

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **2002-05-14** | Period of Report: **2002-03-31**
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FILER

BIO IMAGING TECHNOLOGIES INC

CIK: **822418** | IRS No.: **112872047** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **001-11182** | Film No.: **02646837**
SIC: **8071** Medical laboratories

Mailing Address

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NEWTOWN PA 18940-1721

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NEWTOWN PA 18940-1721
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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002
Commission File No. 1-11182

BIO-IMAGING TECHNOLOGIES, INC.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

11-2872047

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

826 Newtown-Yardley Road, Newtown, Pennsylvania

18940-1721

(Address of Principal Executive Offices)

(267) 757-1360

(Issuer's Telephone Number,
Including Area Code)

Check whether the Issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: X

No: _____

State the number of shares outstanding of each of the Issuer's classes of common stock, as of March 31, 2002:

Class	Number of Shares
Common Stock, \$0.00025 par value	8,308,810

Transitional Small Business Disclosure Format (check one):

Yes: _____

No: X

BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION.

ITEM 1. FINANCIAL STATEMENTS.

Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission, although Bio-Imaging Technologies, Inc. (the "Company") believes that such financial disclosures are adequate so that the information presented is not misleading in any material respect. The following consolidated financial statements should be read in conjunction with the year-end consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 2001.

On November 6, 2001, the Company's Board of Directors approved a change in the Company's annual reporting period from a fiscal year ending September 30 to December 31. Accordingly, the 2002 fiscal year commenced on January 1, 2002 and will end on December 31, 2002, and the fiscal quarters will end on March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002.

The results of operations for the interim periods presented herein are not necessarily indicative of the results to be expected for the entire fiscal year.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(unaudited)

<TABLE>
<CAPTION>

	March 31, 2002	December 31, 2001
	-----	-----
ASSETS		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents.....	\$ 433,503	\$ 499,710
Accounts receivable, net.....	3,423,483	3,447,155
Prepaid expenses and other current assets.....	393,259	274,313
Deferred income taxes.....	417,000	417,000
	-----	-----
Total current assets.....	4,667,245	4,638,178
Property and equipment, net.....	2,290,903	2,111,360
Other assets	297,800	225,524
	-----	-----
Total assets.....	\$ 7,255,948	\$ 6,975,062
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 621,230	\$ 605,057
Accrued expenses and other current liabilities.....	553,960	445,134
Deferred revenue.....	1,583,535	1,711,972
Current maturities of long-term debt and other current liabilities.....	335,093	343,201
	-----	-----
Total current liabilities.....	3,093,818	3,105,364
Long-term debt and other liabilities.....	1,484,170	1,508,705
	-----	-----
Total liabilities.....	4,577,988	4,614,069
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Common stock - \$.00025 par value; authorized 18,000,000 shares, issued and outstanding 8,308,810 shares at March 31, 2002 and 8,278,141 shares at December 31, 2001.....	2,083	2,070
Additional paid-in capital.....	9,307,055	9,286,871
Accumulated deficit.....	(6,631,178)	(6,927,948)
	-----	-----
Stockholders' equity.....	2,677,960	2,360,993
	-----	-----
Total liabilities and stockholders' equity.....	\$ 7,255,948	\$ 6,975,062
	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

For the Three Months Ended
March 31,

	2002 ----	2001 ----
Service revenues.....	\$ 3,872,845	\$ 2,132,694
Reimbursement revenues.....	870,262 -----	413,645 -----
Total revenues.....	4,743,107 -----	2,546,339 -----
Cost and expenses:		
Cost of revenues.....	3,397,071	1,467,828
General and administrative expenses.....	592,130	445,279
Sales and marketing expenses.....	416,032 -----	413,044 -----
Total cost and expenses.....	4,405,233 -----	2,326,151 -----
Income from operations.....	337,874	220,188
Interest expense - net.....	(18,633) -----	(1,006) -----
Income before income tax provision.....	319,241	219,182
Income tax provision.....	22,471 -----	-- -----
Net income applicable to common stock...	\$ 296,770 =====	\$ 219,182 =====
Basic earnings per common share.....	\$ 0.04 =====	\$ 0.03 =====
Weighted average number of common shares.....	8,292,565 =====	8,190,545 =====
Diluted earnings per common share.....	\$ 0.03 =====	\$ 0.03 =====
Weighted average number of common shares and dilutive common equivalent shares....	9,904,006 =====	8,307,506 =====

See Notes to Consolidated Financial Statements

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

<TABLE>
<CAPTION>

	For the Three Months Ended March 31,	
	2002 ----	2001 ----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income.....	\$ 296,770	\$ 219,182
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		

Depreciation and amortization.....	203,627	131,113
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable.....	23,672	(484,338)
(Increase) decrease in prepaid expenses and other current assets.....	(118,946)	24,210
(Increase) decrease in other assets.....	(80,058)	5,120
Increase in accounts payable.....	16,173	61
Increase in accrued expenses and other current liabilities.....	108,826	148,879
Decrease in deferred revenue.....	(128,437)	(50,204)
	-----	-----
Net cash provided by (used in) operating activities.....	321,627	(5,977)
	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment.....	(314,660)	(56,748)
	-----	-----
Net cash used in investing activities.....	(314,660)	(56,748)
	-----	-----
Cash flows from financing activities:		
Payments under equipment lease obligations.....	(51,704)	(37,176)
Payments under promissory note.....	(41,667)	--
Proceeds from exercise of stock options.....	20,197	--
	-----	-----
Net cash used in financing activities.....	(73,174)	(37,176)
	-----	-----
Net decrease in cash and cash equivalents.....	(66,207)	(99,901)
Cash and cash equivalents at beginning of period.....	499,710	661,155
	-----	-----
Cash and cash equivalents at end of period.....	\$ 433,503	\$ 561,254
	=====	=====
Supplemental schedule of noncash investing and financing activities:		
Equipment purchased under capital lease obligations.....	\$ 60,728	\$ --
	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

Note 1 - Basis of Presentation:

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended September 30, 2001.

On November 6, 2001, the Company's Board of Directors approved a change in the Company's annual reporting period from a fiscal year ending September 30 to December 31. Accordingly, the 2002 fiscal year commenced on January 1, 2002 and will end on December 31, 2002, and the fiscal quarters will end on March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002.

In the opinion of the Company's management the accompanying unaudited consolidated financial statements contain all adjustments, consisting solely of those which are of a normal recurring nature, necessary for a fair presentation of its financial position as of March 31, 2002 and December 31, 2001 and the results of its operations and its cash flows for the three months ended March 31, 2002 and 2001.

Certain reclassifications have been made to the prior period financial statements in order to conform to the current period financial statements.

Interim results are not necessarily indicative of results for the full fiscal year.

Service revenues are recognized over the contractual term of the Company's customer contracts using the percentage-of-completion method based on costs incurred as a percentage of total estimated costs. Service revenues are first recognized when the Company has a signed contract from the customer, with fixed or determinable fees and for which collectability is reasonably assured. Any change to recognized service revenue as a result of revisions to estimated total costs are recognized in the period the estimate changes. Direct and incremental costs incurred at the outset of an arrangement that are directly related to a customer contract are deferred, so long as their recoverability from that contract is probable. Deferred costs are expensed upon recognition of revenue associated with the contract.

In addition, the Emerging Issues Task Force recently issued accounting pronouncement EITF 01-14, which states that fees reimbursed by customers on a pass-through basis, should be recorded as revenue. Historically, the Company had offset such reimbursements against the related expenses. The consolidated statement of income for the three months ended March 31,

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

2001 has been reclassified to conform to the current year's presentation. For the three months ended March 31, 2002 and 2001, the Company recorded \$870,262 and \$413,645 of reimbursed revenues, respectively.

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," which establishes accounting and reporting standards governing goodwill and intangible assets. SFAS No. 142 states that goodwill is no longer subject to amortization over its estimated useful life. Rather, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value based test. Under the new rules, an acquired intangible asset should be separately recognized and amortized over its useful life (unless an indefinite life) if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented or exchanged regardless of the acquirer's intent to do so. The Company adopted this standard on January 1, 2002, at which time the Company ceased to amortize its existing goodwill and intangible assets. The adoption of SFAS No. 142 did not have a material effect on the Company's consolidated results of operations or financial position.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for fiscal years beginning after December 15, 2001, and addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business. The Company adopted this standard on January 1, 2002. The adoption of SFAS No. 144 did not have a material effect on the Company's consolidated results of operations or financial position.

Note 2 - Earnings Per Share:

Basic earnings per common share for the three months ended March 31, 2002 and 2001 was calculated based upon the net income available to common stockholders divided by the weighted average number of shares of common stock, \$0.00025 par value (the "Common Stock"), outstanding during the period. Diluted

earnings per share for the three months ended March 31, 2002 and 2001 was calculated based upon net income available to common stockholders divided by the weighted average number of shares of Common Stock outstanding during the period, adjusted for dilutive securities using the treasury method.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

The computation of basic earnings per common share and diluted earnings per common share were as follows:

	Three Months Ended March 31,	
	2002	2001
Net income applicable to common stock - basic.....	\$ 296,770	\$ 219,182
Interest expense on convertible note.....	19,602	--
Net income applicable to common stock - diluted.....	\$ 316,372	\$ 219,182
Denominator-Basic:		
Weighted average number of common shares.....	8,292,565	8,190,545
Basic earnings per common share.....	\$ 0.04	\$ 0.03
Denominator-Diluted:		
Weighted average number of common shares.....	8,292,565	8,190,545
Common share equivalents of outstanding stock options and warrants.....	551,300	116,961
Common share equivalents related to the convertible promissory note.....	1,060,141	--
Weighted average number of common shares and dilutive common equivalent shares.....	9,904,006	8,307,506
Diluted earnings per common share.....	\$ 0.03	\$ 0.03

As of March 31, 2002 and 2001, 332,000 and 955,250 stock options and warrants, respectively, have been excluded from the calculation of diluted earnings per common share as they are antidilutive.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Long-term Debt:

On April 30, 2002, the Company entered into an agreement with Wachovia Bank, National Association ("Wachovia") for a committed line of credit up to \$1,000,000 collateralized by the Company's assets. Interest is payable at Wachovia's Prime Rate plus 0.5%. The agreement requires the Company, among other things, to maintain a debt service coverage ratio of not less than 1.25 to 1, measured annually. The committed line of credit matures May 31, 2003 and may be renewed on an annual basis.

In December 1999, the Company entered into an accounts receivable financing agreement with Silicon Valley Bank ("Silicon Valley Bank"), whereby the Company may assign up to \$500,000 of eligible accounts receivable to Silicon Valley Bank. In March 2000, Silicon Valley Bank increased the eligible accounts receivable to \$1,000,000. Under the agreement, Silicon Valley Bank may advance the Company up to 80% of the assigned accounts receivable amount. Although the agreement is contractually renewable each year, it is cancelable by Silicon Valley Bank at any time. During the three months ended March 31, 2002, the Company did not assign any accounts receivable to Silicon Valley Bank. At March 31, 2002, the Company had no borrowings under the accounts receivable financing agreement. This accounts receivable financing agreement with Silicon Valley Bank was terminated by the Company on May 13, 2002.

Note 4 - Recent Acquisition:

On October 1, 2001, the Company acquired effective control of the Intelligent Imaging(TM) business unit ("Intelligent Imaging") of Quintiles, Inc., a North Carolina corporation ("Quintiles"), and a wholly-owned subsidiary of Quintiles Transnational Corporation (the "Intelligent Imaging Acquisition"). The Intelligent Imaging Acquisition closed on October 25, 2001. All Intelligent Imaging personnel (approximately 47) have become employed by the Company and all of the clinical projects, which were handled by Intelligent Imaging, are now being managed by the combined Company.

Intelligent Imaging specializes in providing digital medical imaging services for clinical trials and the health care industry, a line of business the Company intends to continue. In the Intelligent Imaging Acquisition, the Company acquired substantially all of the assets of Intelligent Imaging and assumed certain liabilities of Intelligent Imaging.

The assets acquired primarily included Intelligent Imaging's accounts receivable and equipment. In consideration for the assets purchased, the Company issued an unsecured, subordinated convertible promissory note, dated as of October 25, 2001, in the principal amount of \$1,000,000 (the "Note"). The Note bears interest at the rate in effect on the business day immediately prior to the date on which payments are due under the Note equal to the Three-Month London Interbank Offering Rate (the "LIBOR Rate") as published from time to time in the Wall Street Journal plus 3%, compounded annually based on a 365-day year.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

The Company is obligated to pay quarterly payments of principal of \$41,667 under the Note, plus accrued interest thereon, and one payment of principal of \$500,000 on November 1, 2004, unless the Note is previously converted into the Company's Common Stock. The Company has recorded \$166,667 as a current liability, representing the May 1, 2002, August 1, 2002, November 1, 2002 and February 1, 2003 quarterly installments of principal.

The number of shares of Common Stock into which the Note may be converted is calculated by dividing the outstanding principal balance of the Note, plus all accrued and unpaid interest thereon, by the greater of: (i) 75% of the average closing price of the Company's Common Stock over the ten consecutive trading days ending prior to the date of conversion; or (ii) \$0.906 per share. At March 31, 2002, the Note would have been convertible into approximately 1,064,937 shares of the Company's Common Stock. This was calculated by dividing

the unpaid principal balance (\$958,333 as of March 31, 2002) plus accrued interest (approximately \$6,500 as of March 31, 2002) of \$964,833 by \$0.906.

The Company may pay additional consideration if certain financial results are achieved (the maximum number of shares that may be issued to Quintiles pursuant to such provision is 646,247 shares of Common Stock which is to be paid out no later than February 15, 2003). The Company has recorded a long-term liability of \$585,499 (based on the price per share of \$0.906) for the contingent consideration under the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations." SFAS No. 141 requires a liability to be recognized in an amount equal to the lesser of the maximum amount of the contingent consideration or the excess of net tangible assets acquired over the purchase price when fair value of net assets acquired exceeds the cost. When the contingency is resolved and the consideration is issued or becomes issuable, any excess of the fair value of the contingent consideration issued or issuable over the amount that was recognized as if it was a liability will be recognized as an additional cost of the Intelligent Imaging Acquisition. If the amount initially recognized as a liability exceeds the fair value of the consideration issued or issuable, that excess will be allocated as a pro rata reduction of noncurrent assets or property, plant and equipment. The maximum amount of contingent consideration from the Intelligent Imaging Acquisition of approximately \$585,000 is classified in the Consolidated Balance Sheets at March 31, 2002 and December 31, 2001 as long-term debt and other liabilities. The payment to Quintiles of any additional consideration is to be paid out no later than February 15, 2003 and must be paid in the form of shares of the Company's Common Stock.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

The total purchase price of the Intelligent Imaging Acquisition has been allocated to the assets and liabilities based on management's best estimates of fair value. The excess of the net tangible assets acquired over the purchase price resulted in the reduction of property, plant and equipment.

Net tangible assets acquired.....	\$ 2,130,684

Less - purchase price:	
Convertible promissory note.....	(1,000,000)
Contingent liability.....	(585,499)
Transaction costs.....	(98,000)

Total purchase price.....	(1,683,499)

Excess of net tangible assets over purchase price.....	447,185
Less - write-down of property, plant and equipment.....	(447,185)

Remaining excess of net tangible assets over purchase price.....	\$ --

The Company assumed effective control of Intelligent Imaging on October 1, 2001, therefore, transactions occurring subsequent to October 1, 2001 have been included in the Company's historical operating results.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

The following unaudited consolidated pro forma information has been prepared assuming Intelligent Imaging was acquired as of January 1, 2001, with pro forma adjustments for interest expense and income taxes. The pro forma information is presented for informational purposes only and is not indicative of what would have occurred if the Intelligent Imaging Acquisition had been made on January 1, 2001. In addition, this pro forma information is not intended to be a projection of future operating results.

