installation thereof, ordinary wear and tear excepted, and (ii) repair any damage or destruction caused by such removal. Restoration and repair herein required to be performed by Tenant shall be completed under the supervision of Landlord or Landlord's representative. Notwithstanding the fore-going, Tenant shall not remove, and shall not be reimbursed for the cost thereof, any portion of the communication equipment which is embedded or permanently attached in or to the Building including, but not limited to, cables and other wiring, unless Landlord so directs otherwise. Tenant shall enter into such roof license agreement with respect to Tenant's roof rights under this Section 9.05 as may be reasonably required by Landlord. To the extent not expressly prohibited by law, Tenant agrees to hold Landlord and its constituent members, and each such party's respective agents, servants and employees, harmless and to indemnify each of them against claims and liabilities, including reasonable attorney's fees, for injuries to persons and damage to or theft, misappropriation or loss of property occurring in or about the Building and arising out of the installation, maintenance, operation, removal or other use of the communications equipment installed hereunder.

IN WITNESS WHEREOF, the parties hereto have executed and sealed this Lease as of the date aforesaid.

LANDLORD:

NASHVILLE HINES DEVELOPMENT, LLC

By: /s/ Tom Owens

Name: Tom Owens

Title: Manager

TENANT:

ROBERT W. BAIRD & CO. INCORPORATED

By: /s/ James D. Bell

Name: James D. Bell

Title: Man. Dir. & CAO

EXHIBIT A-1— DESCRIPTION OF LAND

Tract 1 / 3.01 Acres

Being a parcel of land in Nashville, First Civil District, Eighteenth Councilmanic District, Davidson County, Tennessee, generally located on the southerly side of West End Avenue between Twenty-Fifth Avenue South and Natchez Trace, being part of Lot 1, Vanderbilt University Consolidation Plat of record in Plat Book 9700, page 522, R.O.D.C. and being more particularly described as follows:

Beginning at a mag nail (new) in the westerly right-of-way line of Twenty-Fifth Avenue South (50-foot right-of-way) at the southerly terminus of a curve return to the southerly right-of-way line of West End Avenue (right-of-way varies);

THENCE, along said westerly right-of-way line of Twenty-Fifth Avenue South, S 36° 59' 53" E, 179.61 to an iron pipe (old) at the northeast corner of property conveyed to Vanderbilt University by deed of record in Book 5157, page 991, R.O.D.C.;

THENCE, along the northerly line of said property, S 53° 09' 57" W, 150.00 feet to an “x” in conc. wall;

THENCE, along the westerly line of said property, S 36° 59' 53" E, 179.81 feet to an iron pin (set) in the northerly line of a fifty foot wide ingress and egress easement;

THENCE, along the northerly line of said ingress and egress easement the following calls; S 53° 08' 25" W, 90.85 feet to an iron pin (set) at the beginning of a curve to the left;

Along said curve to the left, 136.18 feet to a railroad spike (new), said curve-having a central angle of 17° 56' 44", a radius of 434.80 feet, a tangent of 68.65 feet and a chord of S 44° 10' 03." W, 135.63 feet;

S 35° 11' 41" W, 8.07 feet to a mag nail (new);

THENCE, leaving the northerly line of said ingress .and egress easement and along a severance line the following calls:

N 36° 59' 13" W, 103.37 feet to a mag nail (new);

S 53° 00' 47" W, 43.57 feet to a mag nail (new);

N 36° 59' 13" W, 3.57 feet to a mag nail (new);

S 53° 00' 47" W, 12.00 feet to a mag nail (new);

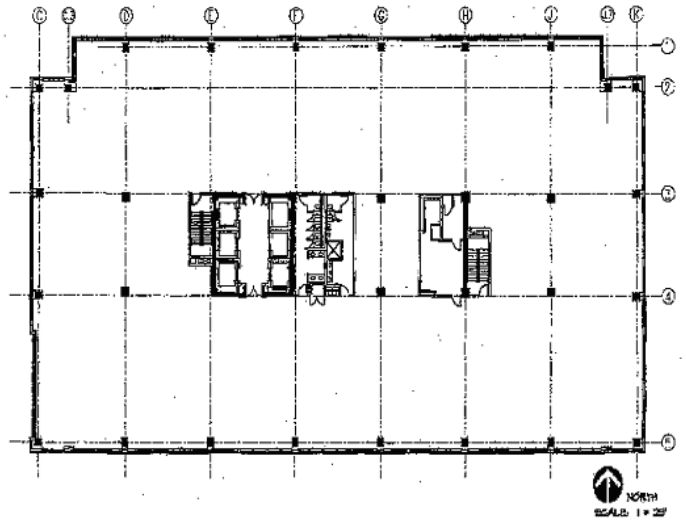
N 36° 59' 13" W, 285.90 feet to a mag nail (new) in the southerly right-of-way line of West End Avenue; THENCE, along said right-of-way the following calls;

N 54° 13' 39" E, 33.07 feet to a mag nail (new);
N 53° 00' 47" E, 394.99 feet to an “x” in conc. (new) at the westerly terminus of a curve return to the right to the westerly right-of-way line of Twenty-Fifth Avenue South; Along said curve to the right 15.71 feet to

the point of beginning, said curve having a central angle of 89° 59' 19", a radius of 10.00 feet, a tangent of 10.00 feet and a chord of S 81° 59' 33" E, 14.14 feet;

Containing 3.01 acres, more or less.

