Execution Version

TERMINATION AGREEMENT AND RELEASE OF CLAIMS

THIS TERMINATION AGREEMENT AND RELEASE OF CLAIMS (this "Agreement"), effective as of September 6, 2011 (the "Effective Date"), is made and entered into by and between PDS Biotechnology Corporation, a Delaware corporation (the "Company"), and the Indiana Economic Development Corporation, for and on behalf of the Indiana Twenty-First Century Research and Technology Fund (the "IEDC" and, together with the Company, the "Parties", and each, a "Party").

RECITALS

WHEREAS, the IEDC and the Company previously entered into that certain Grant Agreement, dated January 15, 2009, providing for the disbursement of funds in the amount of Two Million and 00/100 Dollars ($2,000,000.00) to the Company by the IEDC subject to compliance by the Company with certain terms and conditions contained therein (the "Grant Agreement");

WHEREAS, as of the Effective Date, due to circumstances which were not contemplated by either Party as of the date of the Grant Agreement, both Parties desire to restructure their contractual relationship by terminating the Grant Agreement and entering into the Note (as such term is defined herein), subject to the terms and conditions set forth in this Agreement.

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

AGREEMENT

1. Termination and Release. Subject to the conditions contained in Section 7(g) hereof, effective immediately and automatically simultaneous with the execution of this Agreement by both Parties hereto on the Effective Date:

(a) The Grant Agreement and all terms and conditions contained therein shall be terminated, including without limitation, any provisions thereof which by their terms would survive termination of the Grant Agreement in absence of this Agreement and the terms and conditions of the Grant Agreement shall have no further force and effect. Such termination shall be deemed to be termination by mutual agreement of the Parties and neither Party nor its successors or assigns shall have any responsibility or liability as a result of such termination.

(b) Each Party for itself and for its successors, assigns, subsidiaries, parents and other affiliates (collectively, the "Releasing Party"), hereby unconditionally, absolutely and completely releases the other Party, including its parents, subsidiaries and other affiliates and the respective officers, directors, agents and employees of each (collectively, the "Released Party"), from and against any and all liability, damages, claims, actions, demands, responsibility, and causes of actions (collectively, the "Claims") with respect to or arising out of the Grant Agreement or the Parties'

relationship with each other thereunder which the Releasing Party ever had or may now or in the future have against the Released Party. The Releasing Party waives any and all Claims whether such Claims are known or unknown.

(c) Neither Party shall have any further rights, privileges, liabilities or obligations of any nature whatsoever with respect to, in connection with or otherwise arising under the Grant Agreement, and the Grant Agreement shall have no further force or legal effect.

2. Consideration. As consideration for the termination of the Grant Agreement and the release of the Claims and in full satisfaction of any and all obligations of the Company under the Grant Agreement, all as provided in Section 1 hereof, the Company shall do each of the following within five (5) days of the Effective Date:

(a) Pay to the IEDC an amount equal to One Hundred Twenty-Five Thousand and 00/100 Dollars ($125,000.00) (the "Release Payment"). The Release Payment shall be made by check to the order of the IEDC or by wire transfer of immediately available funds to an account designated by the IEDC, as determined by the IEDC in its sole discretion.

(b) Issue a Convertible Promissory Note in the amount of One Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars ($1,875,000.00) in favor of the IEDC in the form attached hereto as Exhibit A (the "Note").

3. Representations, Warranties and Covenants of both Parties.

(a) Each Party hereby represents and warrants that it is not forbidden by law, corporate action or the terms of any other agreement or contract to enter into this Agreement.

(b) Each Party hereby covenants that it will abide by all of the terms and conditions contained in this Agreement.

(c) Each of the signatories of the Parties to this Agreement represents that he has been duly authorized by resolution, the governing documents of such Party or as otherwise required to execute contracts, such as this one, on behalf of such Party and has obtained all necessary corporate approvals to make this Agreement fully binding upon such Party (without qualification or acceptance by such Party) when his signature is affixed hereto.