	Three Months Ended March 31, 2001

Revenues.....	\$ 3,880,844

Net income.....	\$ 183,800

Basic earnings per common share.....	\$.02

Diluted earnings per common share....	\$.02

Note 5 - Recently Issued Accounting Standards:

In August 2001, the Financial Accounting Standards Board issued SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS No. 143 addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 is effective for fiscal years beginning after June 14, 2002. The Company does not expect that the adoption of SFAS No. 143, which is effective for the Company as of January 1, 2003, will have a material effect on its consolidated results of operations or financial position.

Note 6 - Income Tax Provision:

The Company's income tax provision of \$22,471 relates to estimated state income taxes. The Company has no remaining net operating loss carry forwards in the Commonwealth of Pennsylvania. During the three months ended March 31, 2002, the federal income tax provision has been offset by a reduction in the Company's valuation allowance of approximately \$74,000. Management has determined that it is more likely than not that a portion of the Company's Federal net operating loss carryforwards will be realized in the future. The determination took into account that the Company has been profitable for the last seven quarters and the Company's 2002 budget. The Company has approximately \$5,200,000 of Federal net operating loss carryforwards as of March 31, 2002. The deferred tax asset of approximately \$417,000 at March 31, 2002 has been recorded net of a valuation allowance of approximately \$1,900,000.

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the use of the liability method where deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities at currently enacted tax laws and rates. The Company records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be received.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

Bio-Imaging Technologies, Inc. (the "Company") is a pharmaceutical contract service organization, providing services that support the product development process of the pharmaceutical, biotechnology and medical device industries. The Company specializes in assisting its clients in the design and management of the medical-imaging component of clinical trials for all modalities including computerized tomography, magnetic resonance imaging, x-rays, dual energy x-ray absorptiometry, position emission tomography single photon emission computerized tomography and ultrasound. The Company provides services which include the processing and analysis of medical images and the data-basing and regulatory submission of medical images, quantitative data and text. In September 2000, the Company offered a new service called, Bio-Imaging ETC(SM). Bio-Imaging ETC focuses on education, training and certification for medical imaging equipment, facilities and staff.

On October 1, 2001, the Company acquired effective control of the Intelligent Imaging(TM) business unit ("Intelligent Imaging") of Quintiles, Inc., a North Carolina corporation ("Quintiles"), and a wholly-owned subsidiary of Quintiles Transnational Corporation (the "Intelligent Imaging Acquisition"). The Intelligent Imaging Acquisition closed on October 25, 2001. All Intelligent Imaging personnel (approximately 47) have become employed by the Company and all of the clinical projects, which were handled by Intelligent Imaging, are now being managed by the combined Company.

Intelligent Imaging specializes in providing digital medical imaging services for clinical trials and the health care industry, a line of business the Company intends to continue. In the Intelligent Imaging Acquisition, the Company acquired substantially all of the assets of Intelligent Imaging and assumed certain liabilities of Intelligent Imaging.

The assets acquired primarily included Intelligent Imaging's accounts receivable and equipment. In consideration for the assets purchased, the Company issued an unsecured, subordinated convertible promissory note, dated as of October 25, 2001, in the principal amount of \$1,000,000 (the "Note"). The Note bears interest at the rate in effect on the business day immediately prior to the date on which payments are due under the Note equal to the Three-Month London Interbank Offering Rate (the "LIBOR Rate") as published from time to time in the Wall Street Journal plus 3%, compounded annually based on a 365-day year.

The Company is obligated to pay quarterly payments of principal of \$41,667 under the Note, plus accrued interest thereon, and one payment of principal of \$500,000 on November 1, 2004, unless the Note is previously converted into the Company's Common Stock. The Company has recorded \$166,667 as a current liability, representing the May 1, 2002, August 1, 2002, November 1, 2002 and February 1, 2003 quarterly installments of principal.

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The number of shares of Common Stock into which the Note may be converted is calculated by dividing the outstanding principal balance of the Note, plus all accrued and unpaid interest thereon, by the greater of: (i) 75% of the average closing price of the Company's Common Stock over the ten consecutive trading days ending prior to the date of conversion; or (ii) \$0.906 per share. At March 31, 2002, the Note would have been convertible into approximately 1,064,937 shares of the Company's Common Stock. This was calculated by dividing the unpaid principal balance (\$958,333 as of March 31, 2002) plus accrued interest (approximately \$6,500 as of March 31, 2002) of \$964,833 by \$0.906.

The Company may pay additional consideration if certain financial results are achieved (the maximum number of shares that may be issued to Quintiles pursuant to such provision is 646,247 shares of Common Stock which is to be paid out no later than February 15, 2003). The Company has recorded a long-term liability of \$585,499 (based on the price per share of \$0.906) for the contingent consideration under the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations." SFAS No. 141 requires a liability to be recognized in an amount equal to the lesser of the maximum amount of the contingent consideration or the excess of net tangible assets acquired over the purchase price when fair value of net assets acquired exceeds

the cost. When the contingency is resolved and the consideration is issued or becomes issuable, any excess of the fair value of the contingent consideration issued or issuable over the amount that was recognized as if it was a liability will be recognized as an additional cost of the Intelligent Imaging Acquisition. If the amount initially recognized as a liability exceeds the fair value of the consideration issued or issuable, that excess will be allocated as a pro rata reduction of noncurrent assets or property, plant and equipment. The maximum amount of contingent consideration from the Intelligent Imaging Acquisition of approximately \$585,000 is classified in the Consolidated Balance Sheets at March 31, 2002 and December 31, 2001 as long-term debt and other liabilities. The payment to Quintiles of any additional consideration is to be paid out no later than February 15, 2003 and must be paid in the form of shares of the Company's Common Stock.

The Company's sales cycle (the period from the presentation by the Company to a potential client to the engagement of the Company by such client) has historically been 12 months but is shortening as the awareness of these services increases and regulatory guidelines become better defined. In addition, the contracts under which the Company performs services typically cover a period of 12 to 60 months and the volume and type of services performed by the Company generally vary during the course of a project. No assurance can be made that the Company's project revenues will remain at levels sufficient to maintain profitability. Service revenues were generated from 52 clients encompassing 104 distinct projects for the three months ended March 31, 2002. This compares to 41 clients encompassing 75 distinct projects for the three months ended March 31, 2001. This represents an increase of 26.8% in clients and 38.7% in projects for the three months ended March 31, 2002 as compared to the three months ended March 31, 2001. Management believes that the operations of the Company and Intelligent Imaging have been fully integrated since the Intelligent Imaging Acquisition. The Company's contracted/committed backlog was approximately \$31,742,000 as of March 31, 2002. This

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compares to approximately \$18,800,000 as of March 31, 2001, an increase of 68.8%. Contracted/committed backlog is the amount of service revenue that remains to be earned and recognized on both signed and agreed to contracts. Such contracts are subject to termination by the Company's clients at any time.

The Company believes that demand for its services and technologies will grow during the long-term as the use of digital technologies for data acquisition and management increases in the radiology and drug development communities. The Company also believes that there is a growing recognition within the bio-pharmaceutical industry regarding the use of an independent centralized core laboratory for analysis of medical-imaging data that is derived from clinical trials and the regulatory requirements relating to the submission of this data. In addition, the Food and Drug Administration ("FDA") is gaining experience with electronic submissions and is continuing to develop guidelines for computerized submission of data, including medical images. Furthermore, the increased use of digital medical images in clinical trials, especially for important drug classes such as anti-inflammatory, neurologic and oncologic therapeutics and diagnostic image agents, generate large amounts of image data that will require processing, analysis, data management and submission services. Due to several factors, including, without limitation, competition from commercial competitors and academic research centers, there can be no assurance that demand for the Company's services and technologies will grow, sustain growth, or that additional revenue generating opportunities will be realized by the Company.

Certain matters discussed in this Form 10-QSB are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In particular, the Company's statements regarding the integration of Intelligent Imaging into the Company, the demand for the Company's services and technologies, growing recognition for the use of independent centralized core laboratories, trends toward the outsourcing of imaging services in clinical trials, realized return from the Company's marketing efforts and increased use of digital medical images in clinical trials are examples of such forward-looking statements. The forward-looking statements include risks and

uncertainties, including, but not limited to, the timing of revenues due to the variability in size, scope and duration of projects, estimates made by management with respect to the Company's critical accounting policies, regulatory delays, clinical study results which lead to reductions or cancellations of projects, and other factors, including general economic conditions and regulatory developments, not within the Company's control. The factors discussed herein and expressed from time to time in the Company's filings with the Securities and Exchange Commission could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this filing and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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RESULTS OF OPERATIONS

On November 6, 2001, the Company changed its fiscal year from ending on September 30 to December 31. The Company believes that the three months ended March 31, 2001 provides a meaningful comparison to the three months ended March 31, 2002.

Three Months Ended March 31, 2002 and 2001

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2002	% of Total Revenue	Three Months Ended March 31, 2001	% of Total Revenue	\$ Change	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Service revenues	\$3,872,845		\$2,132,694		\$1,740,151	81.6%
Reimbursement revenues	\$870,262		\$413,645		\$456,617	110.4%
Total revenues	\$4,743,107		\$2,546,339			
Cost of revenues	\$3,397,071	71.6%	\$1,467,828	57.6%	\$1,929,243	131.4%
General and administrative expenses	\$592,130	12.5%	\$445,279	17.5%	\$146,851	33.0%
Sales and marketing expenses	\$416,032	8.8%	\$413,044	16.2%	\$2,988	0.7%
Total cost and expenses	\$4,405,233	92.9%	\$2,326,151	91.3%	\$2,079,082	89.4%
Interest expense-net	\$18,633		\$1,006		\$17,627	1,752.2%
Income tax provision	\$22,471		--		\$22,471	--
Net income	\$296,770	6.3%	\$219,182	8.6%	\$77,588	35.4%

</TABLE>

Service revenues for the three months ended March 31, 2002 and 2001 were approximately \$3,873,000 and \$2,133,000, respectively, an increase of approximately \$1,740,000 or 81.6%. The increase in service revenues is a result of an increase in the number of projects from the overall market growth for medical imaging related services for clinical trials. Service revenues were generated from 52 clients encompassing 104 distinct projects for the three months ended March 31, 2002. This compares to 41 clients encompassing 75 distinct projects for the three months ended March 31, 2001. Service revenues generated from the Company's client base continue to be highly concentrated. One client encompassing 3 projects represented approximately 22.4% of the Company's service revenues for the three months ended March 31, 2002, while for the comparable period last year, three clients encompassing 11 projects represented

approximately 45.2% of the Company's service revenues. No other customers accounted for more than 10% of service revenues in each of the three month periods ended March 31, 2002 and 2001. The Company's scope of work in both periods included primarily medical-imaging core laboratory services and image-based information management services.

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Reimbursement revenues for the three months ended March 31, 2002 and 2001 were approximately \$870,000 and \$414,000, respectively, an increase of approximately \$456,000 or 110.4%. Reimbursement revenues consists of pass-through costs reimbursed by the customer. As required, the Company adopted the guidance of recently issued accounting pronouncement EITF 01-14, effective January 1, 2002, and, accordingly, has reclassified reimbursed pass-through costs as part of revenues. The increase in the three months ended March 31, 2002 resulted from an increase in projects and the associated reimbursed costs.

Cost of revenues for the three months ended March 31, 2002 and 2001 were approximately \$3,397,000 and \$1,468,000, respectively, an increase of approximately \$1,929,000 or 131.4%. Cost of revenues for the three months ended March 31, 2002 and three months ended March 31, 2001 were comprised of professional salaries and benefits, allocated overhead and pass-through costs. The increase in cost of revenues is primarily attributable to personnel and facilities assumed as part of the Intelligent Imaging Acquisition, along with an increase in staffing levels required for project related tasks for the three months ended March 31, 2002. The Company anticipates utilizing the excess Intelligent Imaging resource capacity to fulfill current and anticipated projects.

The increase in the cost of revenues as a percentage of total revenues in the three months ended March 31, 2002 of 71.6% from the three months ended March 31, 2001 of 57.6% is primarily due to costs associated with the integration of Intelligent Imaging. In addition, the inclusion of reimbursable pass-through costs in revenues has added to this percentage increase since reimbursable revenues along with the associated reimbursable pass-through costs have increased in proportion to the Company's number of projects and service revenues. The cost of revenues as a percentage of total revenues may fluctuate based on the utilization of staff and the mix of services provided by the Company.

General and administrative expenses for the three months ended March 31, 2002 and 2001 were approximately \$592,000 and \$445,000, respectively, an increase of approximately \$147,000 or 33.0%. General and administrative expenses in each of the three months ended March 31, 2002 and three months ended March 31, 2001 consisted primarily of professional salaries and benefits, depreciation and amortization, professional and consulting services, office rent and corporate insurance. The increase during the three months ended March 31, 2002 from the three months ended March 31, 2001, is primarily attributable to an increase in corporate insurance and professional services associated with general corporate matters resulting from the increase in the Company's service revenues and personnel.

The decrease in general and administrative expenses as a percentage of total revenues in the three months ended March 31, 2002 of 12.5% from the three months ended March 31, 2001 of 17.5% is primarily due to the Company's increase in total revenues with a lesser increase in costs associated with depreciation and amortization, professional and consulting services, office rent and corporate insurance.

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Sales and marketing expenses for the three months ended March 31, 2002 and 2001 were approximately \$416,000 and \$413,000, respectively, an increase of approximately \$3,000 or 0.7%. Sales and marketing expenses in each of the three months ended March 31, 2002 and three months ended March 31, 2001 were comprised of direct sales and marketing costs, professional salaries and benefits and allocated overhead. These expenses have not increased significantly in the three months ended March 31, 2002 from the comparable period last year.

The decrease in sales and marketing expenses as a percentage of total revenues in the three months ended March 31, 2002 of 8.8% from the three months ended March 31, 2001 of 16.2% is primarily due to the Company's increase in total revenues with a lesser increase in costs associated with professional

salaries and benefits.

Total cost and expenses for the three months ended March 31, 2002 and 2001 were approximately \$4,405,000 and \$2,326,000, respectively, an increase of approximately \$2,079,000 or 89.4%. Total cost and expenses in each of the three months ended March 31, 2002 and three months ended March 31, 2001 consisted primarily of cost of revenues, general and administrative expenses and sales and marketing expenses. This increase is due primarily to an increase in personnel resulting from the Intelligent Imaging Acquisition, along with an increase in professional services associated with general corporate matters.

Total cost and expenses as a percentage of total revenues for the three months ended March 31, 2002 of 6.3% from the three months ended March 31, 2001 of 8.6% did not change significantly due to the increase in cost of revenues as a percentage of total revenues offset by the decreases in general and administrative and sales and marketing expenses as a percentage of total revenues.

Net interest expense for the three months ended March 31, 2002 and 2001 were approximately \$19,000 and \$1,000, respectively, an increase of approximately \$18,000 or 1752.2%. Net interest expense for the three months ended March 31, 2002 resulted from interest expense incurred on both the convertible promissory note and equipment lease obligations. Net interest expense in the three months ended March 31, 2001 resulted from interest expense incurred on equipment lease obligations.

The Company's income tax provision of \$22,471 relates to estimated state income taxes for the three months ended March 31, 2002. The Company has no remaining net operating loss carry forwards in the Commonwealth of Pennsylvania. During the three months ended March 31, 2002, the federal income tax provision has been offset by a reduction in the Company's valuation allowance of approximately \$74,000. Management believes that it is more likely than not that the net deferred income tax assets, recorded as of March 31, 2002, will be realized in the future.