Exhibit B

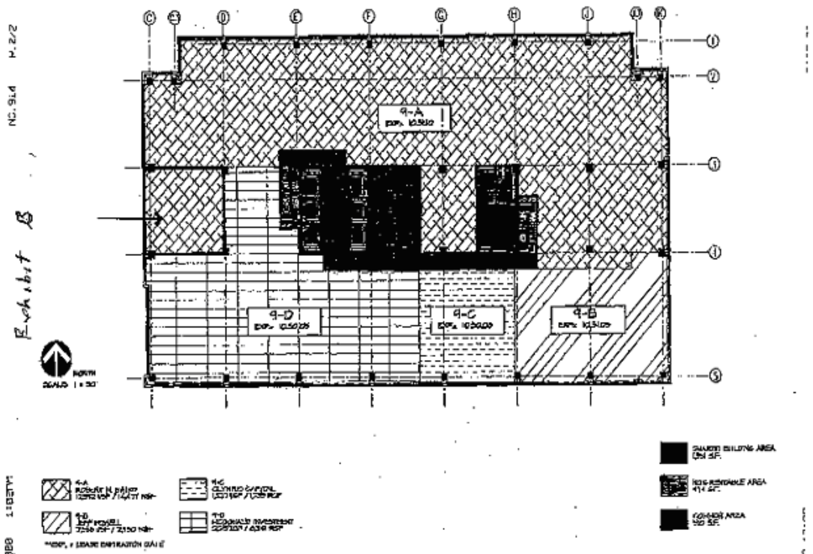


2525 West End
Level 10
Hines • Telephone 615 321 4141
July 13, 2000

2525 WEST END

209 10th Avenue South, #400
Nashville, Tennessee 37203
Telephone 615 726 1110
Fax 615 726 1112
Internet: www.lrk.com

Exhibit B



2525 West End

Office Floor #9

Lines • 615 321 4141

October 30, 2000

2525 WEST END

209 10th Avenue South, #408
Nashville, Tennessee 37203
Telephone 615 726 1110
Fax 615 726 1112
Internet: www.lrk.com

EXHIBIT C BASE BUILDING SHELL CONDITION

The following Base Building Condition shall be provided by Landlord at Landlord's sole cost and shall not be deducted from the Tenant Construction Allowance:

1. Service Core

a. Stairways in compliance with code.

b. Electrical, telephone, and mechanical rooms.

c. Finished men's and women's washrooms.

d. Domestic water and drainage.

2. Core Doors

a. Building standard core doors for stairwells, electrical, mechanical, and telephone rooms and all washrooms.

b. Doors finished and complete with frame, trim, hardware, locking devices, electric door releases and closers (where applicable).

3. Wall and Windows

a. Curtain wall installed and sealed.

b. Exterior windows installed and sealed.

c. Insulation. from. slab-to-slab installed and sealed.

d. Core walls and elevator lobby walls all installed, sheet rocked, taped, sanded, patched, filled, dusted and ready to receive primer or other finish.

e. Window blinds,. stacked on the floor, for all exterior windows.

4. Floors

a. Smooth concrete floors with troweled finish within a tolerance of 1/2 inch in 10 feet non-cumulative.

b. Design to support minimum live load of 50 lbs. per square foot, plus 20-lbs. partition load. Interior core areas are designed for 100 lbs. per square foot live load.

5. Heating, Ventilating and Conditioned Air (HVAC)

a. Central HVAC systems in place with 11 perimeter zones per floor.
b. HVAC systems to service core.

c. Main air distribution system with primary air loop around the floor; connected to core; all required fire dampers.

d. Condenser water taps available.

e. Access to general exhaust system for any use by tenant requiring special exhaust.

6. Electrical service to floors with plug-in type bus risers sized to provide 8.0 watts per useable square foot of electrical connected load capacity for tenant use above and beyond

the base building electrical requirements. Of that, 6.0 watts per useable square foot of electrical connected load capacity will be available in 480/277V panels for tenant use leaving 2.0 watts per useable square foot available in the bus riser for future tenant electrical loads. Of the 6.0 watts per useable square foot, 3.0 watts per useable square foot of electrical connected load capacity will be available in 208/120V panels for tenant use leaving 3.0 watts per useable square foot of capacity in the 480/277V panels for future tenant electrical loads. This capacity is part of the 6.0 watts per useable square foot of power for tenant's use noted above.

7. Life Safety

a. Sprinkler system installed to code, main loop connected to core and drops in place with heads installed pursuant to code for an unoccupied floor.

b. Firehouse and extinguisher cabinets installed at each stairwell (or as otherwise required by code for an unoccupied floor).

c. Exit signs at all stairwells.

d. Smoke detectors, fire extinguishers, fire horns, electric door releases, speakers, cameras and any other life safety equipment required by code for an unoccupied floor.

Sleeves in core telephone rooms for telephone access.

All work contained within the core of the floor (i.e., restrooms, HVAC, electrical, condenser water, elevators, etc.) will be complete prior to tenant's occupancy but not on the delivery of the premises for tenant's construction if delivery occurs prior to September 1, 2000. Connection points for electrical service, condenser water, HVAC and telecommunications-will be available on the delivery date but may not be operational until September 1, 2000. Additionally, prior to August 15, the southwest corner of the floors may be open for the external hoist access. Landlord will use reasonable efforts during its completion of the Base Building not to interfere with Tenant's Work.

EXHIBIT D — CONSTRUCTION OF INITIAL LEASEHOLD IMPROVEMENTS

I. SCHEDULE OF CRITICAL DATES

The following is a schedule of certain critical dates relating to Landlord's and Tenant's respective obligations with respect to construction of the leasehold improvements for the Leased Premises.

1. Within five (5) days after the execution of this Lease, ("Initial Space Plan Delivery Date") Landlord shall furnish Tenant with its outline building specifications consistent with Exhibit C sufficient for use by Tenant's space planner. On or before the Initial Space Plan Delivery Date, Tenant will prepare and submit for Landlord's review a space plan consistent with the requirements of Article IV below (the "Space Plan"), which Space Plan will be used to prepare the Tenant Working Drawings (defined below).

2. Within five (5) business days after the Initial Space Plan Delivery Date, Landlord will advise Tenant of any required changes to. the Initial Space Plan. Additionally, at Tenant's request Landlord will meet with Tenant on or before the Initial Space Plan Review Date to confer informally on certain estimated costs and/or potential time delays which Landlord may have identified with respect to any improvements depicted in the initial Space Plan other than the Base Building Shell Condition described in Exhibit C.