4. Additional Covenants of the Company. As a material inducement for the IEDC to enter into this Agreement, the Company covenants and agrees that, [redacted]

(a) The Company shall furnish to the IEDC:

(i) As soon as available, but in any event not later than thirty (30) days after the end of each calendar quarter, the unaudited balance sheet, income statement and statement of cashflows of the Company for such quarter and for the period from the beginning of the applicable fiscal year to the end of such quarter, setting forth in each case in comparative form the figures for the comparable periods of the previous fiscal year.

(ii) As soon as available, but in any event within ninety (90) days after the end of each fiscal year, the unaudited (or audited or reviewed, if otherwise available) balance sheet, income statement and statement of cashflows of the Company for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year.

(iii) Reports summarizing the Company's science and technology development, business development, and other indicators of economic impact on a form provided by the IEDC, as may be amended from time to time. The Company shall submit such reports within thirty (30) days after the end of each calendar quarter.

REDACTED

(c) Board of Directors:

REDACTED

REDACTED

the Company shall also allow the IEDC to appoint one observer to the Board who will not have any voting rights, but shall be permitted to attend and participate in all meetings of the Board. The IEDC observer may be excluded from participating in any meeting or any portion thereof to the extent the Board, acting in good faith and upon advice from counsel, determines that such exclusion is reasonably in the best interests of the Company; provided, however, that the IEDC observer may not be excluded from participating in any Board meeting or any portion thereof in which other Board observers, if any, are permitted to participate. Further, promptly following the request of the IEDC, the Company shall provide to the IEDC copies of all notices, minutes, consents and other materials that the Company provides to its Board.

(ii) The Company shall pay the reasonable out-of-pocket expenses incurred by the IEDC Representative (or the IEDC observer, if applicable) in connection with attending meetings of the Board or any committee thereof to the extent it offers the same to other Board members. Further, the Company shall indemnify, to the fullest extent permitted by law as currently in effect or as the same may hereafter be amended and to the extent it offers the same to other Board members, the IEDC Representative if he or she is made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that the IEDC Representative or his or her testator or intestate is or was a member of the Board.

(d) The Company agrees and acknowledges that the covenants set forth herein are material considerations for the IEDC's willingness to enter into this Agreement, that the IEDC would not have entered into this Agreement without such covenants, and that any breach of the these covenants would be a material breach of this Agreement.

5. Closing Deliveries. The Company agrees to furnish to the IEDC, at or prior to the Effective Date, in form and substance reasonably satisfactory to the IEDC:

(a) this Agreement, duly executed by the Company;

(b) copies of the Certificate of Incorporation and Bylaws of the Company,

each as currently in effect;

(c) copies of resolutions of the Company evidencing approval of the transactions contemplated hereunder, including the Note; and

(d) such other documents and instruments as the IEDC may reasonably require.

6. Confidentiality.

REDACTED

7. Miscellaneous.

(a) Material Breach. The Parties agree that in the event of a material breach of all or any part of this Agreement by a Party hereunder, the non-breaching Party to this Agreement shall have the right to enforce any and all legal and/or

equitable remedies that may be available, including, without limitation, rescission, or seeking an injunction or specific performance and/or a declaratory judgment and recovery of attorneys' fees.

(b) Successors and Assigns. This Agreement and all covenants and agreements contained herein and rights, interests or obligations hereunder, by or on behalf of any Party, shall bind and inure to the benefit of the respective successors and permitted assigns of the Parties whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by any Party without the prior written consent of the other Party; provided, however, that the rights, but not the obligations, of the IEDC hereunder may be assigned by the IEDC without prior notice to and without the prior approval of the Company provided that such assignment is made to the State or to any entity under contract for the performance of investment advisory and/or portfolio management services with the State.

(c) Governing Law; Venue. The construction and enforcement of this Agreement shall be governed by the laws of the State of Indiana, without regard to principles of choice of law, and the venue for any court action shall be the United States District Court of the Southern District of Indiana where such court has subject matter jurisdiction, provided where there is not subject matter jurisdiction in the United States District Court of the Southern District of Indiana, the venue for any court action shall be the circuit or superior court of Marion County, Indiana, and Maker hereby consents to the personal jurisdiction of said courts as the venue for any court action related to this Agreement as explicitly provided in this Section 7(c).