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The Company's net income for the three months ended March 31, 2002 was attributable primarily to increased revenues associated with an increase in the number of projects for which the Company was engaged to perform services, offset, in part, by the costs associated with the integration of the Intelligent Imaging Acquisition.

LIQUIDITY AND CAPITAL RESOURCES

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
<S>	<C>	<C>
Net cash provided by (used in) operating activities	\$321,627	(\$5,977)
Net cash used in investing activities	(\$314,660)	(\$56,748)
Net cash used in financing activities	(\$73,174)	(\$37,176)

At March 31, 2002, the Company had cash and cash equivalents of approximately \$434,000. Working capital at March 31, 2002 was approximately \$1,573,000.

Net cash provided by operating activities for the three months ended March 31, 2002 includes net income of approximately \$297,000, approximately \$204,000 of depreciation and amortization and changes in certain of the Company's operating assets and liabilities, such as, an increase of approximately \$109,000 in accrued expenses and other current liabilities, offset by an increase in prepaid expenses and other current assets of approximately \$118,000 and a decrease in deferred revenue of approximately \$128,000.

Net cash used in investing activities represents the Company's investment in capital and leasehold improvements. The Company currently anticipates that capital expenditures for the remainder of fiscal year ending December 31, 2002 will be approximately \$800,000. These expenditures represent additional upgrades

in the Company's networking, data storage and core laboratory capabilities for both the United States and European operations and software investment in 21 CFR Part 11 compliance. 21 CFR Part 11 is a regulation published by the Food and Drug Administration pursuant to its Electronic Records and Electronic Signatures Rule relating to requirements for electronic records and signatures that support regulated activities.

Net cash used in financing activities is primarily due to payments under the Promissory Note and equipment lease obligations.

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The following table lists the Company's cash contractual obligations as of March 31, 2002:

<TABLE>
<CAPTION>

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4 - 5 years	After 5 years
<S>	<C>	<C>	<C>	<C>	<C>
Capital Lease Obligations	\$275,930	\$168,426	\$107,504	-	-
Promissory Note	\$958,333	\$166,667	\$791,666	-	-
Facility Rent Operating Leases	\$5,386,747	\$761,238	\$1,840,137	\$1,303,736	\$1,481,636
Total Contractual Cash Obligations	\$6,621,010	\$1,096,331	\$2,739,307	\$1,303,736	\$1,481,636

</TABLE>

On April 30, 2002, the Company entered into an agreement with Wachovia Bank, National Association ("Wachovia") for a committed line of credit up to \$1,000,000, collateralized by the Company's assets. Interest is payable at Wachovia's Prime Rate plus 0.5%. The agreement requires the Company, among other things, to maintain a debt service coverage ratio of not less than 1.25 to 1, measured annually. The committed line of credit matures May 31, 2003 and may be renewed on an annual basis.

In December 1999, the Company entered into an accounts receivable financing agreement with Silicon Valley Bank ("Silicon Valley Bank"), whereby the Company may assign up to \$500,000 of eligible accounts receivable to Silicon Valley Bank. In March 2000, Silicon Valley Bank increased the eligible accounts receivable to \$1,000,000. Under the agreement, Silicon Valley Bank may advance the Company up to 80% of the assigned accounts receivable amount. Upon collection by Silicon Valley Bank, the balance of the assigned accounts receivable would be remitted to the Company net of Silicon Valley Bank's finance charges and administration fees. A 1.00% administrative fee of the face amount of the assigned receivable may be charged by Silicon Valley Bank along with a 1.75% finance charge per month of the average daily account balance outstanding. Although the agreement is contractually renewable each year, it is cancelable by Silicon Valley Bank at any time. During the three months ended March 31, 2002, the Company did not assign any accounts receivable to Silicon Valley Bank. At March 31, 2002, the Company had repaid its borrowings and had a \$0 balance with Silicon Valley Bank. This accounts receivable financing agreement with Silicon Valley Bank was terminated by the Company on May 13, 2002.

In connection with the Intelligent Imaging Acquisition, beginning February 1, 2002, the Company is obligated to pay quarterly payments of principal of \$41,667 under the Note, plus accrued interest thereon, and one payment of principal of \$500,000 on November 1, 2004, unless

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the Note is previously converted into the Company's Common Stock. The Note bears interest at the rate in effect on the business day immediately prior to the date on which payments are due under the Note equal to the LIBOR Rate as published from time to time in the Wall Street Journal plus 3%, compounded annually based

on a 365-day year. During the three months ended March 31, 2002, the Company paid \$41,667 in principal under the Note and \$13,102 in interest up to February 1, 2002.

The Company has neither paid nor declared dividends on its Common Stock since its inception and does not plan to pay dividends on its Common Stock in the foreseeable future.

The Company anticipates that its cash and cash equivalents as of March 31, 2002, together with anticipated cash from operations, will be sufficient to fund current working capital needs and capital requirements for at least the next twelve months. There can be no assurance, however, that the Company's operating results will continue to achieve profitability on an annual basis in the near future. The Company's past history of operating losses, together with the risks associated with: (i) the integration of Intelligent Imaging into the Company; (ii) the Company's ability to gain new client contracts; (iii) the variability of the timing of payments on existing client contracts and; (iv) other changes in the Company's operating assets and liabilities, may have a material adverse effect on the Company's future liquidity. In connection therewith, the Company may need to raise additional capital in the foreseeable future from equity or debt sources in order to; (i) implement its business, sales or marketing plans; (ii) take advantage of unanticipated opportunities (such as more rapid expansion, acquisitions of complementary businesses or the development of new services); (iii) to react to unforeseen difficulties (such as the decrease in the demand for the Company's services or the timing of revenues due to a variety of factors previously discussed) or; (iv) to otherwise respond to unanticipated competitive pressures. There can be no assurance that additional financing will be available, if at all, on terms acceptable to the Company.

The Company's 2002 operating plan contains assumptions regarding revenue and expenses. The achievement of the operating plan depends heavily on the timing of work performed by the Company on existing projects and the ability of the Company to gain and perform work on new projects. Project cancellation, or delays in the timing of work performed by the Company on existing projects or the inability of the Company to gain and perform work on new projects could have an adverse impact on the Company's ability to execute its operating plan and maintain adequate cash flow. In the event actual results do not meet the operating plan, the Company's management believes it could execute contingency plans to mitigate such effects. Such plans include additional financing, to the extent available, through the line of credit discussed above. Considering the cash on hand and based on the achievement of the operating plan and management's actions taken to date, management believes it has the ability to continue to generate sufficient cash to satisfy its operating requirements in the normal course of business. However, no assurance can be given that sufficient cash will be generated from operations.

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CRITICAL ACCOUNTING POLICIES, ESTIMATES AND RISKS

Financial Reporting Release No. 60, which was recently released by the Securities and Exchange Commission, requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. The Notes to the Consolidated Financial Statements includes a summary of significant accounting policies and methods used in the preparation of the Company's Consolidated Financial Statements. The following is a brief discussion of the more significant accounting policies and methods used by the Company.

In addition, Financial Reporting Release No. 61 was recently released by the SEC to require all companies to include a discussion to address, among other things, liquidity, off-balance sheet arrangements, contractual obligations and commercial commitments.

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including the recoverability of tangible and intangible assets, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and

expenses during the reported period.

On an on-going basis, the Company evaluates its estimates. The most significant estimates relate to the recognition of revenue and profits based on the percentage of completion method of accounting for fixed service contracts, allowance for doubtful accounts and income taxes.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements:

Revenue Recognition. Service revenues are recognized over the contractual term of the Company's customer contracts using the percentage-of-completion method based on costs incurred as a percentage of total estimated costs. Service revenues are first recognized when the Company has a signed contract from the customer, with fixed or determinable fees and for which collectability is reasonably assured. Any change to recognized service revenue as a result of revisions to estimated total costs are recognized in the period the estimate changes. Direct and incremental costs incurred at the outset of an arrangement that are directly related to a customer contract are deferred, if their recoverability from that contract is probable. Deferred costs are expensed upon recognition of revenue associated with the contract.

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The Company's revenue recognition policy entails a number of estimates including an estimate of the total costs expected to be incurred on a project, which is used as the basis for determining the portion of the Company's revenue to be recognized each period. The revenue recognized may have been materially effected if different assumptions or conditions prevailed. If there are changes in the total estimated costs, other than scope changes in a project which typically result in a revision to the contract, the timing of the Company's recognition of revenue would change. The Company reviews its total estimated costs monthly.

The Company also incurs costs at the outset of a customer service arrangement prior to receiving a final signed contract and, therefore, defer these costs and delay the recording of any service revenue. If a customer did not sign the contract, the Company would have to immediately expense the deferred costs.

Allowance for Doubtful Accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Income Taxes. The Company records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized. While the Company has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event the Company were to determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Likewise, should the Company determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

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PART II. OTHER INFORMATION.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- (a) The Annual Meeting of Stockholders of the Company (the "Meeting") was held on February 27, 2002.
- (b) The following is a list of all of the nominees for Director of the Company who were elected at the Meeting and whose term of office continued after the Meeting:

Mark L. Weinstein

James A. Bannon, Pharm.D.

Jeffrey H. Berg, Ph.D.

David E. Nowicki, D.M.D.

Allan E. Rubenstein, M.D.

David M. Stack

Paula B. Stafford

James A. Taylor, Ph.D.

(c) There were present at the Meeting, in person or by proxy, 7,927,593 shares of Common Stock out of a total of 8,278,141 shares of Common Stock issued and outstanding and entitled to vote at the Meeting.

(d) The results of the vote of the stockholders taken at the Meeting by ballot and by proxy as solicited by the Company on behalf of the Board of Directors were as follows:

(i) The results of the vote taken at the Meeting for the election of the nominees for Board of Directors of the Company were as follows:

Nominee	For	Withheld
Mark L. Weinstein	7,895,093	32,500
James A. Bannon, Pharm.D.	7,283,294	689,299
Jeffrey H. Berg, Ph.D.	7,875,593	52,000
David E. Nowicki, D.M.D.	7,895,793	31,800
Allan E. Rubenstein, M.D.	7,109,794	817,799
David M. Stack	7,895,593	32,000
Paula B. Stafford	7,895,793	31,800
James A. Taylor, Ph.D.	7,297,127	32,500

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(ii) A vote was taken to adopt the Company's 2002 Stock Incentive Plan. The results of the vote taken at the Meeting with respect to the adoption of the Company's 2002 Stock Incentive Plan were as follows:

For	Against	Abstain	Broker Non-Votes
4,225,713	981,616	21,967	2,698,297

(iii) A vote was taken on the proposal to ratify the appointment of Arthur Andersen LLP as independent auditors of the Company for the fiscal year ending December 31, 2002. The results of the vote taken at the Meeting with respect to such appointment were as follows:

For	Against	Abstain
6,790,657	886,966	249,970

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

4.1 Promissory Note for \$1,000,000, dated April 30, 2002, made by the Company in favor of Wachovia Bank, National

Association.

- 10.1 2002 Stock Incentive Plan, adopted by the stockholders of the Company on February 27, 2002. (Incorporated by reference to Exhibit 99.1 to the Company's Form S-8 dated April 2, 2002).
- 10.2 First Modification of Office Space Lease between 826 Newtown Associates, LP and the Company dated January 11, 2002.
- 10.3 Loan Agreement, dated April 30, 2002, by and between the Company and Wachovia Bank, National Association.
- 10.4 Security Agreement, dated April 30, 2002, made by the Company in favor of Wachovia Bank, National Association.
- 10.5 Employment Agreement, dated February 1, 2002, by and between the Company and Mark L. Weinstein.*

* The schedules and exhibits to this document are not being filed herewith because the Company believes that the information contained therein is not material. Upon request therefor, the Company agrees to furnish supplementally a copy of any schedule or exhibit to the Securities and Exchange Commission.

(b) Reports on Form 8-K.

Report on Form 8-K/A filed on January 8, 2002 (filing Audited Financial Statements of the Intelligent Imaging division as of and for the fiscal years ended September 30, 2001 and 2000, and Unaudited Pro-Forma Combined Condensed Financial Statements of the Company).

Report on Form 8-K filed on April 17, 2002 (reporting the dismissal of Arthur Andersen LLP as the Company's independent auditors and the engagement of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2002).

Report on Form 8-K/A filed on April 26, 2002 (amending the letter from Arthur Andersen LLP filed with the Form 8-K filed on April 17, 2002).

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SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIO-IMAGING TECHNOLOGIES, INC.

DATE: May 14, 2002

By: /s/ Mark L. Weinstein

Mark L. Weinstein, President, Chief
Executive Officer and Chief Financial
Officer (Principal Executive Officer
and Principal Financial Officer)

DATE: May 14, 2002

By: /s/ Maria T. Kraus

Maria T. Kraus, Controller
(Principal Accounting Officer)

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[image omitted]

PROMISSORY NOTE

\$1,000,000.00

April 30, 2002

Bio-imaging Technologies, Inc.
826 Newtown-Yardley Road
Newtown, Pennsylvania 18940
(Individually and collectively "Borrower")

Wachovia Bank, National Association
123 South Broad Street
Philadelphia, Pennsylvania 19109
(Hereinafter referred to as "Bank")

Borrower promises to pay to the order of Bank, in lawful money of the United States of America, at its office indicated above or wherever else Bank may specify, the sum of One Million and No/100 Dollars (\$1,000,000.00) or such sum as may be advanced and outstanding from time to time, with interest on the unpaid principal balance at the rate and on the terms provided in this Promissory Note (including all renewals, extensions or modifications hereof, this "Note").

LOAN AGREEMENT. This Note is subject to the provisions of that certain Loan Agreement between Bank and Borrower dated April 30, 2002, as modified from time to time.

LINE OF CREDIT. Borrower may borrow, repay and reborrow, and Bank may advance and readvance under this Note respectively from time to time until the maturity hereof (each an "Advance" and together the "Advances"), so long as the total principal balance outstanding under this Note at anyone time does not exceed the principal amount stated on the face of this Note, subject to the limitations described in any loan agreement to which this Note is subject. Bank's obligation to make Advances under this Note shall terminate if Borrower is in Default. As of the date of each proposed Advance, Borrower shall be deemed to represent that each representation made in the Loan Documents is true as of such date. 30-DAY PAYOUT. During the term of the Note, Borrower agrees to pay down the outstanding balance to a maximum of \$0.00 for 30 consecutive days semi-annually.

If Borrower subscribes to Bank's cash management services and such services are applicable to this line of credit, the terms of such service shall control the manner in which funds are transferred between the applicable demand deposit account and the line of credit for credit or debit to the line of credit.

USE OF PROCEEDS. Borrower shall use the proceeds of the loan(s) evidenced by this Note for the commercial purposes of Borrower, as follows: for working capital.

SECURITY. Borrower has granted Bank a security interest in the collateral

described in the Loan Documents, including, but not limited to, personal property collateral described in that certain Security Agreement of even date herewith.

INTEREST RATE. Interest shall accrue on the unpaid principal balance of this Note from the date hereof at the Bank's Prime Rate plus 0.5%, as that rate may change from time to time in accordance with changes in the Bank's Prime Rate ("Interest Rate"). "Bank's Prime Rate" shall be that rate announced by Bank from time to time as its prime rate and is one of several interest rate bases used by Bank. Bank lends at rates both above and below Bank's Prime Rate, and Borrower acknowledges that Bank's Prime Rate is not represented or intended to be the lowest or most favorable rate of interest offered by Bank.

DEFAULT RATE. In addition to all other rights contained in this Note, if a Default (as defined herein) occurs and as long as a Default continues, all outstanding Obligations shall bear interest at the Interest

Rate plus 3% ("Default Rate"). The Default Rate shall also apply from acceleration until the Obligations or any judgment thereon is paid in full.