3. Tenant will prepare and deliver to Landlord working drawings for the Leased Premises consisting of complete sets. of detailed architectural, structural, mechanical, electrical and plumbing plans and specifications consistent with the requirements of Article V below ("Tenant Working Drawings").

4. Within five (5) business days from Landlord's receipt of the Tenant Working Drawings, Landlord will review the Tenant Working Drawings as they relate to coordination with the Building Standard Shell Condition improvements to be constructed by Landlord. Landlord's review shall not assess the accuracy or constructability of the Tenant Working Drawings.

5. Upon receipt of Landlord's review of the Tenant Working Drawings, Tenant will revise the Working Drawings to incorporate such revisions into the Final Working Drawings. The Final Working Drawings shall be submitted to Landlord no later than the Final Working Drawing Delivery Date. Landlord's approval of the Tenant Working Drawings shall acknowledge that the Tenant Working Drawings correctly depict the proper layout of all improvements desired by Tenant for the Leased Premises.

6. Tenant may elect to engage Landlord to perform construction coordination services for a fee not to exceed five percent (5%) of the cost of Tenant's Improvements.

II. CERTAIN PROVISIONS RELATING TO CONSTRUCTION

1. The failure of Tenant to comply with the requirements of this Exhibit D shall constitute a default by Tenant under this Lease.

2. The following provisions shall apply to all work necessary or desirable to prepare the Leased Premises for initial occupancy by Tenant (the "Tenant Work"):

(a) Tenant's Work shall be completed by Tenant. Landlord shall provide the following in connection with Tenant's Work at reasonable and competitive rates, but the cost thereof shall be paid by Tenant as a part of the costs of Tenant's Work: after hour hoisting ($76.00 per hour) and electrical power ($200.00 per floor per week)(there will be no fee charged for vertical transportation during Tenant's build-out, move-in or move-out in excess of Landlord's actual out-of-pocket costs), as provided by the General Contractor constructing the Base Building.

(b) The architects, engineers and contractors selected by Tenant to perform Tenant's Work shall be subject to the reasonable approval of Landlord. Tenant's Contractor shall perform Tenant's Work in a first-class, workmanlike manner, using only good commercial grades of materials, in accordance with this Lease and the plans and specifications reasonably (where Landlord may consider, without limitation, the compatibility and consistency with other tenant's. plans) approved hereunder, Landlord's insurance requirements and with all applicable governmental laws, ordinances, codes, rules and regulations, and Tenant's Work shall be subject to Landlord's reasonable administrative supervision. Tenant's Work shall not commence until the Tenant's Contractor has delivered to Landlord a copy of the building permit issued for the Tenant's Work and evidence of insurance, both of which are satisfactory to Landlord in all respects. Upon completion of Tenant's Work, Tenant shall deliver to Landlord evidence of payment, contractors' affidavits and sworn statements, full and final waivers of lien from contractors and subcontractors for labor, services and materials and all other documents required by Landlord, together with record drawings, in both electronic and paper form, reflecting as built conditions of the Leased Premises.

(c) Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord and hold harmless Landlord, Landlord's beneficiaries, the managing agent of the Project and their respective agents, partners and

employees and the Project of, from and against any and all liabilities, losses, costs, charges, claims, damages, liens, fees and expenses, including without limitation reasonable attorneys' fees and expenses, relating to the Tenant's Work. Landlord shall permit Tenant and Tenant's Contractor to have reasonable access to the Leased Premises immediately upon completion of the Base Building Shell Condition for purposes of constructing Tenant's Work, provided that Tenant and Tenant's Contractor shall abide by the rules of the site applicable to all contractors, shall coordinate and schedule their access to the Premises for labor and materials delivery through the general contractor for the Building, or the managing agent of the Project if so directed by Landlord, and shall not interfere with or delay the work of the general contractor for the Building or any other contractor working in connection with the Project.

(d) Any entry to the Project, the Building or the Premises by or on behalf of Tenant or Tenant's Contractor prior to the Commencement Date shall be under and subject to all of the terms and provisions of this Lease, the same as if the Commencement Date had occurred, except that Tenant shall not be obligated to pay any Base Rent or Additional Rent prior to the Commencement Date. To the extent not prohibited by law, all entry to the Project, the Building or the Premises by or on behalf of Tenant or Tenant's Contractor prior to the Commencement Date shall be solely at the risk of Tenant and Tenant's Contractor, and Landlord, Landlord's beneficiaries, the managing agent of the Project and their respective agents, partners and employees shall not be liable in any way, and Tenant hereby waives and releases them from any liability, for *any* injury or damage to or theft, robbery, pilferage, loss or loss of the use of any property of. Tenant, Tenant's Contractor or any other person or entity or any of the Tenant's Work in or about the Premises or the Project which occurs during. such period; provided, however, Landlord, Landlord's beneficiaries, the managing agent of the Project and their respective. agents, partners and employees shall be liable, and Tenant does not waive or release them from liability, for their respective negligence or willful misconduct which occurs during such period and causes any injury to or death of any person. The foregoing waiver and release of claim shall be in addition to and shall not limit or be limited by any other releases or waivers of claims in this Lease.

3. Except as provided in Paragraph 5, below, Tenant shall pay the cost of all the Tenant's Work, including without limitation the cost of all items necessary or desirable to complete the Tenant's Work, such as the fees and expenses arising out of the preparation of Tenant's Plans and Specifications, the fees and expenses of Tenant's Contractor, and the cost of the items described in the second sentence of Paragraph 3(a), above.