(d) Severability. If at any time any provision of this Agreement is determined to be invalid, unenforceable or illegal by any court, public authority, governmental department or agency, or other forum, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to either Party, such adjudication shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid, unenforceable or illegal provision had never been contained herein, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to either Party, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof, as long as the remaining provisions, taken together, are sufficient to carry out the overall intentions of the Parties as evidenced hereby.

(e) Amendments and Waivers. This Agreement and any term hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Party against whom enforcement of such amendment, waiver, discharge or termination is sought. No waivers of any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(f) Entire Agreement. This Agreement supersedes any and all prior agreements and understandings between the Parties, whether written or oral, with respect to the subject matter hereof and thereof and sets forth the entire agreement and understanding between the Parties as to the subject matter hereof and thereof.

(g) Rescission.

REDACTED

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PDS BIOTECHNOLOGY CORPORATION

By: COPY
Frank Bedu-Addo, President & CEO

INDIANA TWENTY-FIRST CENTURY RESEARCH AND TECHNOLOGY FUND

INDIANA ECONOMIC DEVELOPMENT CORPORATION

By:
E. Mitchell Roob, Jr.
Secretary of Commerce & CEO PML

EXHIBIT A

CONVERTIBLE PROMISSORY NOTE

Execution Version

THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE TRANSFERRED EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE PROMISSORY NOTE

$1,875,000.00 **September 9, 2011 (the "Effective Date")**

For value received, PDS Biotechnology Corporation, a Delaware corporation (together with its successors and assigns, the "Company"), promises to pay to the order of the Indiana Economic Development Corporation, on behalf of the Indiana Twenty-First Century Research and Technology Fund (the "Holder"), unless this Note is earlier converted pursuant to Section 2 hereof, the principal sum of One Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars ($1,875,000.00), together with all accrued and unpaid interest thereon.

1. Maturity.

1.1 Maturity Date. Unless earlier converted as provided in Section 2 hereof, this Note, including all principal and accrued interest thereon, will automatically mature and be due and payable on the earlier of (i) [redacted] (the "Maturity Date"), or (ii) the occurrence of an Event of Default (as defined in Section 5).

1.2 Interest. Interest shall accrue on the unpaid principal amount at a rate equal to [redacted] principal amount and all interest accrued thereon are paid (or converted, as provided in Section 2 hereof); provided, however, that after the Maturity Date or during the continuance of any Event of Default (as defined in Section 5), interest shall accrue at a rate equal to [redacted] as otherwise provided herein. [redacted]

1.3 Prepayment. [redacted]

the Company may notify the Holder in writing that the Company intends to prepay all, but not less than all, of the outstanding principal and interest under this Note. Within fifteen (15) days of receiving such notice: (a) the Holder may elect to convert the outstanding principal and interest into shares of the New Equity (as defined herein) in accordance with the terms of Section 2 hereof by providing notice of its election to the Company; or (b) the Holder may elect not to convert by providing such notice to the Company and the Company shall prepay all of the outstanding principal and interest within five (5) days of its receipt of the Holder's notice of its election not to convert.

2. Conversion.

REDACTED

REDACTED

REDACTED

3. Payment. Except as set forth herein, all payments shall be made in lawful money of the United States of America at the office of the Holder located at One North Capitol Avenue, Suite 700, Indianapolis, Indiana 46204, or at such other place as the Holder may direct. Payment shall be credited first to the accrued interest then due and payable and the remainder shall be applied to principal.

4. Security Interest.

4.1 Grant of Security Interest.

REDACTED

4.2 Supplements; Further Assurances. In connection with the foregoing grant of the Security Interest, the Company (1) agrees that it will join with the Holder in executing and, at its own expense, will file and refile, or permit the Holder to file and refile, such financing statements, continuation statements and other documents in such offices as the Holder may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect and preserve the rights and interests granted to the Holder hereunder, and (2) hereby authorizes the Holder to file financing statements and amendments, relative to all or any part of the Collateral, without the signature of the Company where permitted by law and agrees to do such further acts and things, and to execute and deliver to the Holder such additional assignments, agreements, powers and instruments, as the Holder may reasonably require to carry into effect the purposes of this Note or better to assure and confirm unto the Holder its respective rights, powers and remedies hereunder. The Company shall, upon the reasonable request of the Holder, and hereby authorizes the Holder to, take any and all such actions as may be deemed advisable by the Holder to perfect and preserve the rights and interests granted to the Holder with respect to the Collateral wherever located. All of the foregoing shall be at the sole cost and expense of the Company.