INTEREST AND FEE(S) COMPUTATION (ACTUAL/360). Interest and fees, if any, shall be computed on the basis of a 360-day year for the actual number of days in the applicable period ("Actual/360 Computation"). The Actual/360 Computation determines the annual effective interest yield by taking the stated (nominal) rate for a year's period and then dividing said rate by 360 to determine the daily periodic rate to be applied for each day in the applicable period. Application of the Actual/360 Computation produces an annualized effective rate exceeding the nominal rate.

REPAYMENT TERMS. This Note shall be due and payable in consecutive monthly payments of accrued interest only, commencing on May 1, 2002, and continuing on the same day of each month thereafter until fully paid. In any event, all principal and accrued interest shall be due and payable on May 31, 2003.

AUTOMATIC DEBIT OF CHECKING ACCOUNT FOR LOAN PAYMENT. Borrower authorizes Bank to debit demand deposit account number or any other account with Bank (routing number 031000503) designated in writing by Borrower, beginning May 1, 2002 for any payments due under this Note. Borrower further certifies that Borrower holds legitimate ownership of this account and preauthorizes this periodic debit as part of its right under said ownership.

APPLICATION OF PAYMENTS. Monies received by Bank from any source for application toward payment of the Obligations shall be applied to accrued interest and then to principal. If a Default occurs, monies may be applied to the Obligations in any manner or order deemed appropriate by Bank.

If any payment received by Bank under this Note or other Loan Documents is rescinded, avoided or for any reason returned by Bank because of any adverse claim or threatened action, the returned payment shall remain payable as an

obligation of all persons liable under this Note or other Loan Documents as though such payment had not been made.

DEFINITIONS. LOAN DOCUMENTS. The term "Loan Documents" used in this Note and the other Loan Documents refers to all documents executed in connection with or related to the loan evidenced by this Note and any prior notes which evidence all or any portion of the loan evidenced by this Note, and any letters of credit issued pursuant to any loan agreement to which this Note is subject, any applications for such letters of credit and any other documents executed in connection therewith or related thereto, and may include, without limitation, a commitment letter that survives closing, a loan agreement, this Note, guaranty agreements, security agreements, security instruments, financing statements, mortgage instruments, any renewals or modifications, whenever any of the foregoing are executed, but does not include swap agreements (as defined in 11 U.S.C.ss.101). OBLIGATIONS. The term "Obligations" used in this Note refers to any and all indebtedness and other obligations under this Note, all other obligations under any other Loan Document(s), and all obligations under any swap agreements (as defined in 11 U.S.C.ss.101) between Borrower and Bank whenever executed. CERTAIN OTHER TERMS. All terms that are used but not otherwise defined in any of the Loan Documents shall have the definitions provided in the Uniform Commercial Code.

LATE CHARGE. If any payments are not timely made, Borrower shall also pay to Bank a late charge equal to 5% of each payment past due for 10 or more days.

Acceptance by Bank of any late payment without an accompanying late charge shall not be deemed a waiver of Bank's right to collect such late charge or to collect a late charge for any subsequent late payment received.

ATTORNEYS' FEES AND OTHER COLLECTION COSTS. Borrower shall pay all of Bank's reasonable expenses incurred to enforce or collect any of the Obligations including, without limitation, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses, whether incurred without the commencement of a suit, in any trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

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USURY. If at any time the effective interest rate under this Note would, but for this paragraph, exceed the maximum lawful rate, the effective interest rate under this Note shall be the maximum lawful rate, and any amount received by Bank in excess of such rate shall be applied to principal and then to fees and expenses, or, if no such amounts are owing, returned to Borrower.

DEFAULT. If any of the following occurs, a default ("Default") under this Note shall exist: NONPAYMENT; NONPERFORMANCE. The failure of timely payment or performance of the Obligations or Default, however denominated, under this Note or any other loan Documents. FALSE WARRANTY. A warranty or representation made or deemed made in the Loan Documents or furnished Bank in connection with the loan evidenced by this Note proves materially false, or if of a continuing

nature, becomes materially false. CROSS DEFAULT. At Bank's option, any default in payment or performance of any obligation under any other loans, contracts or agreements of Borrower, any Subsidiary or Affiliate of Borrower, any general partner of or the holder(s) of the majority ownership interests of Borrower with Bank or its affiliates ("Affiliate" shall have the meaning as defined in 11 U.S.C. ss. 101, except that the term "Borrower" shall be substituted for the term "Debtor" therein; "Subsidiary" shall mean any business in which Borrower holds, directly or indirectly, a controlling interest). CESSATION; BANKRUPTCY. The death of, appointment of a guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or commencement of any bankruptcy or insolvency proceeding by or against Borrower, its Subsidiaries or Affiliates, if any, or any general partner of or the holder(s) of the majority ownership interests of Borrower, or any party to the Loan Documents. MATERIAL BUSINESS ALTERATION. Without prior written consent of Bank, a material alteration in the kind or type of Borrower's business. MATERIAL CAPITAL STRUCTURE OR BUSINESS ALTERATION. Without prior written consent of Bank, (i) a material alteration in the kind or type of Borrower's business or that of Borrower's Subsidiaries or Affiliates, if any; (ii) the sale of substantially all of the business or assets of Borrower, any of Borrower's Subsidiaries or Affiliates or any guarantor, or a material portion (10% or more) of such business or assets if such a sale is outside the ordinary course of business of Borrower, or any of Borrower's Subsidiaries or Affiliates or any guarantor, or more than 50% of the outstanding stock or voting power of or in any such entity in a single transaction or a series of transactions; (iii) the acquisition of substantially all of the business or assets or more than 50% of the outstanding stock or voting power of any other entity; or (iv) should any Borrower or any of Borrower's Subsidiaries or Affiliates or any guarantor enter into any merger or consolidation.

REMEDIES UPON DEFAULT. If a Default occurs under this Note or any Loan Documents, Bank may at any time thereafter, take the following actions: BANK LIEN. Foreclose its security interest or lien against Borrower's accounts without notice. ACCELERATION UPON DEFAULT. Accelerate the maturity of this Note and, at Bank's option, any or all other Obligations, whereupon this Note and the accelerated Obligations shall be immediately due and payable; provided, however, if the Default is based upon a bankruptcy or insolvency proceeding commenced by or against Borrower or any guarantor or endorser of this Note, all Obligations shall automatically and immediately be due and payable. CUMULATIVE. Exercise any rights and remedies as provided under the Note and other Loan Documents, or as provided by law or equity.

FINANCIAL AND OTHER INFORMATION. Borrower shall deliver to Bank such information as Bank may reasonably request from time to time, including without limitation, financial statements and information pertaining to Borrower's financial condition. Such information shall be true, complete, and accurate.

CONFESSION OF JUDGMENT. THE FOLLOWING PARAGRAPH SETS FORTH A POWER OF AUTHORITY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST BORROWER. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST BORROWER, THE BORROWER, FOLLOWING CONSULTATION WITH (OR DECISION NOT TO CONSULT) SEPARATE COUNSEL FOR BORROWER AND WITH KNOWLEDGE OF THE LEGAL EFFECT HEREOF, HEREBY KNOWINGLY, INTENTIONALLY,

VOLUNTARILY, INTELLIGENTLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS THE BORROWER HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES OF AMERICA, COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE INCLUDING, WITHOUT LIMITATION, A HEARING PRIOR TO GARNISHMENT AND ATTACHMENT

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OF THE BORROWER'S BANK ACCOUNT AND OTHER ASSETS. BORROWER ACKNOWLEDGES AND UNDERSTANDS THAT BY ENTERING INTO THIS NOTE CONTAINING A CONFESSION OF JUDGMENT CLAUSE THAT BORROWER IS VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY GIVING UP ANY AND ALL RIGHTS, INCLUDING CONSTITUTIONAL RIGHTS, THAT BORROWER HAS OR MAY HAVE TO NOTICE AND A HEARING BEFORE JUDGMENT CAN BE ENTERED AGAINST BORROWER AND BEFORE THE BORROWER'S ASSETS, INCLUDING, WITHOUT LIMITATION, ITS BANK ACCOUNTS, MAY BE GARNISHED, LEVIED, EXECUTED UPON AND/OR ATTACHED. BORROWER UNDERSTANDS THAT ANY SUCH GARNISHMENT, LEVY, EXECUTION AND/OR ATTACHMENT SHALL RENDER THE PROPERTY GARNISHED, LEVIED, EXECUTED UPON OR ATTACHED IMMEDIATELY UNAVAILABLE TO BORROWER. IT IS SPECIFICALLY ACKNOWLEDGED BY BORROWER THAT THE BANK HAS RELIED ON THIS WARRANT OF ATTORNEY AND THE RIGHTS WAIVED BY BORROWER HEREIN IN RECEIVING THIS NOTE AND AS AN INDUCEMENT TO GRANT FINANCIAL ACCOMMODATIONS TO THE BORROWER.

If a Default occurs under this Note or any other Loan Documents, each Borrower hereby jointly and severally authorizes and empowers any attorney of any court of record or the prothonotary or clerk of any county in the Commonwealth of Pennsylvania, or in any jurisdiction where permitted by law or the clerk of any United States District Court, to appear for Borrower in any and all actions which may be brought hereunder and enter and confess judgment against the Borrower or any of them in favor of the Bank for such sums as are due or may become due hereunder or under any other Loan Documents, together with costs of suit and actual collection costs including, without limitation, reasonable attorneys' fees equal to 5% of the Obligations then due and owing but in no event less than \$5,000.00, with or without declaration, without prior notice, without stay of execution and with release of all procedural errors and the right to issue executions forthwith. To the extent permitted by law, Borrower waives the right of inquisition on any real estate levied on, voluntarily condemns the same, authorizes the prothonotary or clerk to enter upon the writ of execution this voluntary condemnation and agrees that such real estate may be sold on a writ of execution; and also waives any relief from any appraisal, stay or exemption law of any state now in force or hereafter enacted. BORROWER FURTHER WAIVES THE RIGHT TO ANY NOTICE AND HEARING PRIOR TO THE EXECUTION, LEVY, ATTACHMENT OR OTHER TYPE OF ENFORCEMENT OF ANY JUDGMENT OBTAINED HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO BE NOTIFIED AND HEARD PRIOR TO THE GARNISHMENT, LEVY, EXECUTION UPON AND ATTACHMENT OF BORROWER'S BANK ACCOUNTS AND OTHER PROPERTY. If a copy of this Note verified by affidavit of any officer of the Bank shall have been filed in such action, it shall not be necessary to file the original thereof as a warrant of attorney, any practice or usage to the contrary notwithstanding. The authority herein granted to confess judgment shall not be exhausted by any single exercise thereof, but shall continue and may be exercised from time to time as often as the Bank shall find it necessary and

desirable and at all times until full payment of all amounts due hereunder and under any other Loan Documents. The Bank may confess one or more judgments in the same or different jurisdictions for all or any part of the Obligations arising hereunder or under any other Loan Documents to which Borrower is a party, without regard to whether judgment has theretofore been confessed on more than one occasion for the same Obligations. In the event that any judgment confessed against the Borrower is stricken or opened upon application by or on behalf of Borrower or any obligor for any reason, the Bank is hereby authorized and empowered to again appear for and confess judgment against Borrower for any part or all of the Obligations owing under this Note and/or for any other liabilities, as herein provided.

WAIVERS AND AMENDMENTS. No waivers, amendments or modifications of this Note and other Loan Documents shall be valid unless in writing and signed by an officer of Bank. No waiver by Bank of any Default shall operate as a waiver of any other Default or the same Default on a future occasion. Neither the failure nor any delay on the part of Bank in exercising any right, power, or remedy under this Note and other Loan Documents shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Each Borrower or any person liable under this Note waives presentment, protest, notice of dishonor, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale and all other notices of any kind. Further, each agrees that Bank may extend, modify or renew this Note or make a novation of the loan evidenced by this Note for any period, and grant any releases,

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compromises or indulgences with respect to any collateral securing this Note, or with respect to any other Borrower or any other person liable under this Note or other Loan Documents, all without notice to or consent of each Borrower or each person who may be liable under this Note or any other Loan Document and without affecting the liability of Borrower or any person who may be liable under this Note or any other Loan Document.

MISCELLANEOUS PROVISIONS. ASSIGNMENT. This Note and the other Loan Documents shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Bank's interests in and rights under this Note and the other Loan Documents are freely assignable, in whole or in part, by Bank. In addition, nothing in this Note or any of the other loan Documents shall prohibit Bank from pledging or assigning this Note or any of the other Loan Documents or any interest therein to any Federal Reserve Bank. Borrower shall not assign its rights and interest hereunder without the prior written consent of Bank, and any attempt by Borrower to assign without Bank's prior written consent is null and void. Any assignment shall not release Borrower from the Obligations. APPLICABLE LAW; CONFLICT BETWEEN DOCUMENTS. This Note and, unless otherwise provided in any other Loan Document, the other Loan Documents shall be governed by and construed under the

laws of the state named in Bank's address shown above without regard to that state's conflict of laws principles. If the terms of this Note should conflict with the terms of any loan agreement or any commitment letter that survives closing, the terms of this Note shall control. BORROWER'S ACCOUNTS. Except as prohibited by law, Borrower grants Bank a security interest in all of Borrower's accounts with Bank and any of its affiliates. JURISDICTION. Borrower irrevocably agrees to non-exclusive personal jurisdiction in the state named in Bank's address shown above. SEVERABILITY. If any provision of this Note or of the other Loan Documents shall be prohibited or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or other such document. NOTICES. Any notices to Borrower shall be sufficiently given, if in writing and mailed or delivered to the Borrower's address shown above or such other address as provided hereunder, and to Bank, if in writing and mailed or delivered to Bank's office address shown above or such other address as Bank may specify in writing from time to time. In the event that Borrower changes Borrower's address at any time prior to the date the Obligations are paid in full, Borrower agrees to promptly give written notice of said change of address by registered or certified mail, return receipt requested, all charges prepaid. PLURAL; CAPTIONS. All references in the Loan Documents to Borrower, guarantor, person, document or other nouns of reference mean both the singular and plural form, as the case may be, and the term "person" shall mean any individual, person or entity. The captions contained in the Loan Documents are inserted for convenience only and shall not affect the meaning or interpretation of the Loan Documents. ADVANCES. Bank may, in its sole discretion, make other advances which shall be deemed to be advances under this Note, even though the stated principal amount of this Note may be exceeded as a result thereof. POSTING OF PAYMENTS. All payments received during normal banking hours after 2:00 p.m. local time at the office of Bank first shown above shall be deemed received at the opening of the next banking day. JOINT AND SEVERAL OBLIGATIONS. Each person who signs this Note as a Borrower (as defined herein) is jointly and severally obligated. FEES AND TAXES. Borrower shall promptly pay all documentary, intangible recordation and/or similar taxes on this transaction whether assessed at closing or arising from time to time.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto (a "Dispute") shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, claims brought as class actions, or claims arising from documents executed in the future. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. SPECIAL RULES. All arbitration hearings shall be conducted in the city named in the address of Bank first stated above. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no

more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than -----

\$1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. PRESERVATION AND LIMITATION OF REMEDIES. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. WAIVER OF EXEMPLARY DAMAGES. The parties agree that they shall not have a remedy of punitive or exemplary damages against other parties in any Dispute and hereby waive any right or claim to punitive or exemplary damages they have now or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially. WAIVER OF JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

IN WITNESS WHEREOF, Borrower, on the day and year first above written, has caused this Note to be executed under seal.

PLACE OF EXECUTION AND DELIVERY. Borrower hereby certifies that this Note and the Loan Documents were executed in the Commonwealth of Pennsylvania and delivered to Bank in the Commonwealth of Pennsylvania.