4. Landlord shall pay the Tenant Improvement Allowance to Tenant as follows: installments of Tenant Improvement Allowance shall be paid by Landlord pro rata on the basis of the total estimated cost for Tenant's Work as such costs are incurred by Tenant; provided, however; it shall be a condition to the obligation of Landlord to pay amounts pursuant to this Paragraph 5 or Section 5.01(a) that Tenant shall have provided Landlord with appropriate requests for payment, invoices, contractors' affidavits and sworn statements, contractors' and subcontractors' lien waivers, and other documents as may be reasonably required (i) by Landlord to demonstrate the correctness of the amount requested by Tenant, (ii) to induce the issuer of the policy of title insurance insuring Landlord's interest in the Development to issue an endorsement to the policy of title insurance insuring Landlord's interest in the Development to be subject to no. mechanics' liens or claims therefor resulting from the Tenant's Work and (iii) to satisfy any other conditions (including that Tenant demonstrate that it has sufficient funds in addition to Tenant Improvement Allowance to complete the Tenant's Work and pay any invoiced amounts for Tenant's Work in excess of Tenant's Improvement Allowance) as may be reasonably imposed by Landlord. Upon completion of Tenant's Work, and provided that Tenant has satisfied all of the conditions for payment of Tenant Improvement Allowance described in this Paragraph 5 and Section 5.01(a) of the Lease and has taken possession of all of the Leased Premises for purposes of conducting its business, Tenant may elect, upon written notice thereof to Landlord delivered within three (3) months after the Commencement Date, to apply any portion of the Tenant Improvement Allowance not needed for the payment in full of the cost of Tenant's Work (such amount being hereafter referred to as the "Balance") towards (x) the cost of moving, installation of telephone, data systems and cabling, furniture, plans and specifications and professional services, to the extent the same are related to this lease or Tenant's moving into the Premises, or until the Balance is applied in full (y) an abatement of Rent payable under the Lease (after the initial month's Rent) until the Balance is applied in full, provided that if Tenant is in default under this Lease at the time when an installment of Rent is due, such abatement shall instead be deferred and applied against the next portion of Rent coming due after such default has been cured.

III. MINIMUM INFORMATION REQUIRED FOR SPACE PLAN

The Space Plan shall include drawings, plans and specifications prepared by Tenant's architect showing the intended design, character and finishes of the Leased Premises, including partitions and door locations, all in sufficient detail to enable the Tenant Working Drawings to be prepared.

IV. MINIMUM INFORMATION REQUIRED OF INITIAL WORKING DRAWINGS

Floor Plans Indicating:

1. Location and type of all partitions.
2. Location and types of all doors — indicate hardware and provide keying schedule.
3. Location and type of glass partitions, windows and doors — indicate framing if not part of Building Standard Shell Condition.
4. Location of telephone equipment room accompanied by an approval of the telephone company if required.
5. Indicate critical dimensions necessary for construction, such as millwork, special partitions, etc.
6. Location of all electrical items — outlets, switches, telephone outlets.
7. Location and type of all non-building electrical items, including lighting.
8. Location and type of equipment that will require special electrical requirements. Provide manufacturers' specifications for use and operation.
9. Location, weight per square foot and description of any exceptionally heavy equipment or filing system exceeding 50 psf live load except in areas designed specifically for special Tenant loads.
10. Requirement for special air conditioning or ventilation.
11. Type and locations of all finishes.
12. Location and type of plumbing equipment and services.
13. Location and type of kitchen equipment and services.
14. Location of all HVAC controls, fire alarm, security and life safety equipment.
15. Location and type of all graphics. and signage.
16. Location of all Tenant fixtures, furniture and equipment ("FF&E").
17. Location and size of any floor openings required. Also include structural loading data for vaults, vault walls, slab depressions, special stairs, file rooms, elevators, libraries, etc.

Details Showing:

1. All millwork with dimensions and dimensions of all equipment to be built-in.
2. Corridor entrance.
3. Bracing or support of special walls, glass partitions, etc., if desired. If not included with the Tenant Space Plan, the Building architect will design, at Tenant's expense, all support or bracing required.

VI. DEFINITIONS

1. "Initial Space Plan Delivery Date" shall mean the date Tenant delivers to Landlord a copy for its review and comment an Initial Space Plan as defined for all of Tenant's Leased Premises ("Tenant's Space Plans").
2. "Initial Space Plan Review Date" shall mean the date Landlord provides Tenant comments on the Tenant's initial Space Plan consistent with Section IV, above.

3. “Final Space Plan Delivery Date” shall mean the date Tenant delivers to Landlord its final version of Tenant’s Space Plan (“Tenant’s Final Space Plan”), revised to reflect Landlord’s comments.

4. “Initial Working Drawing Delivery Date” shall mean the date Tenant delivers to Landlord a fully coordinated and complete set of detailed architectural, structural, mechanical, electrical and plumbing plans and specifications (“Tenant’s Working Drawings”) based upon the Tenant’s Final Space Plan.

5. “Initial Working Drawing Review Date” shall mean the date Landlord provides Tenant comments on Tenant’s initial Working Drawings.

6. “Final Working Drawing Delivery Date” shall mean the date Tenant provides Landlord Tenant’s Working Drawings revised to incorporate comments made in Landlord’s Initial Working Drawing Review (“Tenant’s Final Working Drawings”).

EXHIBIT E — AIR CONDITIONING AND HEATING SERVICES

Subject to the provisions of Section 3.01(b), Landlord will furnish Building Standard air conditioning and heating between 8 a.m. and 6 p.m. on weekdays (from Monday through Friday, inclusive) and between 8 a.m. and 1:00 p.m. on Saturdays, all exclusive of Holidays as defined below (the "Building Operating Hours"). Upon request of Tenant made in accordance with the rules and regulations for the Building, Landlord will furnish air conditioning and heating at other times (that is, at times other than the times specified above), in which event Tenant shall reimburse Landlord for Landlord's actual cost of furnishing such services, plus an amount equal to fifteen percent (15%) of such costs to cover Landlord's administrative costs.

The Building Standard heating, ventilation and air conditioning system shall meet the following design conditions, at the stated outside design conditions, based on one person per 100 square feet:

1. Summer — Outdoor conditions 92 degrees Fahrenheit dry bulb, 75 degrees Fahrenheit wet bulb; indoor conditions 75 degrees Fahrenheit dry bulb, 50% relative humidity at design condition.