4.3 Termination of Security Interest.

REDACTED

4.4 Representations and Warranties Concerning Collateral.

(a) The Company is the sole and exclusive owner or, as applicable, licensee of all of the Collateral. The pledge and security interest created by this Note shall not at any time be subject to any prior lien, pledge, security interest, encumbrance, assignment, collateral assignment or charge of any kind, including, without limitation, any filing or agreement to file a financing statement as debtor under the UCC or any similar statute or any subordination arrangement in favor of any party other than the Company. The Company further represents and warrants to the Holder that Exhibit A attached hereto contains a true, correct and complete list as of the Effective Date of all of the intellectual property owned by and/or licensed to the Company for use in the conduct of its business.

(b) The Company has full corporate power, authority and legal right to pledge and grant a security interest in the Collateral in accordance with the terms of this Note and this Note has been duly and validly executed and delivered by the Company, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) No authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court (other than in connection with the exercise of judicial remedies), governmental agency or regulatory authority is required in connection with (i) the pledge by the Company of the Collateral pursuant to this Note, or the execution, delivery or performance by the Company of this Note, (ii) the grant of a security interest (including the priority thereof when the appropriate filings have been made and accepted) in, the Collateral by the Company in the manner and for the purpose contemplated by this Note, or (iii) the exercise of the rights and remedies of the Holder created hereby.

(d) The Company has made and will continue to make all necessary filings and recordations from time to time and use appropriate statutory notice to protect its interests in the Collateral, all in a manner consistent with prudent and commercially reasonable business practices.

(e) The Company owns or has rights to use all the Collateral and all rights with respect to any of the foregoing used in, necessary for or material to the Company's business as currently conducted and as contemplated to be conducted. To the Company's knowledge, the use of such Collateral by the Company does not infringe on the rights of any third party and no material claim has been made and remains outstanding that the Company's use of the Collateral does or may violate the rights of any third party.

4.5 Covenants Concerning Collateral. Until such time that the Security Interest has been terminated pursuant to Section 4.3 hereof, at which time the obligations of the Company pursuant to this Section 4.5 shall be of no further force and effect:

(a) On a continuing basis, the Company will, at the expense of the Company, subject to any prior licenses, liens and restrictions, make, execute, acknowledge and deliver, and file and record in the proper filing and recording offices, all such instruments or documents, including, without limitation, appropriate financing and continuation statements, exclusive licenses and collateral agreements, and take all such action (limited, as aforesaid, if applicable) as may reasonably be deemed necessary or appropriate by the Holder (i) to assure and confirm to the Holder the grant or perfection of a security interest in the Collateral for the benefit of the Holder, and (ii) during the continuation of an Event

of Default, to enable the Holder to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

(b) If, before the Security Interest shall have terminated in accordance with Section 4.3 hereof, the Company shall, (i) obtain any rights to any additional Collateral or (ii) become entitled to the benefit of any additional Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any patent, or any improvement on any patent, the provisions of this Note shall automatically apply thereto and any item enumerated in clause 4.5(b)(i) or clause 4.5(b)(ii) with respect to the Company shall automatically constitute Collateral if such would have constituted Collateral at the time of execution of this Note, and be subject to the first priority security interest created by this Note without further action by any party. The Company shall, at least once in each calendar quarter, provide to the Holder written notice of any of the foregoing. The Company agrees, promptly following the written request by the Holder, to confirm the attachment of the lien and security interest created by this Note to any rights described in clause 4.5(b)(i) or clause 4.5(b)(ii) above if such would have constituted Collateral at the time of execution of this Note by execution of an instrument in form acceptable to the Holder.

(c) The Company authorizes the Holder to modify this Note by amending Exhibit A attached hereto to include any future Collateral of the Company, including, without limitations any of the items listed in Section 4.5(b).