Bio-Imaging Technologies Inc.
Taxpayer Identification Number: 11-2872047

By: /s/ Mark L. Weinstein (seal)

Mark L. Weinstein

FIRST MODIFICATION OF OFFICE SPACE LEASE

This First Modification of Office Space Lease (this "Agreement") made this 11 day of January, 2002 by and between 826 NEWTOWN ASSOCIATES, LP, having an address c/o First Evergreen, 101 Eisenhower Parkway, Roseland, New Jersey 07068 ("Landlord"), and BIO-IMAGING TECHNOLOGIES, INC., having an address at 826 Newtown Yardley Road, Newtown, Pennsylvania 18940 ("Tenant").

WITNESSETH:

WHEREAS, by lease agreement dated September, 1999 (the "Lease"), Landlord's predecessor in interest leased to Tenant and Tenant hired from Landlord's predecessor in interest, certain premises (the "Original Premises") consisting of approximately 16,881 gross rentable square feet in the building (the "Original Premises Building") known as 826 Newtown Yardley Road, Newtown, Pennsylvania; and

WHEREAS, Landlord and Tenant wish to modify and amend the Lease as hereinafter set forth;

NOW, THEREFORE , for and in consideration of the above premises, the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Premises. (a) Upon the "Additional Space Commencement Date" (as said

term is hereinafter defined), the definition and description of the Premises in the Lease shall be modified and amended to include certain additional premises (the "Additional Space), consisting of approximately 14,284 gross rentable square feet located on the ground level of the building (the

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"Additional Space Building") known as 828 Newtown Yardley Road, Newtown, Pennsylvania, which Additional Space is more particularly described on Exhibit A attached hereto and made apart hereof. As a result of the foregoing, the definition and description of the Premises in the Lease shall, as of the Additional Space Commencement Date, refer to the Original Premises described in the Lease together with the Additional Space described herein, and shall consist of approximately 31,165 gross rentable square feet.

(b) Upon the Additional Space Commencement Date, all references in the Lease to the "Building" shall mean the "Original Premises Building" with respect to the Original Premises, and shall mean the Additional Space Building with respect to the Additional Space.

2. Additional Space Work/ Landlord's Contribution. (a) Landlord shall, at

Landlord's cost and expense, perform the work set forth on Exhibit B attached hereto and made a part hereof ("Landlord's Work").

(b) In addition to Landlord's Work, Landlord shall, at Tenant's cost and expense, subject to "Landlord's Contribution" (as said term is hereinafter defined), prepare the Additional Space for Tenant's occupancy in accordance with the plans and specifications attached hereto as Exhibit C. All such work to be performed by Landlord as set forth on Exhibit C is herein referred to as the "Tenant Improvement Work" and the cost to perform the Tenant Improvement Work is herein referred to as the "Construction Costs". Landlord shall obtain bids from three (3) contractors for the Tenant Improvement Work. Landlord shall award the Tenant Improvement Work to the lowest bidder unless Tenant shall request that the Tenant Improvement Work be awarded to one of the other bidders. Landlord shall submit all bids to Tenant, and Tenant shall have five (5) business days thereafter to advise Landlord if Tenant desires that the Tenant Improvement Work be awarded

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to a bidder other than the lowest bidder. If Tenant fails to so advise Landlord within the aforesaid five (5) business day period, the Tenant Improvement Work will be awarded to the lowest bidder, Landlord shall make a contribution towards the Construction Costs ("Landlord's Contribution"), which Landlord's Contribution shall be in the amount of \$188,255.00. In the event that the Construction Costs shall exceed Landlord's Contribution, Landlord shall pay such excess costs (the "Excess Costs") and the annual Fixed Basic Rent payable by Tenant through the "New Expiration Date" (as hereinafter defined) shall be increased by such Excess Costs amortized on a straight-line basis over an eight (8) year period with an interest factor equal to ten (10%) percent per annum (the "Increased Rent"). In addition to the Increased Rent, upon Landlord's determination of the Excess Costs, Tenant shall deposit with Landlord a letter of credit (the "LC") in the amount of the Excess Costs as additional security for the full and prompt performance by Tenant of its obligations under the Lease (the "LC Security Deposit"). The LC Security Deposit shall be in addition to the Security Deposit referred to in Section 38 of the Lease, and the Additional Security Deposit referred to in Section 15 hereinbelow. Landlord shall not be obligated to commence Landlord's Work or the Tenant Improvement Work, or deliver possession of the Additional Space to Tenant until such time as Tenant has deposited with Landlord said LC. The LC shall be unconditional and irrevocable and shall be drawn on a bank reasonably acceptable to Landlord. The LC shall be for a minimum period of one (1) year and shall provide that it shall be automatically renewed for additional one (1) year periods unless the issuing bank shall notify Landlord at least sixty (60) days prior to the end of its term that the LC shall not be renewed. In such event, Tenant shall deliver to Landlord a replacement LC in accordance with the requirements of this Section 2(b) within fifteen (15) days thereafter, or Landlord shall have the right to

draw upon the LC and retain the proceeds thereof as a cash security

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deposit. Landlord may draw upon the LC by submitting to the issuing bank a certification of Landlord's managing agent that there has occurred and is, at the time of said draw, a default under the Lease which entitles Landlord to apply all or any portion of any money deposited by Tenant as security for the full and prompt performance by Tenant of its obligations under the Lease. In such event, the proceeds received by Landlord shall be applied to cure such default of Tenant, including, but not limited to payment of Fixed Basic Rent, Additional Rent, late charges or other debts of Tenant due Landlord, or repair or restoration of the Premises. If Landlord uses any part of the LC Security Deposit, Tenant shall restore same to its full amount within five (5) days after Landlord's demand therefor, either by an LC in an amount equal to the draw down on the LC effected by Landlord, or by cash. Provided that Tenant has fully complied with all of the terms of the Lease, and is not in default of any of its obligations thereunder, the amount of the LC may be reduced by an amount equal to twelve and one half (12-1/2%) percent of the original amount of the LC Security Deposit at the end of each lease year during the Term of the Lease. For purposes hereof, the first "lease year" shall be the period commencing on the Additional Space Commencement Date and ending twelve (12) calendar months following the Additional Space Commencement Date, provided, however, that if the Additional Space Commencement Date is not the first day of a month, the first lease year shall end twelve (12) calendar months from the last day of the month in which the Additional Space Commencement Date occurs. Each succeeding twelve (12) calendar month period thereafter shall be a lease year. Provided Tenant has fully complied with all of the terms of the Lease, and is not in default of any of its obligations thereunder, Landlord shall return the remaining portion of the LC Security Deposit, if any, to Tenant without interest within thirty (30) days following the surrender of the Premises by Tenant.

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(c) Without limiting any of the provisions of this Section 2, Landlord estimates that the Construction Costs to base building standards shall be Two Hundred Ninety Seven Thousand and 00/100 (\$297,000.00) Dollars (the "Estimated Construction Costs"). In the event that the actual Construction Costs exceed the Estimated Construction Costs by an amount greater than ten (10%) percent, the amount of Landlord's Contribution shall be increased by such excess amount unless the excess amount results from events of Force Majeure or as a result of any act or omission of Tenant including, without limitation, changes in the Tenant Improvement Work requested by Tenant. If the actual Construction Costs are less than Two Hundred Ninety Seven Thousand and 00/100 (\$297,000.00) Dollars, the amount of landlord's Contribution shall not be reduced as a result thereof.

(d) Landlord's Work and the Tenant Improvement Work are herein collectively referred to as the "Additional Space Work". Tenant agrees that it shall not

interfere with Landlord's completion of the Additional Space Work and that any labor, which may be employed in connection with the installation of Tenant's trade fixtures, furniture or other items, shall be compatible with labor forces employed by Landlord. To the extent Tenant causes a delay in the completion of the Additional Space Work, whether by reason of a change in the Additional Space Work, non-compatibility of labor or otherwise, the Additional Space Commencement Date shall be accelerated by the period of such delay. Any changes in the Additional Space Work desired by Tenant shall be submitted in writing (with plans and specifications where applicable) and shall be subject to Landlord's approval, which approval shall not be unreasonably withheld or delayed. Landlord shall have a period of five (5) business days from receipt of Tenant's request for non-structural changes in the Additional Space Work, and fifteen (15) business days from receipt of Tenant's request for

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structural changes in the Additional Space Work, to either approve or disapprove of same. Failure of Landlord to approve or disapprove such requested changes in the Additional Space Work within the aforesaid time periods shall constitute an approval by Landlord thereof. Tenant shall designate one individual to serve as Tenant's construction representative. Such designation may be changed at any time in accordance with the notice provision of the Lease, but only one individual may be so designated at any one time. Tenant's construction representative shall be the only individual who shall have the authority to request any changes in the Additional Space Work.

(e) Within thirty (30) days after the substantial completion of the Additional Space Work, Tenant shall prepare and deliver to Landlord a "punchlist" of all items which are not fully completed, or which are defective, and Landlord agrees to complete or correct the same as quickly thereafter as is reasonably practicable under the circumstances.

3. Term. (a) The Term for the Additional Space shall commence on the date

(the "Additional Space Commencement Date") Landlord delivers possession of the Additional Space and a Certificate of Occupancy therefor to Tenant with the Additional Space Work, exclusive of "punchlist" items, substantially completed. The Additional Space Work shall be deemed substantially completed at such time as the only items to be completed are those which do not substantially interfere with Tenant's use and occupancy of the Additional Space. Should Landlord be delayed in delivering possession of the Additional Space and/or a Certificate of Occupancy therefor to Tenant, or in substantially completing the Additional Space Work, by reason of (i) Tenant's failure to complete any of its work, (ii) Tenant's failure to prepare and submit plans required hereunder in a timely manner, (iii) changes in the Additional Space Work requested by Tenant, (iv) the unavailability of materials or improvements selected by Tenant, or (v) any other act

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or omission of Tenant, the Additional Space Commencement Date shall be accelerated by the number of days of delay occasioned by any such event. Landlord estimates that the Additional Space Commencement Date shall occur on or about April 1, 2002 (the "Target Additional Space Commencement Date"). In the event that Landlord is unable to deliver possession of the Additional Space to Tenant on or before the Target Additional Space Commencement Date because of Landlord's inability to obtain a Certificate of Occupancy or because of Landlord's inability to substantially complete the Additional Space Work, or for any other reason, Landlord shall not be subject to any liability therefor. Notwithstanding the foregoing, subject to delays caused by Tenant and/or Force Majeure, and subject to Landlord's right to a reasonable extension as hereinafter set forth, if the Additional Space Commencement Date does not occur on or before July 1, 2002, Tenant shall have the right to terminate this Agreement upon written notice to Landlord given on or before July 6, 2002 (time being of the essence) but in any event prior to the Additional Space Commencement Date, and neither party shall have any further rights, liabilities or obligations hereunder thereafter; provided, however that if, on July 1, 2002, Landlord is diligently pursuing the substantial completion of the Additional Space Work and the obtaining of a Certificate of Occupancy and Landlord reasonably believes that the Additional Space Commencement Date will occur on or before August 1, 2002, Landlord shall be given until August 1, 2002 to substantially complete the Additional Space Work and to obtain a Certificate of Occupancy, and if the Additional Space Commencement Date does not occur on or before August 1, 2002, Tenant shall have the right to terminate this Agreement upon written notice to Landlord given on or before August 6, 2002 (time being of the essence), but in any event prior to the Additional Space Commencement Date, and neither party shall have any further rights, liabilities or obligations hereunder thereafter. In the event

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Tenant shall terminate this Agreement as set forth in this Section 3(a), the Lease shall nevertheless remain in full force and effect with respect to the Original Premises. Notwithstanding anything to the contrary contained herein, if the "Tenant Execution Date" (as hereinafter defined) does not occur on or before January 10, 2002, all dates set forth in this Section 3(a) shall be extended one (1) day for every day after January 10, 2002 until the Tenant Execution Date occurs. For purposes hereof, the Tenant Execution Date shall be the date on which Tenant executes this Agreement and delivers a copy of such executed Agreement to Landlord or Landlord's attorney.

(b) The Term for the Additional Space shall be co-terminus with the Term of the Lease for the Original Premises, including any renewals thereof. The Term of the Lease is hereby extended to 6:00 P.M. on the date (the "New Expiration Date") which shall be eight (8) years after the Additional Space Commencement Date; provided however, that if the Additional Space Commencement Date is other than the first day of a month, the New Expiration Date shall be eight (8) years after the last day of the month in which the Additional Space Commencement Date occurs. Tenant's option to renew the Term of the Lease, as set forth in Rider A

thereto, is hereby amended so that Tenant shall have only one (1) option to renew the Lease for the entire Premises (including the Additional Space) upon the terms and conditions set forth in said Rider A.

(c) Within ten (10) days after the written request of either party, the parties shall execute and deliver to each other a written confirmation of the Additional Space Commencement Date and the New Expiration Date.

4. Rent. (a) The Lease is amended to provide that commencing on the

Additional Space Commencement Date, Tenant shall pay to Landlord Fixed Basic Rent as follows:

(i) For and during the period commencing on the Additional Space

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Commencement Date and ending twelve (12) months thereafter, or if the Additional Space Commencement Date is other than the first day of a month, then ending twelve (12) months from the last day of the month in which the Additional Space Commencement Date occurs, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$17.74 per square foot (i.e. $31,165 \times \$17.74 = \$552,867.10$ per annum/ $\$46,072.26$ per month).

(ii) For and during the twelve (12) month period immediately following the period set forth in (i) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$19.25 per square foot (ie. $31,165 \times \$19.25 = \$599,926.25$ per annum/ $\$49,993.85$ per month).

(iii) For and during the twelve (12) month period immediately following the period set forth in (ii) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$19.75 per square foot (ie. $31,165 \times \$19.75 = \$615,508.75$ per annum/ $\$51,292.40$ per month).

(iv) For and during the twelve (12) month period immediately following the period set forth in (iii) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$20.25 per square foot (ie. $31,165 \times \$20.25 = \$631,091.25$ per annum/ $\$52,590.94$ per month).

(v) For and during the twelve (12) month period immediately following the period set forth in (iv) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$20.75 per square foot (ie. $31,165 \times \$20.75 = \$646,673.75$ per annum/ $\$53,889.48$ per month).

(vi) For and during the twelve (12) month period immediately following the period set forth in (v) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$21.25 per square foot (ie. 31,165x \$21.25 = \$662,256.25 per annum/\$55,188.02 per month).

(vii) For and during the twelve (12) month period immediately following the period set forth in (vi) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$21.75 per square foot (ie. 31,165 x \$21.75 = \$677,838.75 per annum/\$56,486.56 per month).

(viii) For and during the twelve (12) month period immediately following the period set forth in (vii) hereinabove, Fixed Basic Rent shall be paid at the annual rate determined by multiplying the gross rentable square foot area of the Premises (including the Additional Space) by \$22.25 per square foot (ie. 31,165 x \$22.25 = \$693,421.25 per annum/\$57,785.10 per month).

(b) The Fixed Basic Rent amounts, set forth in Section 4(a) above, shall be subject to increase in accordance with the terms and provisions of Section 2(b) hereof. Within ten (10) days after the written request of either party, the parties shall execute and deliver to each other a written confirmation of any additional Fixed Basic rent amounts payable by tenant in accordance with the foregoing.

(c) Fixed Basic Rent shall be payable without notice or demand and without setoff or deduction, in equal monthly installments, in advance, on the first day of each calendar month during the Term. Fixed Basic Rent for a partial month shall be prorated.

(d) Tenant shall continue to pay to Landlord, as Additional Rent, in the manner more particularly set forth in the Lease, Tenant's Proportionate Share of Annual Operating Costs (as

defined in the Lease) to the extent the same exceeds the sum of Four and 00/100 (\$4.00) Dollars per gross rentable square foot of the Premises (including the Additional Space).