2. Winter — Outdoor conditions. minus 16 degrees Fahrenheit dry bulb; indoor conditions 72 degrees Fahrenheit dry bulb.

The following dates shall constitute "Holidays" as said term is used in this Lease:

(a) New Year's Day

(b) Memorial Day

(c) Independence Day

(d) Labor Day

(e) Thanksgiving Day

(f) Christmas

Building standard hours of operation shall include all days that the New York Stock Exchange is open for business.

EXHIBIT F — BUILDING RULES AND REGULATIONS

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be used for the disposal of trash, be obstructed by tenants, or be used by tenants for any purpose other than entrance to and exit from the Leased Premises and for going from one part of the Building to another part of the Building.

2. Plumbing fixtures shall be used only for the purposes for which they are designed, and no sweepings, rubbish, rags or other unsuitable materials shall be disposed into them. Damage resulting to any such fixtures from misuse by a tenant shall be the liability of said tenant.

3. Signs, advertisements, or notices visible in or from public corridors or from outside the Building shall be subject to Landlord's prior written approval.

4. Movement in or out of the Building of furniture, office equipment, or any other bulky or heavy materials shall be restricted to such hours as Landlord shall reasonably designate. Landlord will determine the method and routing of said items so as to ensure the safety of all persons and property concerned. Advance written notice of intent to move such items must be made to the Building management office.

5. All routine deliveries to a tenant's Leased Premises during 8:00 a.m. to 5:00 p.m. weekdays shall be made through the freight elevators. Passenger elevators are to be used only for the movement of persons, unless an exception is approved by the Building management office. Delivery vehicles shall be permitted only in such areas as are designated by Landlord, from time to time, for deliveries to the Building.

6. Building management shall have the authority to prescribe the manner that heavy furniture and equipment are positioned.

7. Corridor doors, when not in use, shall be kept closed. Tenant space that is visible from public areas must be kept neat and clean.

8. Tenant Space that is visible from public areas must be kept neat and clean.

9. All freight elevator lobbies are to be kept neat and clean. The disposal of trash or storage of materials in these areas is prohibited.

10. No animals shall be brought into or kept in, on or about the Building, except for seeing-eye dogs.

11. Tenant shall not tamper with or attempt to adjust temperature control thermostats in the Leased Premises. Landlord shall adjust thermostats as required to maintain the Building standard temperature.

12. Tenant will comply with all security procedures during business hours and after hours and on weekends.

13. Tenants are requested to lock all office doors leading to corridors and to turn out all lights at the close of their working day.

14. All requests for overtime air conditioning or heating must be submitted in writing to the Building management office by 2:00 p.m. on the day desired for weekday requests, by 2:00 p.m. Friday for weekend requests and by 2:00 p.m. on the preceding business day for holiday requests.

15. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and Landlord and Tenant shall comply with all applicable building and fire codes relating thereto.

16. Tenant may not place any items on the balconies of the Building that alter the exterior appearance of the Building without obtaining Landlord's prior written consent.

17. Any motor vehicle exceeding the height restrictions of the Parking Facility shall not be parked at any location on the Land or Parking Area.

18. Tenant may not make any modifications, additions or repairs to the Leased Premises and may not install any furniture, fixtures or equipment in the Leased Premises which is in violation of any applicable building and/or fire code governing the Leased Premises or the Building.

19. Except in those areas designated by Landlord, if any, smoking is prohibited in the Building (including, but not limited to, the Leased Premises, the main building lobby, public corridors, elevator lobbies, service elevator vestibules, stairwells, restrooms and other common areas within the Building).

20. All Tenant contractors shall abide by the contractor's rules and regulations promulgated by Landlord from time to time.

Landlord reserves the right to rescind any of these rules and regulations and to make such other and further rules and regulations as in its. reasonable judgment shall, from time to time, be required for the safety, protection, care and cleanliness of the Building, the operation thereof, the preservation of good order therein and the protection and comfort of the tenants and their agents, employees and invitees. Such rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed.

EXHIBIT G RENTABLE SQUARE FEET AND COMMENCEMENT DATE

Rentable Square Feet of Leased Premises: 40,000 square feet

The above Calculation represents Landlord's final determination of the Rentable Square Feet of Tenant's Leased Premises and shall be used to define the Rentable Square Feet of the Leased Premises for purposes of Section 1.01(c) of the Lease between Landlord and Tenant to which this Exhibit G is attached.

The below date represents Landlord's determination of the Commencement Date, as defined in Section 1.02(b) of the Lease between Landlord and Tenant to which this Exhibit G is attached, and shall be deemed to be the Commencement Date for all purposes under the Lease.

Commencement Date: November 1, 2000

LANDLORD:

NASHVILLE HINES DEVELOPMENT, LLC

By: /s/ Thomas J. Danilek

Name: Thomas J. Danilek

Title: Senior Vice President

TENANT:

ROBERT W. BAIRD & CO. INCORPORATED

By: /s/ James D. Bell

Name: James D. Bell

Title: Managing Director / CAO

EXHIBIT H — BASE RENTAL

Year	Commencing	Rent	Rentable Square Feet*	Base Rental
1		$ 23.90	40,000	$
2		$ 24.62	40,000	$
3		$ 25.36	40,000	$
4		$ 26.12	40,000	$
5		$ 26.90	40,000	$
6		$ 27.71	40,000	$
7		$ 28.54	40,000	$
8		$ 29.39	40,000	$
9		$ 30.28	40,000	$
10		$ 31.18	40,000	$

* Actual rentable square footage to be determined in accordance with the Lease

EXHIBIT I — RULES APPLICABLE TO SATELLITE DISHES

Rules and Regulations Regarding the Location of Satellite Dish Antenna on Roof

A satellite dish antenna ("Antenna") will be permitted in the area of the roof of the building designated in Section 9.06 of the Lease for so long as the Tenant occupies the Leased Premises, provided that the Tenant agrees to comply with the following requirements:

1. Tenant will pay all costs and expenses related to the installation of the Antenna.

2. Prior to the installation of the equipment, Tenant shall submit to Landlord for Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed so long as the equipment cannot be seen from the ground or from any tenant space, (i) reasonably detailed plans and specifications showing all alterations and improvements to the roof (including, but not limited to, all work relating to the installation of the Antenna on the roof) and (ii) the name of Tenant's contractor. Landlord shall have the right to request such other information relating to the Antenna as Landlord may reasonably determine to be necessary.