5. Default; Remedies; Proceeds.

5.1 Events of Default. The entire unpaid principal sum of this Note, together with any and all interest accrued but unpaid thereon, shall become immediately due and payable upon the occurrence of an Event of Default. An "Event of Default" shall be deemed to have occurred if:

(a) the Company defaults in the performance of or compliance with any term contained in this Note and such default is not remedied within [redacted] after the receipt by the Company of written notice of such default from the Holder;

(b) any representation or warranty made by the Company in this Note proves to have been false or incorrect in any material respect on the date as of which made;

(c) the Company shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of its property, (ii) be unable, or admit in writing its inability, to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, (v) file a voluntary petition in bankruptcy, or a petition or answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it,

(vi) take corporate action for the purpose of effecting any of the foregoing, or (vii) have an order for relief entered against it in any proceeding under the United States Bankruptcy Code;

(d) an order, judgment or decree shall be entered, without the application, approval or consent of the Company, by any court of competent jurisdiction approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days; or

(e) the Company shall fail to pay as and when due any principal or interest hereunder and such nonpayment shall continue uncured for a period of [redacted] after written notice by the Holder thereof.

5.2 Remedies Upon Default. Until such time that the Security Interest has been terminated pursuant to Section 4.3 hereof, at which time the rights of the Holder pursuant to this Section 5.2 shall be of no further force and effect:

(a) If any Event of Default shall have occurred and be continuing, the Holder may to the full extent permitted by law (i) exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of any and all contractual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold, assigned or licensed any or all of the Collateral or any part thereof, in each case, free of all rights and claims of the Company therein and thereto. In accordance with such rights, the Holder shall have (A) the right to cause any or all of the Collateral to be transferred of record into the name of the Holder or its nominee and (B) the right to impose (1) such limitations and restrictions on the sale or assignment of the Collateral as the Holder may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to the sale or assignment, and (2) any necessary or appropriate requirements for any required governmental approvals or consents.

(b) Except as provided in this Section 5, the Company hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Holder of any of its rights and remedies hereunder.

(c) The Company agrees that, to the extent notice of sale shall be required by law, ten (10) days' notice from the Holder of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. In addition to the rights and remedies provided in this Note, the Holder shall have all the rights and remedies of a secured party under the UCC.

(d) Except as otherwise provided herein, the Company hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Holder's taking possession or the Holder's disposition of any of the Collateral, including, without limitation, any and all prior notice and rights to a hearing for any prejudgment remedy or remedies and any such right which the Company would otherwise have under law, and the Company hereby further waives to the extent permitted by applicable law: (i) all damages occasioned by any such taking of possession; (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Holder's rights hereunder; and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Company therein and thereto, and shall be a perpetual bar both at law and in equity against the Company and against any and all third parties claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under the Company.

5.3 Application of Proceeds. The proceeds of any Collateral obtained pursuant to the exercise of any remedy set forth in Section 5.2 shall be applied, together with any other sums then held by the Holder pursuant to this Note, promptly by the Holder:

(a) First, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization, including, without limitation, reasonable reimbursement to the Holder, and its agents and counsel for all expenses, fees, liabilities and advances made or incurred by them in connection therewith and all expenses, liabilities and advances made or incurred by the Holder in connection therewith, together with interest on each such amount at the rate then in effect under this Note;

(b) Second, to the payment of all other costs and expenses of such sale, collection or other realization, including, without limitation, reasonable reimbursement to the Holder and its agents and counsel for all expenses, fees, liabilities and advances made or incurred by them in connection therewith and all costs, liabilities and indebtedness made or incurred by the Holder in connection therewith together with interest on each such amount at the rate then in effect under this Note;

(c) Third, to the payment in full of the amount of principal and accrued interest due to the Holder under this Note; and

(d) Fourth, to the Company, or its successors or assigns, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

6. Additional Representations and Warranties of the Company. To induce the Holder to enter into this Note, the Company hereby represents and warrants to the Holder as of the Effective Date that:

6.1 Organization, Qualifications and Power. The Company is duly organized and validly existing under the laws of the State of Delaware, and has all requisite corporate power and authority to own or lease its properties and assets and to conduct its business as it is presently being conducted and to issue, sell and deliver this Note. The Company is qualified to do business in the State of Indiana and in each other jurisdiction in which the failure to so qualify could have a material adverse effect upon its assets, properties, financial condition, results of operations or business.