5. Proportionate Share. The Lease is amended to provide that effective as -----
of the Additional Space Commencement Date, Tenant's Proportionate Share, as defined in the Lease, shall be changed from 14.19% to 26.0%.

6. Insurance. Section 7 of the Lease is supplemented to provide that Tenant

shall, at its cost and expense, procure all policies of insurance for the purpose of insuring the Additional Space in accordance with the terms set forth in said Section 7 of the Lease. Policies of such insurance, or certificates thereof, together with reasonable evidence of premium payment therefor, shall be delivered to Landlord upon Tenant's execution of this Agreement.

7. Utilities and Services. Section 9 of the Lease is supplemented to -----
provide that from and after the Additional Space Commencement Date, in addition to Tenant's obligation to pay all charges for electricity, light, heat or other utility used by Tenant at the Original Premises, Tenant shall also pay, as Additional Rent, all charges for electricity, light, heat or other utility used by Tenant at the Additional Space. Such charges for electricity, light, heat or other utility used by Tenant at the Additional Space shall be determined in the same manner as Landlord has been utilizing to determine the charges for electricity, light, heat or other utility used by Tenant at the Original Premises.

8. Governmental Regulations. To the extent required, Landlord shall obtain -----
a certificate of occupancy for Tenant's occupancy or use of the Additional Space; provided, however, that if Landlord is unable to obtain said certificate of occupancy solely because of any act or omission of Tenant, including, without limitation, any work being performed by Tenant at the

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Additional Space, then Tenant shall be obligated to obtain said certificate of occupancy at Tenant's sole cost and expense.

9. Tenant's Relocation. The terms and provisions of Section 22 of the Lease -----
shall apply independently to the Original Premises and the Additional Space; however, with respect to the Additional Space, the "Substituted Leased Premises" must be in reasonable proximity to the Additional Space.

10. Assignment and Sublease. (a) Section 21b) of the Lease is supplemented -----
to provide that in the event that Landlord elects not to exercise its right to sublease or recapture as set forth in Section 21a) of the Lease, Landlord shall have thirty (30) days from receipt of the "Assignment-Sublease Information" (as hereinafter defined) to either grant consent or withhold consent to a proposed assignment of the Lease or a sublease of all or any portion of the Premises. Failure of Landlord to either grant consent or withhold consent to such proposed assignment or sublease within the aforesaid thirty (30) day time period shall constitute a consent thereto by Landlord. For purposes of this Section 10, the "Assignment-Sublease Information" shall mean a written request for Landlord's approval of a proposed assignment or sublease setting forth the name, principal business address, and nature of business of the proposed assignee or sublessee;

the financial, banking and other credit information relating to the proposed assignee or sublessee; and the details of the proposed assignment or subletting, including a copy of the proposed assignment or sublease instrument and plans for any alterations required for the proposed assignee or sublessee. Notwithstanding anything to the contrary contained in the Lease or in this Agreement, under no circumstances shall Landlord be required to grant consent to a proposed assignment of the Lease or a sublease of all or any portion of the Premises to a current or former tenant or occupant of the

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Original Premises Building or the Additional Space Building, or to any individual or entity who or which has communicated its space requirements to Landlord within the twelve (12) month period immediately preceding Landlord's receipt of the Assignment-Sublease information, or is negotiating with Landlord for such space, or to any entity in any way related to any of the foregoing.

(b) Except as specifically set forth in 10(a) above, all of the terms and provisions of Section 21 of the Lease shall remain unmodified and in full force and effect.

11. Condition of Additional Space. Except for the Additional Space Work,

Tenant accepts the Additional Space in its "as is" condition as of the date hereof. Tenant acknowledges that Landlord has not made any representation as to the condition of the Additional Space or the suitability of the Additional Space for Tenant's intended use.

12. Recording. Neither this Agreement nor any memorandum of this Agreement

shall be recorded in any public records.

13. Broker's Commission. Tenant warrants and represents to Landlord that

Tenant has not dealt with or negotiated with any real estate broker or salesman in connection with this Agreement. Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from and against any and all claims, liability, losses, judgments and expenses, including reasonable attorney's fees and disbursements, which Landlord suffers as a result of Tenant's foregoing warranty and representation being untrue in any manner.

14. Irrevocable Offer; No Option. This Agreement shall become effective

only upon execution and delivery by both parties.

15. Security Deposit. Upon execution of this Agreement by Tenant,

shall deposit with Landlord the additional sum of \$55,000.00 as further security for the performance by

Tenant of its obligations under the Lease (the "Additional Security Deposit"). The terms and provisions of Section 38 of the Lease shall be applicable to the Additional Security Deposit and the Additional Security Deposit may also be in the form of an irrevocable evergreen letter of credit reasonably acceptable to Landlord as set forth in the Preamble to the Lease.

16. Tenant's Right of First Offer. The terms and provisions of Section 43 -----
of the Lease shall continue to apply to the Original Premises Building. With respect to the Additional Space Building, Tenant shall have a right of first offer ("Right of Offer") with respect to the leasing of the "Offer Space" shown on Exhibit D attached hereto and made a part hereof, as such space becomes available for leasing by Landlord, provided that there is not an event of default continuing in accordance with the terms and conditions of the Lease and Tenant is in possession of the Additional Space pursuant to the Lease and this Agreement. All of the other terms and provisions of Section 43 of the Lease shall be applicable to Tenant's Right of Offer as set forth in this Section 16.

17. Defined Terms. The capitalized terms used in this Agreement and not -----
defined herein shall have the respective meanings indicated in the Lease, unless the context clearly requires otherwise.

18. No Other Changes. The intent of this Agreement is only to modify, -----
change and amend those provisions of the Lease as herein specified. Except as herein specifically modified, changed and amended, all of the terms and conditions of the Lease shall remain in full force and effect

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

LANDLORD:
826 NEWTOWN ASSOCIATES, LP
By: Mark S. Green
Name: /s/ Mark S. Green

WITNESS:

Title: -----

ATTEST:

TENANT:

BIO-IMAGING TECHNOLOGIES, INC.

By:/s/ David Pitler 11-Jan-02

By: /s/ Mark L. Weinstein 11-Jan-2002

Name: David Pitler

Name:Mark L. Weinstein

Title:V.P. Operations

Title: President & CEO

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EXHIBIT A

DIAGRAM OF ADDITIONAL SPACE

[GRAPHIC OMITTED]

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EXHIBIT B

LANDLORD'S WORK

Landlord at its sole cost and expense shall construct, install and provide the following work at the Premises:

- Demising walls, taped and spackled.
- Ceiling grid.
- Building standard ceiling tiles.
- Building standard ceiling lights.
- HVAC system with trunk lines dispersed.
- Sprinkler heads installed as per code.
- Electric to panel box.

- Wall penetrations between vacant space and AutoClub Cellular's space as per plans.
- One new building window indicated on plans that is closest to sprinkler room in AutoClub Cellular's space.
- Walkway through courtyard connecting the Original Premises Building and the Additional Space Building (Landlord shall diligently pursue the completion of such walkway, and subject to delays beyond Landlord's control, and subject to receipt of all necessary permits and approvals, shall complete such walkway on or before the Additional Space Commencement Date).

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EXHIBIT C

ADDITIONAL SPACE WORK

[GRAPHIC OMITTED]

[Image Omitted]

LOAN AGREEMENT

Wachovia Bank, National Association
123 South Broad Street
Philadelphia, Pennsylvania 19109
(Hereinafter referred to as the "Bank")

Bio-imaging Technologies, Inc.
826 Newtown-Yardley Road
Newtown, Pennsylvania 18940
(Individually and collectively "Borrower")

This Loan Agreement ("Agreement") is entered into April 30, 2002, by and between Bank and Borrower.

This Agreement applies to the loan or loans (individually and collectively, the "Loan") evidenced by one or more promissory notes dated April 30, 2002 or other notes subject hereto, as modified from time to time (whether one or more, the "Note"), the standby letters of credit issued hereunder (each, a "Letter of Credit" and collectively, the "Letters of Credit") and all Loan Documents. The terms "Loan Documents" and "Obligations," as used in this Agreement, are defined in the Note.

Relying upon the covenants, agreements, representations and warranties contained in this Agreement, Bank is willing to extend credit to Borrower upon the terms and subject to the conditions set forth herein, and Bank and Borrower agree as follows:

LETTERS OF CREDIT. Bank will issue standby letters of credit, provided, the aggregate amount available to be drawn under all standby Letters of Credit plus the aggregate amount of unreimbursed drawings under all standby Letters of Credit at anyone time does not exceed \$300,000.00, and further provided, no standby letter of credit shall expire more than 365 days after the date it is issued. Notwithstanding anything to the contrary contained herein, the aggregate outstanding principal balance of Advances (as defined in the line of credit Promissory Note in the amount of \$1,000,000.00, dated April 30, 2002) plus the aggregate amount available to be drawn under all Letters of Credit plus the aggregate amount of unreimbursed drawings under all Letters of Credit the ("Total Outstandings") at any one time shall not exceed the lesser of \$1,000,000.00 or the Borrowing Base (as hereinafter defined). In the event that the Total Outstandings at any time exceeds the Borrowing Base, Borrower shall pay to Bank the amount of such excess immediately upon receipt by Borrower of written notice that the Borrowing Base has been exceeded; provided, to the extent that any such payment to Bank is based upon amounts available to be drawn under Letters of Credit, such amounts shall be held by Bank as cash collateral for the obligations of Borrower hereunder and under the other Loan Documents. The Letters of Credit are to be used by Borrower solely to finance working

capital. Bank's obligation to issue Letters of Credit shall terminate if Borrower is in default (however denominated) under the Note or the other Loan Documents, or in any case, if not sooner terminated, on May 31, 2003.

LETTER OF CREDIT FEES. Borrower shall pay to Bank, at such times as Bank shall require, Bank's standard fees in connection with Letters of Credit, as in effect from time to time, and with respect to standby Letters of Credit, an additional fee equal to 1.50% per annum on the face amount of each standby Letter of Credit, payable annually, in advance, for so long as such Letter of Credit is outstanding.

REPRESENTATIONS. Borrower represents that from the date of this Agreement and until final payment in full of the Obligations: ACCURATE INFORMATION. All information now and hereafter furnished to Bank is and will be true, correct and complete. Any such information relating to Borrower's financial condition will accurately reflect Borrower's financial condition as of the date(s) thereof, (including all contingent liabilities

of every type), and Borrower further represents that its financial condition has not changed materially or adversely since the date(s) of such documents. AUTHORIZATION; NON-CONTRAVENTION. The execution, delivery and performance by Borrower and any guarantor, as applicable, of this Agreement and other Loan Documents to which it is a party are within its power, have been duly authorized as may be required and, if necessary, by making appropriate filings with any governmental agency or unit and are the legal, binding, valid and enforceable obligations of Borrower and any guarantors; and do not (i) contravene, or constitute (with or without the giving of notice or lapse of time or both) a violation of any provision of applicable law, a violation of the organizational documents of Borrower or any guarantor, or a default under any agreement, judgment, injunction, order, decree or other instrument binding upon or affecting Borrower or any guarantor, (ii) result in the creation or imposition of any lien (other than the lien(s) created by the Loan Documents) on any of Borrower's or any guarantor's assets, or (iii) give cause for the acceleration of any obligations of Borrower or any guarantor to any other creditor. ASSET OWNERSHIP. Borrower has good and marketable title to all of the properties and assets reflected on the balance sheets and financial statements supplied Bank by Borrower, and all such properties and assets are free and clear of mortgages, security deeds, pledges, liens, charges, and all other encumbrances, except as otherwise disclosed to Bank by Borrower in writing and approved by Bank ("Permitted Liens"). To Borrower's knowledge, no default has occurred under any Permitted Liens and no claims or interests adverse to Borrower's present rights in its properties and assets have arisen. DISCHARGE OF LIENS AND TAXES. Borrower has duly filed, paid and/or discharged all taxes or other claims which may become a lien on any of its property or assets, except to the extent that such items are being appropriately contested in good faith and an adequate reserve for the payment thereof is being maintained. SUFFICIENCY OF CAPITAL. Borrower is not, and after consummation of this Agreement and after giving effect to all indebtedness incurred and liens created by Borrower in connection with the Note and any other Loan Documents, will not be, insolvent within the meaning of 11

U.S.C. ss. 101 (32). COMPLIANCE WITH LAWS. Borrower is in compliance in all respects with all federal, state and local laws, rules and regulations applicable to its properties, operations, business, and finances, including, without limitation, any federal or state laws relating to liquor (including 18 U.S.C. ss. 3617, et seq.) or narcotics (including 21 U.S.C. ss. 801, et seq.) and/or any commercial crimes; all applicable federal, state and local laws and regulations intended to protect the environment; and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if applicable. ORGANIZATION AND AUTHORITY. Each corporate or limited liability company Borrower and/or guarantor, as applicable, is duly created, validly existing and in good standing under the laws of the state of its organization, and has all powers, governmental licenses, authorizations, consents and approvals required to operate its business as now conducted. Each corporate or limited liability company Borrower and/or guarantor, as applicable, is duly qualified, licensed and in good standing in each jurisdiction where qualification or licensing is required by the nature of its business or the character and location of its property, business or customers, and in which the failure to so qualify or be licensed, as the case may be, in the aggregate, could have a material adverse effect on the business, financial position, results of operations, properties or prospects of Borrower or any such guarantor. NO LITIGATION. There are no pending or threatened suits, claims or demands against Borrower or any guarantor that have not been disclosed to Bank by Borrower in writing, and approved by Bank.

AFFIRMATIVE COVENANTS. Borrower agrees that from the date hereof and until final payment in full of the Obligations, unless Bank shall otherwise consent in writing, Borrower will: ACCESS TO BOOKS AND RECORDS. Allow Bank, or its agents, during normal business hours, access to the books, records and such other documents of Borrower as Bank shall reasonably require, and allow Bank, at Borrower's expense, to inspect, audit and examine the same and to make extracts therefrom and to make copies thereof. ACCOUNTS RECEIVABLE AGING. Deliver to Bank, from time to time hereafter but not less than monthly within 10 days of the end of each such period, a detailed receivables report including totals, customer names and addresses, a reconciliation statement, and the original date of each invoice. BUSINESS CONTINUITY. Conduct its business in substantially the same manner and locations as such business is now and has previously been conducted. CERTIFICATE OF FULL COMPLIANCE FROM ACCOUNTANT. Deliver to Bank, with the financial statements required herein, a certification by Borrower's independent certified public accountant that Borrower is in full compliance with the Loan Documents. COMPLIANCE WITH OTHER AGREEMENTS. Comply with all terms and conditions contained in this Agreement, and any other Loan Documents, and swap agreements, if applicable, as defined in the 11

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U.S.C. ss. 101. ESTOPPEL CERTIFICATE. Furnish, within 15 days after request by Bank, a written statement duly acknowledged of the amount due under the Loan and identifying each outstanding Letter of Credit, if any, and whether offsets or defenses exist against the Obligations. INSURANCE. Maintain adequate insurance coverage with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by companies of

established reputation engaged in the same or similar businesses including, without limitation, commercial general liability insurance, workers compensation insurance, and business interruption insurance; all acquired in such amounts and from such companies as Bank may reasonably require. MAINTAIN PROPERTIES. Maintain, preserve and keep its property in good repair, working order and condition, making all needed replacements, additions and improvements thereto, to the extent allowed by this Agreement. NON-DEFAULT CERTIFICATE FROM BORROWER. Deliver to Bank, with the Financial Statements required below, a certificate signed by Borrower, in the form attached hereto as Exhibit A, if Borrower is an individual, or by a principal financial officer of Borrower warranting that no "Default" as specified in the Loan Documents nor any event which, upon the giving of notice or lapse of time or both, would constitute such a Default, has occurred and demonstrating Borrower's compliance with the financial covenants contained herein. NOTICE OF DEFAULT AND OTHER NOTICES. (a) NOTICE OF DEFAULT. Furnish to Bank immediately upon becoming aware of the existence of any condition or event which constitutes a Default (as defined in the Loan Documents) or any event which, upon the giving of notice or lapse of time or both, may become a Default, written notice specifying the nature and period of existence thereof and the action which Borrower is taking or proposes to take with respect thereto. (b) OTHER NOTICES. Promptly notify Bank in writing of (i) any material adverse change in its financial condition or its business; (ii) any default under any material agreement, contract or other instrument to which it is a party or by which any of its properties are bound, or any acceleration of the maturity of any indebtedness owing by Borrower; (iii) any material adverse claim against or affecting Borrower or any part of its properties; (iv) the commencement of, and any material determination in, any litigation with any third party or any proceeding before any governmental agency or unit affecting Borrower; and (v) at least 30 days prior thereto, any change in Borrower's name or address as shown above, and/or any change in Borrower's structure. OTHER FINANCIAL INFORMATION. Deliver promptly such other information regarding the operation, business affairs, and financial condition of Borrower which Bank may reasonably request. PAYMENT OF DEBTS. Pay and discharge when due, and before subject to penalty or further charge, and otherwise satisfy before maturity or delinquency, all obligations, debts, taxes, and liabilities of whatever nature or amount, except those which Borrower in good faith disputes. REPORTS AND PROXIES. Deliver to Bank, promptly, a copy of all financial statements, reports, notices, and proxy statements, sent by Borrower to stockholders, and all regular or periodic reports required to be filed by Borrower with any governmental agency or authority.