3. Tenant shall obtain, and shall maintain during the term of this agreement, at its sole cost and expense, all governmental approvals, consents, permits and licenses required to install, maintain, transmit and/or operate the Antenna and shall pay any penalties imposed by reason of violations. of laws, ordinances, rules.. and regulations. Tenant shall deliver copies of all such approvals, consents, permits and/or licenses to Landlord prior to the installation of the Antenna.

4. Tenant shall maintain, repair and replace the Antenna at its sole cost and expense. Upon the expiration of the Tenant's lease, Tenant shall remove the Antenna and all conduits and cables. appurtenant thereto, and shall restore the building's roof to the condition existing prior to said installation, less ordinary wear and tear.

5. Landlord hereby grants to Tenant the right, upon reasonable prior notice to Landlord, to enter upon the building's roof in connection with the installation, maintenance, inspection, repair, replacement and/or removal of the Antenna so long as a representative of the Landlord accompanies the Tenant or its agents.

6. Tenant hereby agrees to hire Landlord's base building roof contractor to do all work involving the building's roof, and any penetrations thereto, and warrants that such work shall not violate the provisions of any warranty relating to the roof.

7. Tenant acknowledges and agrees that, in connection with an assignment of the lease or sublease of all or part of the premises, Tenant shall not have the right to assign its rights under this Exhibit or grant permission to any person or entity to use the Antenna without obtaining the prior

written consent of Landlord in each instance, which consent Landlord may withhold in its discretion except with respect to parents, subsidiaries or affiliates of Tenant.

8. Tenant covenants and agrees that the Antenna shall be used solely for the transmission and receipt of information relating to Tenant's operations at the Project. Tenant covenants and agrees further that the Tenant shall not permit any other person or entity to use the equipment for transmitting or receiving information or data, and that Tenant shall not sell such information, data or data processing services to any person or entity.

9. Tenant shall indemnify and defend Landlord against any and all claims, loss, costs, damages, expenses or liabilities, including, without limitation, reasonable attorney's fees and disbursements for any injury or damage to any person or property whatsoever, when such injury or damage has been caused in part or in whole by any act, fault or omission of Tenant, its agents, employees, or invitees, or arises out of or in connection with the operation, use, maintenance, repair, replacement and/or removal of the Antenna.

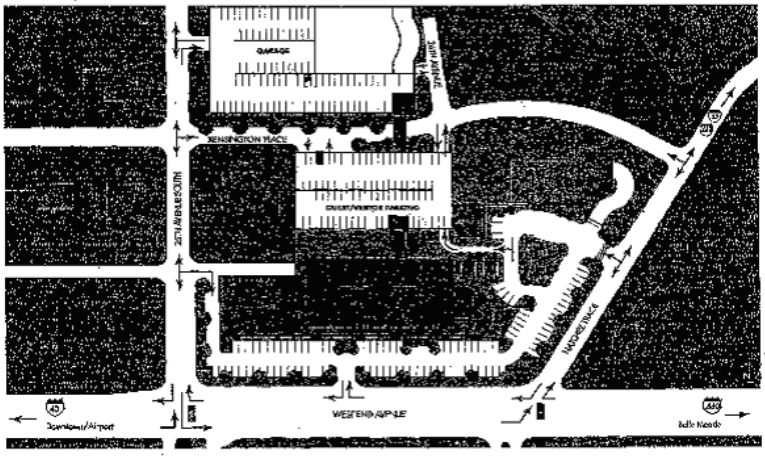
10. Tenant shall not in any way interfere with the transmission or reception of antennas, dishes or other microwave equipment located on the roof of the building which existed prior to the installation of the Antenna. Tenant agrees that if the Antenna interferes with the transmission or reception of any antenna, dish or other microwave equipment installed prior to the installation of the Antenna, then Tenant shall relocate promptly, or cause to be relocated. promptly, the Antenna at its sole cost and expense.

11. If any antenna, dish or other microwave equipment installed on the roof of the building after the installation of the Antenna interferes with the transmission or reception of the Antenna, then Landlord agrees. to cause said antenna,- dish or other microwave equipment to be relocated:. In addition,. if the method, type or direction of transmission from, or the reception by, any antenna, dish or other microwave equipment on the roof of the building is altered. or changed after the installation of the Antenna, and if such alteration or change results in said antenna, dish. or other microwave equipment interfering with the transmission or the reception of the Antenna, . then Landlord agrees to cause said antenna, dish or other microwave equipment to be relocated promptly or to cause the owner of said antenna, dish or other microwave equipment to undo promptly the alteration or change.

12. All notices provided for in this Exhibit shall be in writing and given to the parties at the addresses set forth in the Lease Agreement, or at such address as the parties hereto may hereinafter specify in writing.

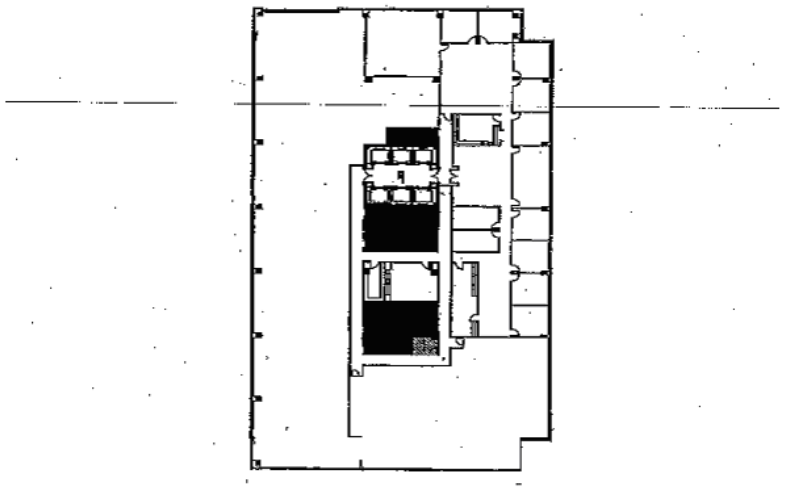
13. If any provision of this Exhibit shall be held invalid or unenforceable according to law, the remaining provisions herein shall not be affected thereby and shall continue in full force and effect.