6.2 Authorization. The execution and delivery by the Company of this Note, and the performance by the Company of its obligations hereunder, have been duly authorized by all requisite action and will not violate any provision of law, any order of any court or other agency of government, the Certificate of Incorporation or the Bylaws of the Company, will not result in a violation of any provision of any indenture, agreement or other instrument to which the Company or any of its properties or assets is bound, or conflict with, result in a material breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, or, to the Company's knowledge, any claim of any nature whatsoever upon any of the properties or assets of the Company, the result of any of which could have a material adverse effect on the assets, properties, financial condition, results of operations or business of the Company. In connection with the foregoing, no approval, consent or authorization of any form is or will be required in connection with the execution and delivery by the Company of this Note, except as indicated herein.

6.3 Validity. This Note, when delivered hereunder, is or will be duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of the United States (both state and federal) now or hereafter in effect relating to or affecting the enforcement of creditors' rights or remedies in general as may from time to time be in effect and the exercise by courts of equity powers or their application of public policy.

6.4 Capitalization. [redacted]

6.5 Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Company of this Note, except

as such have been duly and validly obtained or filed or with respect to any filings that must be made after the Effective Date, as will be filed in a timely manner.

6.6 Litigation. There is no (i) action, suit, claim, proceeding or investigation pending or, to the Company's knowledge, threatened against the Company, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to the Company pending under collective bargaining agreements or otherwise, or (iii) governmental inquiry pending or, to the Company's knowledge, threatened against the Company (including, without limitation, any inquiry as to the qualification of the Company to hold or receive any license, permit or approval), and to the Company's knowledge, there is no basis for any of the foregoing. There is no action or suit by the Company pending, threatened or presently contemplated against others.

6.7 Indebtedness. The Company is not in default and no waiver of default is currently in effect in the payment of any principal or interest on any indebtedness of the Company and no event or condition exists with respect to any indebtedness of the Company that would cause (or that with notice or the lapse of time, or both, would cause) such indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

6.8 No Violation. The Company is not in material violation of its organizational documents and the Company has not received notice and has no reasonable grounds to believe that it is in violation of any laws or orders that in any manner adversely and materially affect the Company's ability to perform its obligations under this Note. No Event of Default has occurred and is continuing.

6.9 Approvals. No approval, consent or authorization of any form is or will be required in connection with the execution and delivery by the Company of this Note.

6.10 [redacted]

6.11 Required Payments. The Company certifies by entering into this Note that it is not presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. Further, the Company agrees that any payments in arrears and currently due to the State of Indiana may be withheld from payments due to the Company.

6.12 Enforcement Actions. The Company warrants that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana pending and agrees that it will immediately notify the Holder of any such actions.

6.13 Debarment and Suspension. The Company certifies, by entering into this Note that, to its knowledge, neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Note by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Note means an officer, director, or securityholder of the Company. The Company acknowledges that it shall be solely responsible for any recoupments or penalties that might arise from non-compliance. The Company shall immediately notify the Holder if it becomes aware of any of its principal's debarment or suspension, and shall consent, at the Holder's request, to the termination of this Note.

6.14 Conflict of Interest. No Interested Party is an employee of the Holder, unless the Company provides the Holder an opinion by the Commission indicating that the existence of this Note and the employment by the Holder of the Interested Party does not violate any statute or rule relating to ethical conduct of the Holder employees. As used in this section, "Immediate Family" means the spouse and the unemancipated children of an individual; "Interested Party" means: (a) the individual executing this Note on behalf of the Company, (b) an individual who has an interest of one percent (1%) or more of the Company, if the Company is not an individual, or (c) any member of the Immediate Family of an individual specified under the foregoing subdivision (a) or (b); and "Commission" means the Indiana State Ethics Commission.

6.15 No Violation. As required by Indiana Code § 5–22–3–7:

(a) The Company, and its principals, certify that (i) the Company, except for de minimis and nonsystematic violations, has not violated the terms of (1) Indiana Code § 24–4.7 [Telephone Solicitation Of Consumers], (2) Indiana Code § 24–5–12 [Telephone Solicitations], or (3) Indiana Code § 24–5–14 [Regulation of Automatic Dialing Machines] in the previous 365 days, even if Indiana Code § 24–4.7 is preempted by federal law; and (ii) the Company will not violate the terms of Indiana Code § 24–4.7 for the duration of this Note, even if Indiana Code § 24–4.7 is preempted by federal law.