NEGATIVE COVENANTS. Borrower agrees that from the date of this Agreement and until final payment in full of the Obligations, unless Bank shall otherwise consent in writing, Borrower will not: CHANGE OF CONTROL. Make or suffer a change of ownership that effectively changes control of Borrower from current ownership. ENCUMBRANCES. Create, assume, or permit to exist any mortgage, security deed, deed of trust, pledge, lien, charge or other encumbrance on any of its assets, whether now owned or hereafter acquired, other than: (i) security interests required by the Loan Documents; (ii) liens for taxes contested in good faith; (iii) liens accruing by law for employee benefits; or (iv) Permitted Liens. GUARANTEES. Guarantee or otherwise become responsible for obligations of any other person or persons, other than the endorsement of checks and drafts for

collection in the ordinary course of business. DEFAULT ON OTHER CONTRACTS OR OBLIGATIONS. Default on any material contract with or obligation when due to a third party or default in the performance of any obligation to a third party incurred for money borrowed. GOVERNMENT INTERVENTION. Permit the assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Borrower or any guarantor is displaced of its authority in the conduct of its respective business or its such business is curtailed or materially impaired. JUDGMENT ENTERED. Permit the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due. RETIRE OR REPURCHASE CAPITAL STOCK. Retire or otherwise acquire any of its capital stock.

ANNUAL FINANCIAL STATEMENTS. Borrower shall deliver to Bank, within 120 days after the close of each fiscal year, audited financial statements reflecting its operations during such fiscal year, including,

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without limitation, a balance sheet, profit and loss statement and statement of cash flows, with supporting schedules and in reasonable detail, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year. If audited statements are required, all such statements shall be examined by an independent certified public accountant acceptable to Bank. The opinion of such independent certified public accountant shall not be acceptable to Bank if qualified due to any limitations in scope imposed by Borrower or any other person or entity. Any other qualification of the opinion by the accountant shall render the acceptability of the financial statements subject to Bank's approval.

PERIODIC FINANCIAL STATEMENTS. Borrower shall deliver to Bank unaudited management-prepared quarterly financial statements including, without limitation, a balance sheet, profit and loss statement and statement of cash flows, with supporting schedules, as soon as available and in any event within 45 days after the close of each such period; all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year. Such statements shall be certified as to their correctness by a principal financial officer of Borrower and in each case, if audited statements are required, subject to audit and year-end adjustments.

FINANCIAL COVENANTS. Borrower agrees to the following provisions from the date hereof until final payment in full of the Obligations, unless Bank shall otherwise consent in writing, using the financial information for Borrower, its subsidiaries, affiliates and its holding or parent company, as applicable: DEPOSIT RELATIONSHIP. Borrower shall maintain its primary depository account with Bank. DEBT SERVICE COVERAGE RATIO. Borrower shall, at all times, maintain a Debt Service Coverage Ratio of not less than 1.25 to 1.00, measured annually. "Debt Service Coverage Ratio" shall mean the sum of earnings before interest, taxes, depreciation and amortization (EBITDA) divided by the sum of current

maturities of long term debt, subordinated debt, capitalized leases, interest expense and C-Corp. income taxes. LIMITATION ON DEBT. Borrower shall not, directly or indirectly, create, incur, assume or become liable for any additional indebtedness, whether contingent or direct, except for trade debt incurred in the ordinary course of business, without prior consent of Bank.

BORROWING BASE. "Borrowing Base" means 70.00% of the net amount of Eligible Accounts, less the amount of any Reserves required by Bank. "Eligible Account" means an account receivable not more than 60 days from the date of the original invoice that arises in the ordinary course of Borrower's business and meets the following eligibility requirements: (a) the sale of goods or services reflected in such account is final and such goods and services have been delivered or provided and accepted by the account debtor and payment for such is owing; (b) the invoices comprising an account are not subject to any claims, returns or disputes of any kind; (c) the account debtor is not insolvent; (d) the account debtor has its principal place of business in the United States; (e) the account debtor is not an Affiliate of Borrower and is not a supplier to Borrower and the account is not otherwise exposed to risk of set-off; (f) not more than 30% of the original invoices owing Borrower by the account debtor are more than 60 days from the date of the original invoice; (g) the account is not bonded; (h) the account is not classified as unbilled or pre-billed (deferred revenue) or unapplied cash (credit balance); and (i) the account is not subject to any lien prior to the lien of Bank. "Reserves" means such amounts as may be required by Bank, at any time and from time to time without prior notice to Borrower, which Bank deems to be adequate to reserve against outstanding letters of credit, outstanding banker's acceptances, Borrower's obligations to Bank or its affiliates or any guaranties or other contingent debts of Borrower.

REQUIRED REPORTS. Borrower shall certify to Bank by the 10th day of each month, the amount of Eligible Accounts as of the first day of each month, on forms required by Bank, together with all detail and supporting documents requested by Bank. Bank may at any time and from time to time, during Borrower's normal business hours, enter upon any business premises of Borrower and audit Borrower's accounts. Bank's determination of the amount of Eligible Accounts shall at all times be indisputable and deemed correct. Borrower, at all times, shall cooperate with Bank by providing Bank information and access to Borrower's premises and business records and shall be courteous to Bank's agents.

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CONDITIONS PRECEDENT. The obligations of Bank to make the loan and any advances and to issue any Letters of Credit pursuant to this Agreement are subject to the following conditions precedent: LETTER OF CREDIT DOCUMENTS. Receipt by Bank of all documents required by Bank in connection with Letters of Credit, including without limitation, applications therefor, all in form satisfactory to Bank. ADDITIONAL DOCUMENTS. Receipt by Bank of such additional supporting documents as Bank or its counsel may reasonably request.

IN WITNESS WHEREOF, Borrower and Bank, on the day and year first written above, have caused this Agreement to be executed under seal.

Bio-Imaging Technologies Inc.

By: /s/ Mark L. Weinstein
----- (SEAL)
Mark L. Weinstein, President

Wachovia Bank, National Association

By: /s/ Stephanie Hanlon
----- (SEAL)
Stephanie Hanlon, Vice President

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EXHIBIT A

NON-DEFAULT CERTIFICATE

In accordance with the terms of the Loan Documents dated April 30, 2002 by and between Wachovia Bank, National Association and Bio-imaging Technologies, Inc. ("Borrower"), I hereby certify that:

1. I am a principal financial officer of Borrower;
2. The enclosed financial statements are prepared in accordance with generally accepted accounting principles;
3. No Default (as defined in the Loan Documents) or any event which, upon the giving of notice or lapse of time or both, would constitute such a Default, has occurred.
4. Borrower is in compliance with the Financial Covenant(s) set forth in the Loan Documents, as demonstrated by the calculations contained in the Covenant Compliance Certificate attached hereto as Schedule 1.

/s/ Mark L. Weinstein

Name: Mark L. Weinstein

Title: President

[Logo Omitted]

SECURITY AGREEMENT

April 30, 2002

Bio-imaging Technologies, Inc.
826 Newtown-Yardley Road
Newtown, Pennsylvania 18940
(Individually and collectively "Debtor")

Wachovia Bank, National Association
123 South Broad Street
Philadelphia, Pennsylvania 19109
(Hereinafter referred to as "Bank")

For value received and to secure payment and performance of any and all obligations of Debtor (also referred to herein as "Borrower") to Bank however created, arising or evidenced, whether direct or indirect, absolute or contingent, now existing or hereafter arising or acquired, and whether or not evidenced by a Loan Document, including swap agreements (as defined in 11 U.S.C. ss.101), future advances, and all costs and expenses incurred by Bank to obtain, preserve, perfect and enforce the security interest granted herein and to maintain, preserve and collect the property subject to the security interest (collectively, "Obligations"), Debtor hereby grants to Bank a continuing security interest in and lien upon the following described property, whether now owned or hereafter acquired, and any additions, replacements, accessions, or substitutions thereof and all cash and non-cash proceeds and products thereof (collectively, "Collateral"):

All of the personal property of Debtor of every kind and nature including, without limitation, all accounts, equipment, accessions, inventory, chattel paper, instruments, documents, rights to proceeds under letters of credit, letter-of-credit rights, deposit accounts, and general intangibles, wherever located.

Debtor hereby represents and agrees that:

OWNERSHIP. Debtor owns the Collateral or Debtor will purchase and acquire rights in the Collateral within ten days of the date advances are made under the Loan Documents. If Collateral is being acquired with the proceeds of an advance under the Loan Documents, Debtor authorizes Bank to disburse proceeds directly to the seller of the Collateral. The Collateral is free and clear of all liens, security interests, and claims except those previously reported in writing to and approved by Bank, and Debtor will keep the Collateral free and clear from all liens, security interests and claims, other than those granted to or approved by Bank.

NAME AND OFFICES; JURISDICTION OF ORGANIZATION. The name and address of Debtor appearing at the beginning of this Agreement are Debtor's exact legal name and

the address of its chief executive office. There has been no change in the name of Debtor, or the name under which Debtor conducts business, within the five years preceding the date hereof except as previously reported in writing to Bank. Debtor has not moved its chief executive office within the five years preceding the date hereof except as previously reported in writing to Bank. Debtor is organized under the laws of the State of Delaware and has not changed the jurisdiction of its organization within the five years preceding the date hereof except as previously reported in writing to Bank.

TITLE/TAXES. Debtor has good and marketable title to Collateral and will warrant and defend same against all claims. Debtor will not transfer, sell, or lease Collateral (except as permitted herein). Debtor agrees to pay promptly all taxes and assessments upon or for the use of Collateral and on this Security Agreement. At its option, Bank may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on Collateral. Debtor agrees to reimburse Bank, on demand, for any such payment made by Bank. Any amounts so paid shall be added to the Obligations.

WAIVERS. Debtor agrees not to assert against Bank as a defense (legal or equitable), as a set-off, as a counterclaim, or otherwise, any claims Debtor may have against any seller or lessor that provided personal property or services relating to any part of the Collateral. Debtor waives all exemptions and homestead rights with regard to the Collateral. Debtor waives any and all rights to any bond or security which might be required by applicable law prior to the exercise of any of Bank's remedies against any Collateral. All rights of Bank and security interests hereunder, and all obligations of Debtor hereunder, shall be absolute and unconditional, not discharged or impaired irrespective of (and regardless of whether Debtor receives any notice of): (i) any lack of validity or enforceability of any Loan Document; (ii) any change in the time, manner or place of payment or performance, or in any term, of all or any of the Obligations or the Loan Documents or any other amendment or waiver of or any consent to any departure from any Loan Document; (iii) any exchange, release or non-perfection of any collateral, or any release of or modifications of the obligations of any guarantor or other obligor; (iv) any amendment or waiver of or consent to departure from any Loan Document or other agreement. To the extent permitted by law, Debtor hereby waives any rights under any valuation, stay, appraisal, extension or redemption laws now existing or which may hereafter exist and which, but for this provision, might be applicable to any sale or disposition of the Collateral by Bank; and any other circumstance which might otherwise constitute a defense available to, or a discharge of any party with respect to the Obligations.

NOTIFICATIONS; LOCATION OF COLLATERAL. Debtor will notify Bank in writing at least 30 days prior to any change in: (i) Debtor's chief place of business and/or residence; (ii) Debtor's name or identity; (iii) Debtor's corporate/organizational structure; or (iv) the jurisdiction in which Debtor is organized. In addition, Debtor shall promptly notify Bank of any claims or alleged claims of any other person or entity to the Collateral or the

institution of any litigation, arbitration, governmental investigation or administrative proceedings against or affecting the Collateral. Debtor will keep Collateral at the location(s) previously provided to Bank until such time as Bank provides written advance consent to a change of location. Debtor will bear the cost of preparing and filing any documents necessary to protect Bank's liens.

COLLATERAL CONDITION AND LAWFUL USE. Debtor represents that the Collateral is in good repair and condition and that Debtor shall use reasonable care to prevent Collateral from being damaged or depreciating, normal wear and tear excepted. Debtor shall immediately notify Bank of any material loss or damage to Collateral. Debtor shall not permit any item of Collateral to become a fixture to real estate or an accession to other personal property unless such property is also Collateral hereunder. Debtor represents it is in compliance in all respects with all laws, rules and regulations applicable to the Collateral and its properties, operations, business, and finances.

RISK OF LOSS AND INSURANCE. Debtor shall bear all risk of loss with respect to the Collateral. The injury to or loss of Collateral, either partial or total, shall not release Debtor from payment or other performance hereof. Debtor agrees to obtain and keep in force casualty and hazard insurance on Collateral naming Bank as loss payee. Such insurance is to be in form and amounts and issued by such companies as are satisfactory to Bank. All such policies shall provide to Bank a minimum of 30 days written notice of cancellation. Debtor shall furnish to Bank such policies, or other evidence of such policies satisfactory to Bank. If Debtor fails to obtain or maintain in force such insurance or fails to furnish such evidence, Bank is authorized, but not obligated, to purchase any or all insurance or "Single Interest Insurance" protecting such interest as Bank deems appropriate against such risks and for such coverage and for such amounts, including either the loan amount or value of the Collateral, all at its discretion, and at Debtor's expense. In such event, Debtor agrees to reimburse Bank for the cost of such insurance and Bank may add such cost to the Obligations. Debtor shall bear the risk of loss to the extent of any deficiency in the effective insurance coverage with respect to loss or damage to any of the Collateral. Debtor hereby assigns to Bank the proceeds of all such insurance and directs any insurer to make payments directly to Bank. Debtor hereby appoints Bank its attorney-in-fact, which appointment shall be irrevocable and coupled with an interest for so long as Obligations are unpaid, to file proof of loss and/or any other forms required to collect from any insurer any amount due from any damage or destruction of Collateral, to agree to and bind Debtor as to the amount of said recovery, to designate payee(s) of such recovery, to grant releases to insurer, to grant subrogation rights to any insurer, and to endorse any settlement check or draft. Debtor agrees not to exercise any of the foregoing powers granted to Bank without Bank's prior written consent.