SITE PLAN



2525 West End
Nashville, Tennessee

EXHIBIT B



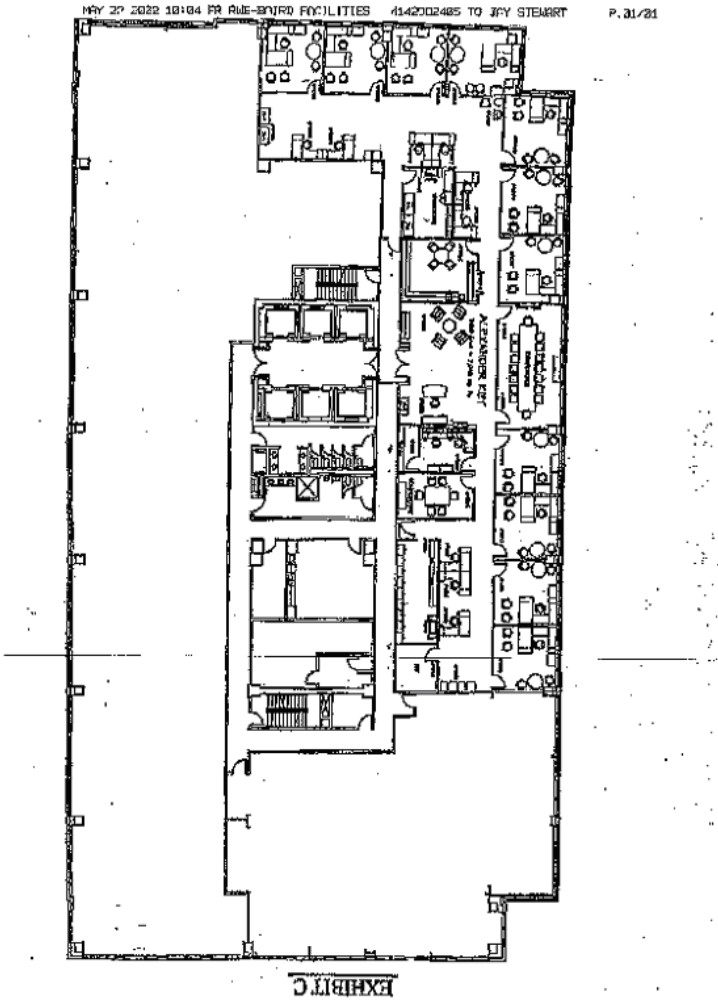


EXHIBIT C

EXHIBIT B TO SUBLEASE
SUBLEASED PREMISES

EXHIBIT B

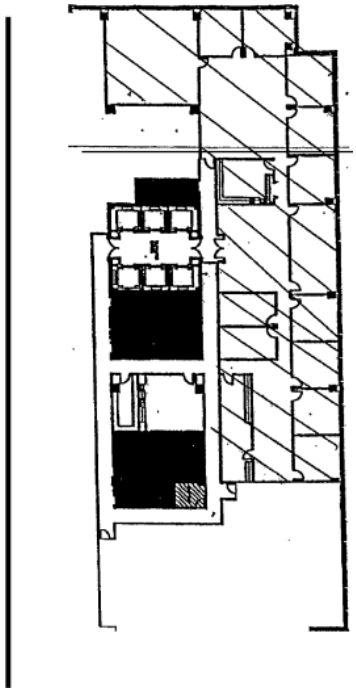


EXHIBIT 10.22.2

2525 West End Building
2525 West End Avenue, Nashville, TN 37203
9th Floor "Large Storage Space"

Addendum to
Sublease Agreement dated December 14, 2006
Between Baird and CPI

ADDRESS: 2525 West End Avenue, 9th Floor
Nashville, Tennessee 37203

SUBLANDLORD: Robert W. Baird & Co. Incorporated

SUBTENANT: Cumberland Pharmaceuticals Inc, ("CPI"), Nashville,
TN Contact: Jean W. Marstiller, VP Admin Services

PREMISES: 486 rentable square feet (RSF), as exhibited in Attachment A 1, marked as Large Storage Space ("LSS").

RENT COMMENCEMENT: June 1, 2007.

LEASE TERM: Ending October 31, 2010.

BASE RENTAL RATE:

Period	Monthly Rent
06/01/07 — 06/30/07	$ 0.00
07/01/07 — 12/31/07	$1,049.76
01/01/08 — 12/31/08	$1,049.76
01/01/09 — 12/31/09	$1,049.76
01/01/10 — 10/31/10	$1,049.76

PER RSF: $25.92 per rentable square foot.

USE OF PREMISES: June 1, 2007.

TENANT IMPROVEMENT: No tenant improvement allowance included for LSS.

OPERATING EXPENSES: Operating Expenses will be handled in accordance to the terms of the Sublease Agreement between Baird and CPI, dated December 14, 2006.