(b) The Company certifies that, except for de minimis and nonsystematic violations, neither it nor any of its affiliates or principals and agents have violated in the previous 365 days, or will violate for the duration of this Note, the terms of Indiana Code § 24–4.7, even if Indiana Code § 24–4.7 is preempted by federal law.

7. Additional Covenants of the Company. The Company covenants and agrees that, for so long as any amounts remain outstanding under this Note, it will:

7.1 Inspection Rights. Allow the Holder and such agents, advisors and counsel as the Holder may designate to visit and inspect any of the properties of the Company, examine the books of account of the Company, make copies therefrom and discuss the affairs, finances and accounts of the Company with its officers and employees and accountants (and by this provision the Company hereby authorizes said accountants to discuss with the Holder and such persons its

finances and accounts), upon at least three (3) days prior notice and at reasonable times during normal business hours. All such visits and inspections shall be conducted in a manner that will not unreasonably interfere with the normal business operations of the Company. The Company will furnish to the Holder such other information as it from time to time may reasonably request. The provisions of this Section 7 will not be in limitation of any rights the Holder may have with respect to the books and records of the Company, or to inspect or discuss its affairs, finances and accounts, under the laws of the State of Indiana.

7.2 Notice. Give the Holder written notice: (a) immediately upon the occurrence of any Event of Default under this Note, together with a written statement of the action being taken by the Company to remedy such Event of Default; and (b) promptly upon any development in its business or affairs, including without limitation any changes, amendments, or modifications to existing contracts, which may materially and adversely affect the Company's operations, financial condition or ability to perform any of its obligations under this Note, disclosing the nature thereof.

7.3 Indemnification. Indemnify, defend, and hold harmless the Holder and the State of Indiana and their respective agents, officers, employees and representatives from all claims and suits for damages or loss, and from all judgments recovered therefor and for expenses in defending any such claims or suits, including court costs, attorneys' fees, and for any other expenses caused by an act or omission of the Company or its grantees, contractors, agents, officers or employees in connection with performance of this Note or in the operation of the Company's business; provided, however, that the Company shall not be liable for any portion of such damages or loss and from all judgments recovered therefor and for all such expenses in defending any such claims or suits, to the extent the same result from the Holder's own gross negligence or willful misconduct.

7.4 Ethical Requirements. Abide by all ethical requirements that apply to persons who have a business relationship with the Holder, as set forth in Indiana Code § 4–2–6 et seq., Indiana Code §4–2–7 et seq., the regulations promulgated thereunder, Executive Order 04-08, dated April 27, 2004, Executive Order 05-12, dated January 10, 2005, and 25 Indiana Administrative Code 6, effective January 1, 2006. If the Company, or any of its agents, are not familiar with these ethical requirements, they should refer any questions to the State Ethics Commission, or visit the State Ethics Commission website at http://www.in.gov/ethics/. In addition to triggering an Event of Default, a violation of this subsection may subject the Company to penalties under Indiana Code § 4–2–6–12.

7.5 No Liabilities. Allow the Holder to confirm, at any time, that no liabilities exist to the Holder (other than any obligation under this Note) or to the State of Indiana or any of its agencies. If such liabilities are discovered, then, in addition to triggering an Event of Default, the Holder may bar the Company from contracting with the Holder and the State of Indiana in the future and cancel existing contracts until the Company is current in its payments on its

liability to the Holder or the State of Indiana and has submitted proof of such payment to the Holder.

7.6 Interested Party. Disclose to the Holder when an Interested Party (as defined herein) is or becomes an employee of the Holder. The obligation under this provision extends only to those facts that the Company knows or reasonably could know.

7.7 Drug-Free Workplace. Make a good faith effort to provide and maintain a drug-free workplace. The Company will give written notice to the Holder within ten (10) days after receiving actual notice that the Company or an employee of the Company has been convicted of a criminal drug violation occurring in the Company's workplace.