Upon acceptance of all parties, this "Large Storage Space" Addendum will become part of the Sublease Agreement between Baird and CPI, dated December 14, 2006:

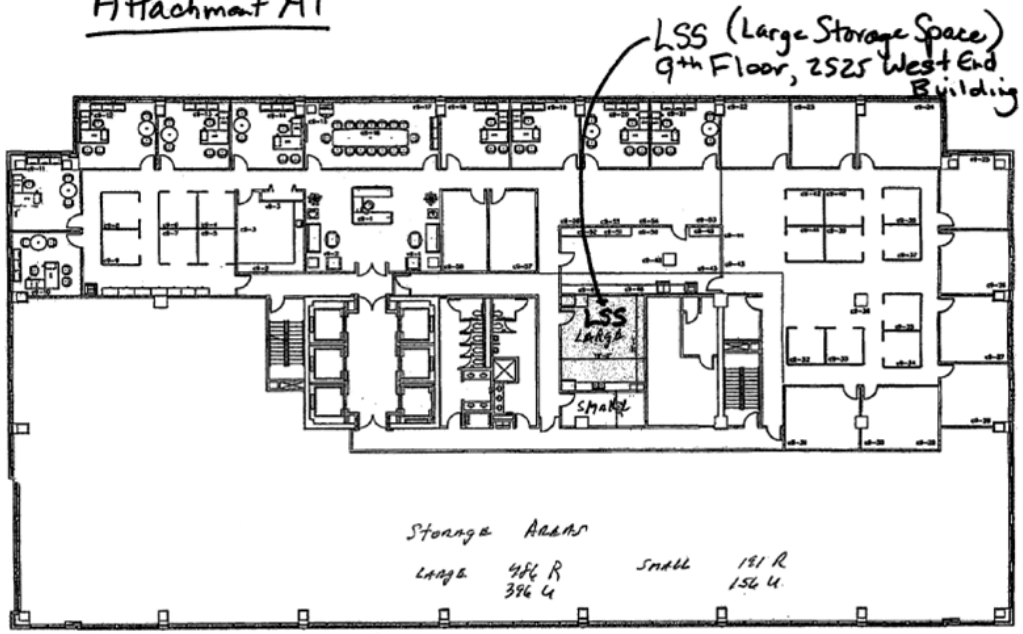
ROBERT W. BAIRD & CO. INCORPORATED

By: /s/ Russell P. Schwei
Name: Russell P. Schwei
Its: Managing Director

CUMBERLAND PHARMACEUTICALS INC.

By: /s/ Jean W. Marstiller
Name: Jean W. Marstiller
Its: Senior Vice President, Administrative Services

Attachment A1



Nashville - 9th Floor Storage

CONSENT TO ADDENDUM TO SUBLEASE AGREEMENT

THIS CONSENT TO ADDENDUM TO SUBLEASE AGREEMENT (this ***"Amended Consent")*** *is* entered into to be effective as of the Effective Date by and among Lessor, Lessee and Sublessee.

1. General Terms.

(a)	***Effective Date:***	May 5, 2007
(b)	***Lessor:***	Nashville Hines Development, LLC, a Delaware limited liability company
(c)	***Lessee:***	Robert W. Baird & Co. Incorporated, a Wisconsin corporation
(d)	***Sublessee:***	Cumberland Pharmaceuticals Inc., a Tennessee corporation
(e)	***Building:***	2525 West End, Nashville, Tennessee
(f)	***Primary Lease:***	Office Lease Agreement dated as of July 24, 2000. Any capitalized term used but not defined in this Amended Consent shall have the same meaning given to such term in the Primary Lease.
(g)	***Primary Premises:***	Approximately forty thousand (40,000) square feet of RSF located on the ninth (9^{th}) and tenth (10^{th}) floors of the Building.
(h)	***Sublease:***	Sublease Agreement dated December 14, 2006, as amended by that Addendum to Sublease Agreement dated _____, 2007.
(i)	***Consent to Sublease:***	Consent to Sublease dated December 15, 2006, among Lessor, Lessee and Sublessee
(j)	***Subleased Premises:***	Approximately 8,606 square feet of RSF on the ninth (9^{th}) floor of the Building.
(k)	***Subleased Storage Space:***	Approximately 486 square feet of RSF on the ninth (9^{th}) floor of the Building.

2. Recitals.

(a) Lessee is the lessee under the Primary Lease, under which Lessor leased to Lessee the Primary Premises located in the Building.

(b) Lessee subleased the Subleased Premises to Sublessee pursuant to the Sublease as consented to pursuant to the Consent to Sublease.

(c) Lessee desires to sublease the Subleased Storage Space to Sublessee.

(d) The Primary Lease requires Lessor's consent to any sublease.

3. Lessor's Consent. Lessor consents to the sublease of the Subleased Storage Space from Lessee to Sublessee pursuant to the Addendum to Sublease Agreement a copy of which is attached to this Consent as **Exhibit "A",** subject to the terms and conditions of the Consent to Sublease as amended by this Amended Consent. As of the Effective Date, the Subleased Premises shall be defined to include the Subleased Storage Space. Sublessee acknowledges that it has examined and is familiar with all of the terms and provisions of the Primary Lease.

4. Amendment. Except as modified by this Amended Consent, the terms and provisions of the Consent to Sublease shall remain in full force and effect, and the Consent to Sublease, as modified by this Amended Consent, shall be binding upon and shall inure to the benefit of the parties hereto, their successors and permitted assigns.

5. Brokerage. Lessee and Sublessee each agree to indemnify, defend and hold Lessor and its designated property management, construction and marketing firms harmless from and against any and all damage, loss, cost or expense, including, without limitation, all attorneys' fees and disbursements, incurred by reason of any claim of or liability to any broker or other person for commissions or other compensation or charges with respect to the negotiation, execution and delivery of the Addendum to Sublease Agreement. The obligations of Lessee and Sublessee under this Paragraph shall survive the expiration or earlier termination of the Sublease.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Consent to Amended Sublease has been executed by the parties to be effective as of the Effective Date.

Lessor:

Nashville Hines Development, LLC, a Delaware limited liability company

By: Cash Flow Asset Management, L.P., a Texas limited partnership, its General Partner

By: CFAM GP, L.L.C., a Texas limited liability company, its sole general partner

By: /s/ Joanne M. Johnson
Joanne M. Johnson, Vice President

Lessee:

Robert W. Baird & Co. Incorporated, a Wisconsin corporation

By: /s/ Russell P. Schwei
Russell P. Schwei, Managing Director

Sublessee:

Cumberland Pharmaceuticals, Inc, a Tennessee corporation

By: /s/ Jean W. Marstiller
Jean W. Marstiller, Vice President, Administrative Services