False certification or violation of the certification may result in sanctions including, but not limited to, suspension of Loan payments, termination of this Note and/or debarment of funding and other contract opportunities with the Holder for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total amount set forth in this Note is in excess of $25,000, the Company hereby further agrees that this Note is expressly subject to the terms, conditions and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all contracts with the State of Indiana in excess of $25,000. No contract, the total amount of which exceeds $25,000, shall be made or be valid unless and until this certification has been fully executed by the Company and made a part of this Note.

The Company certifies and agrees that it will provide a drug-free workplace by:

(a) Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Company's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(b) Informing its employees of (i) the dangers of drug abuse in the workplace; (ii) The Company's policy of maintaining a drug-free workplace; (iii) any available drug counseling, rehabilitation, and employee assistance programs; and (iv) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

(c) Notifying all employees in the statement required by subparagraph (a) above that as a condition of continued employment the employee will (i) abide by the terms of the statement; and (ii) notify the Company in writing of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) calendar days after such conviction;

(d) Notifying in writing the Holder within ten (10) calendar days after receiving notice from an employee under subdivision (c)(ii) above or otherwise receiving actual notice of such conviction;

(e) Within thirty (30) days after receiving notice under subdivision (c)(ii) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and

(f) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

7.8 No Discrimination. Pursuant to Indiana Code § 22–9–1–10, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Civil Rights Act of 1964, the Company will not discriminate against any employee or applicant for employment, to be employed in the performance of this Note, with respect to the employee's or applicant's hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, religion, sex, disability, national origin or ancestry. Acceptance of this Note also signifies compliance with applicable federal laws, regulations and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran. Breach of one or both of these covenants may be regarded as a material breach of this Note;

7.9 Misstatements. The Company will not make a misstatement of material fact in any materials submitted to the Holder in connection with this Note.

8. Miscellaneous.

8.1 Transfer; Successors and Assigns. This Note and the rights and obligations hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The rights, but not the obligations, of the Holder hereunder may be assigned by the Holder without prior notice to and without the prior approval of the Company provided that such assignment is made (a) pursuant to an exemption from registration under the Act and applicable state securities laws and (b) to (i) the State of Indiana, any department or agency thereof, or any body, corporate and politic, which is an independent instrumentality exercising essential public functions of the State of Indiana (collectively, the "State"), or (ii) any entity under contract for the performance of investment advisory and/or portfolio management services with the State; provided, however, that for any other assignment by the Holder of its rights hereunder, the Holder must obtain the prior consent of the Company, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing,

the Company may not assign this Note, whether by operation of law or otherwise, or any rights or duties hereunder, without the Holder's prior written consent. Subject to the foregoing, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Holder. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name, of, the transferee. Interest and principal are payable only to the registered holder of this Note.

8.2 Governing Law; Venue. The construction and enforcement of this Note shall be governed by the laws of the State of Indiana, without regard to principles of choice of law, and the venue for any court action shall be the United States District Court of the Southern District of Indiana where such court has subject matter jurisdiction, provided where there is not subject matter jurisdiction in the United States District Court of the Southern District of Indiana, the venue for any court action shall be the circuit or superior court of Marion County, Indiana, and Maker hereby consents to the personal jurisdiction of said courts as the venue for any court action related to this Note as explicitly provided in this Section 8.2.

8.3 Severability. If any term, covenant or provision contained in this Note shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision shall not be affected, impaired or restricted thereby.

8.4 Amendments and Waivers. This Note and any term hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge or termination is sought. No waivers of any term, condition or provision of this Note, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

8.5 Shareholders, Officers and Directors Not Liable. In no event shall any shareholder, officer or director of the Company be personally liable for any amounts due or payable pursuant to this Note.

8.6 Headings. The headings in this Note are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Convertible Promissory Note to be duly executed and delivered by its authorized officer, as of the Effective Date.

PDS BIOTECHNOLOGY CORPORATION

By: _____

Name:

Title:

EXHIBIT A

COLLATERAL

REDACTED

REDACTED

500 Industrial Drive, Suite A, Lawrenceburg, IN 47025; Tel: 812-537-0779; Fax: 812-537-1644