FINANCING STATEMENTS, POWER OF ATTORNEY. No financing statement (other than any

filed or approved by Bank) covering any Collateral is on file in any public filing office. On request of Bank, Debtor will execute one or more financing statements in form satisfactory to Bank and will pay all costs and expenses of filing the same or of filing this Security Agreement in all public filing offices, where filing is deemed by Bank to be desirable. Bank is authorized to file financing statements relating to Collateral without Debtor's signature where authorized by law. Debtor hereby constitutes and appoints Bank the true and lawful attorney of Debtor with full power of substitution to take any and all appropriate action and to execute any and all documents or instruments that may be necessary or desirable to accomplish the purpose and carry out the terms of this Security Agreement, including, without limitation, to complete, execute, and deliver any Control Agreement(s) by Bank, Debtor and Third Party(ies) that may be or become required in connection herewith (individually and collectively the "Control Agreement"), and any instructions to Third Party(ies) regarding, among other things, control and disposition of any Collateral which is the subject of such Control Agreement(s). The foregoing power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations have been paid in full. Neither Bank nor anyone acting on its behalf shall be liable for acts, omissions, errors in judgment, or mistakes in fact in such capacity as attorney-in-fact. Debtor ratifies all acts of Bank as attorney-in-fact. Debtor agrees to take such other actions, at Debtor's expense, as might be requested for the perfection, continuation and assignment, in whole or in part, of the security interests granted herein and to assure Bank's intended priority position. If certificates, passbooks, or other documentation or evidence is/are issued or outstanding as to any of the Collateral, Debtor will cause the security interests of Bank to be properly protected, including perfection by notation thereon or delivery thereof to Bank.

LANDLORD/MORTGAGEE WAIVERS. Debtor shall cause each mortgagee of real property owned by Debtor and each landlord of real property leased by Debtor to execute and deliver instruments satisfactory in form and substance to Bank by which such mortgagee or landlord subordinates its rights, if any, in the Collateral.

CONTROL. Debtor will cooperate with Bank in obtaining control with respect to Collateral consisting of electronic chattel paper. Debtor authorizes and directs Third Party to comply with the terms of this Security Agreement, to enter into a Control Agreement, to mark its records to show the security interest of and/or the transfer to Bank of the property pledged hereunder.

CHATTEL PAPER, ACCOUNTS, GENERAL INTANGIBLES. Debtor warrants that Collateral consisting of chattel paper, accounts, or general intangibles is (i) genuine and enforceable in accordance with its terms; (ii) not subject to any defense, set-off, claim or counterclaim of a material nature against Debtor except as to which Debtor has notified Bank in writing; and (iii) not subject to any other circumstances that would impair the validity, enforceability, value, or amount of such Collateral except as to which Debtor has notified Bank in writing. Debtor shall not amend, modify or supplement any lease, contract or agreement contained in Collateral or waive any provision therein, without prior written consent of Bank. Debtor will not create any tangible chattel paper without placing a legend on the chattel paper acceptable to Bank indicating that Bank has a security interest in the chattel paper. Debtor will not create any

electronic chattel paper without taking all steps deemed necessary by Bank to confer control of the electronic chattel paper upon Bank in accordance with the UCC.

ACCOUNT INFORMATION. From time to time, at Bank's request, Debtor shall provide Bank with schedules describing all accounts, including customers' addresses, created or acquired by Debtor and at Bank's request shall execute and deliver written assignments of contracts and other documents evidencing such accounts to Bank. Together with each schedule, Debtor shall, if requested by Bank, furnish Bank with copies of Debtor's sales journals, invoices, customer purchase orders or the equivalent, and original shipping or delivery receipts for all goods sold, and Debtor warrants the genuineness thereof.

ACCOUNT DEBTORS. If a Default should occur, Bank shall have the right to notify the account debtors obligated on any or all of the Collateral to make payment thereof directly to Bank and Bank may take control of all proceeds of any such Collateral, which rights Bank may exercise at any time. The cost of such collection and enforcement, including attorneys' fees and expenses, shall be borne solely by Debtor

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whether the same is incurred by Bank or Debtor. If a Default should occur or upon demand of Bank, Debtor will, upon receipt of all checks, drafts, cash and other remittances in payment on Collateral, deposit the same in a special bank account maintained with Bank, over which Bank also has the power of withdrawal.

If a Default should occur, no discount, credit, or allowance shall be granted by Debtor to any account debtor and no return of merchandise shall be accepted by Debtor without Bank's consent. Bank may, after Default, settle or adjust disputes and claims directly with account debtors for amounts and upon terms that Bank considers advisable, and in such cases Bank will credit the Obligations with the net amounts received by Bank, after deducting all of the expenses incurred by Bank. Debtor agrees to indemnify and defend Bank and hold it harmless with respect to any claim or proceeding arising out of any matter related to collection of Collateral.

GOVERNMENT CONTRACTS. If any Collateral covered hereby arises from obligations due to Debtor from any governmental unit or organization, Debtor shall immediately notify Bank in writing and execute all documents and take all actions deemed necessary by Bank to ensure recognition by such governmental unit or organization of the rights of Bank in the Collateral.

INVENTORY. So long as no Default has occurred, Debtor shall have the right in the regular course of business, to process and sell Debtor's inventory. If a Default should occur or upon demand of Bank, Debtor will, upon receipt of all checks, drafts, cash and other remittances, in payment of Collateral sold, deposit the same in a special bank account maintained with Bank, over which Bank also has the power of withdrawal. Debtor shall comply in all respects with all laws, regulations, rulings, and orders applicable to Debtor or its assets or

business including, without limitation, the Federal Fair Labor Standards Act in the conduct of its business and the production of inventory. Debtor shall notify Bank immediately of any violation by Debtor of the Fair Labor Standards Act, and a failure of Debtor to so notify Bank shall constitute a continuing representation that all inventory then existing has been produced in compliance with the Fair Labor Standards Act.

INSTRUMENTS, CHATTEL PAPER, DOCUMENTS. Any Collateral that is instruments, chattel paper and negotiable documents will be properly assigned to, the originals of any such Collateral in tangible form deposited with and held by Bank, unless Bank shall hereafter otherwise direct or consent in writing. Bank may, without notice, before or after maturity of the Obligations, exercise any or all rights of collection, conversion, or exchange and other similar rights, privileges and options pertaining to Collateral, but shall have no duty to do so.

COLLATERAL DUTIES. Bank shall have no custodial or ministerial duties to perform with respect to Collateral pledged except as set forth herein; and by way of explanation and not by way of limitation, Bank shall incur no liability for any of the following: (i) loss or depreciation of Collateral (unless caused by its willful misconduct or gross negligence), (ii) failure to present any paper for payment or protest, to protest or give notice of nonpayment, or any other notice with respect to any paper or Collateral.

TRANSFER OF COLLATERAL. Bank may assign its rights in Collateral or any part thereof to any assignee who shall thereupon become vested with all the powers and rights herein given to Bank with respect to the property so transferred and delivered, and Bank shall thereafter be forever relieved and fully discharged from any liability with respect to such property so transferred, but with respect to any property not so transferred, Bank shall retain all rights and powers hereby given.

INSPECTION, BOOKS AND RECORDS. Debtor will at all times keep accurate and complete records covering each item of Collateral, including the proceeds therefrom. Bank, or any of its agents, shall have the right, at intervals to be determined by Bank and without hindrance or delay, at Debtor's expense, to inspect, audit, and examine the Collateral and to make copies of and extracts from the books, records, journals, orders, receipts, correspondence and other data relating to Collateral, Debtor's business or any other transaction between the parties hereto. Debtor will at its expense furnish Bank copies thereof upon request.

CROSS COLLATERALIZATION LIMITATION. As to any other existing or future consumer purpose loan made by Bank to Debtor, within the meaning of the Federal Consumer Credit Protection Act, Bank expressly waives any security interest granted

herein in Collateral that Debtor uses as a principal dwelling and household goods.

ATTORNEYS' FEES AND OTHER COSTS OF COLLECTION. Debtor shall pay all of Bank's reasonable expenses incurred in enforcing this Security Agreement and in preserving and liquidating Collateral, including but not limited to, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses, whether incurred with or without the commencement of a suit, trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

DEFAULT. If any of the following occurs, a default ("Default") under this Security Agreement shall exist: LOAN DOCUMENT DEFAULT. A default under any Loan Document. COLLATERAL LOSS OR DESTRUCTION. Any loss, theft, substantial damage, or destruction of Collateral not fully covered by insurance, or as to which insurance proceeds are not remitted to Bank within 30 days of the loss. COLLATERAL SALE, LEASE OR ENCUMBRANCE. Any sale, lease, or encumbrance of any Collateral not specifically permitted herein without prior written consent of Bank. LEVY, SEIZURE OR ATTACHMENT. The making of any levy, seizure, or attachment on or of Collateral which is not removed within 10 days. UNAUTHORIZED COLLECTION OF COLLATERAL. Any attempt to collect, cash in or otherwise recover deposits that are Collateral. THIRD PARTY BREACH. Any default or breach by a Third Party of any provision contained in any Control Agreement executed in connection with any of the Collateral. UNAUTHORIZED TERMINATION. Any attempt to terminate, revoke, rescind, modify, or violate the terms of this Security Agreement or any Control Agreement without the prior written consent of Bank.

REMEDIES ON DEFAULT (INCLUDING POWER OF SALE). If a Default occurs, all of the Obligations shall be immediately due and payable, without notice and Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code. Without limitation thereto, Bank shall have the following rights and remedies: (i) to take immediate possession of Collateral, without notice or resort to legal process, and for such purpose, to enter upon any premises on which Collateral or any part thereof may be situated and to remove the same therefrom, or, at its option, to render Collateral unusable or dispose of said Collateral on Debtor's premises; (ii) to require Debtor to assemble the Collateral and make it available to Bank at a place to be designated by Bank; (iii) to exercise its right of set-off or bank lien as to any monies of Debtor deposited in accounts of any nature maintained by Debtor with Bank or affiliates of Bank, without advance notice, regardless of whether such accounts are general or special; (iv) to dispose of Collateral, as a unit or in parcels, separately or with any real property interests also securing the Obligations, in any county or place to be selected by Bank, at either private or public sale (at which public sale Bank may be the purchaser) with or without having the Collateral physically present at said sale.

Any notice of sale, disposition or other action by Bank required by law and sent to Debtor at Debtor's address shown above, or at such other address of Debtor as may from time to time be shown on the records of Bank, at least 5 days prior to such action, shall constitute reasonable notice to Debtor. Notice shall be deemed given or sent when mailed postage prepaid to Debtor's address as provided herein. Bank shall be entitled to apply the proceeds of any sale or other

disposition of the Collateral, and the payments received by Bank with respect to any of the Collateral, to Obligations in such order and manner as Bank may determine. Collateral that is subject to rapid declines in value and is customarily sold in recognized markets may be disposed of by Bank in a recognized market for such collateral without providing notice of sale. Debtor waives any and all requirements that the Bank sell or dispose of all or any part of the Collateral at any particular time, regardless of whether Debtor has requested such sale or disposition.

REMEDIES ARE CUMULATIVE. No failure on the part of Bank to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Bank or any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law, in equity, or in other Loan Documents.

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MISCELLANEOUS. (i) AMENDMENTS AND WAIVERS. No waiver, amendment or modification of any provision of this Security Agreement shall be valid unless in writing and signed by Debtor and an officer of Bank. No waiver by Bank of any Default shall operate as a waiver of any other Default or of the same Default on a future occasion. (ii) ASSIGNMENT. All rights of Bank hereunder are freely assignable, in whole or in part, and shall inure to the benefit of and be enforceable by Bank, its successors, assigns and affiliates. Debtor shall not assign its rights and interest hereunder without the prior written consent of Bank, and any attempt by Debtor to assign without Bank's prior written consent is null and void. Any assignment shall not release Debtor from the Obligations. This Security Agreement shall be binding upon Debtor, and the heirs, personal representatives, successors, and assigns of Debtor. (iii) APPLICABLE LAW; CONFLICT BETWEEN DOCUMENTS. This Security Agreement shall be governed by and construed under the law of the jurisdiction named in the address of the Bank first shown above (the "Jurisdiction") without regard to that Jurisdiction's conflict of laws principles, except to the extent that the UCC requires the application of the law of a different jurisdiction. If any terms of this Security Agreement conflict with the terms of any commitment letter or loan proposal, the terms of this Security Agreement shall control. (iv) JURISDICTION. Debtor irrevocably agrees to non-exclusive personal jurisdiction in the Jurisdiction in which the office of Bank as stated above is located. (v) SEVERABILITY. If any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement. (vi) NOTICES. Any notices to Debtor shall be sufficiently given, if in writing and mailed or delivered to the address of Debtor shown above or such other address as provided hereunder; and to Bank, if in writing and mailed or delivered to

Bank's office address shown above or such other address as Bank may specify in writing from time to time. In the event that Debtor changes Debtor's mailing address at any time prior to the date the Obligations are paid in full, Debtor agrees to promptly give written notice of said change of address by registered or certified mail, return receipt requested, all charges prepaid. (vii) CAPTIONS. The captions contained herein are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provision hereof. The use of the plural shall also mean the singular, and vice versa. (viii) JOINT AND SEVERAL LIABILITY. If more than one party has signed this Security Agreement, such parties are jointly and severally obligated hereunder. (ix) BINDING CONTRACT. Debtor by execution and Bank by acceptance of this Security Agreement, agree that each party is bound by all terms and provisions of this Security Agreement.

DEFINITIONS. LOAN DOCUMENTS. The term "Loan Documents" refers to all documents, including this Agreement, whether now or hereafter existing, executed in connection with or related to the Obligations, and may include, without limitation and whether executed by Debtor or others, commitment letters that survive closing, loan agreements, promissory notes, guaranty agreements, deposit or other similar agreements, other security agreements, letters of credit and applications for letters of credit, security instruments, financing statements, mortgage instruments, any renewals or modifications, whenever any of the foregoing are executed, but does not include swap agreements (as defined in 11 U.S.C. ss. 101). THIRD PARTY. The term "Third Party" means any Broker, Collateral Agent, Securities Intermediary and/or bank which from time to time maintains a securities account, and is acting in such capacity, for Debtor or maintains a deposit account for Debtor with respect to any part of the Collateral. UCC. "UCC" means the Uniform Commercial Code as presently and hereafter enacted in the Jurisdiction. TERMS DEFINED IN THE UCC. Any term used in this Agreement and in any financing statement filed in connection herewith which is defined in the UCC and not otherwise defined in this Agreement or any other Loan Document has the meaning given to the term in the UCC. Debtor acknowledges and understands that any such term relating to the description of Collateral may be defined in one or both of (i) the version of Article 9 of the UCC as enacted and in force in the Jurisdiction on the date this Agreement is signed by Debtor or (ii) a revised version of Article 9 of the UCC (substantially in the form of Revised Article 9 (2000 Revision) version thereof promulgated by the National Conference of Commissioners on Uniform State Laws and the American Law Institute) ("Revised Article 9") enacted and in force in the Jurisdiction at any relevant future time. In light of the foregoing, Debtor agrees that, if terms defining items or classes of Collateral change or are added as a result of the enactment of Revised Article 9 in the Jurisdiction, the meaning to be ascribed to any such term with respect to any particular item or class of Collateral hereunder and the interpretation thereof after the date of such enactment shall be (a) if such term is defined in both versions

of Article 9 and such definitions differ, the broader or more encompassing of the two definitions, regardless of duplication, and (b) if such term is defined

under only one of the versions of Article 9, the definition in that version.

IN WITNESS WHEREOF, Debtor, on the day and year first written above, has caused this Security Agreement to be executed under seal.

Bio-Imaging Technologies, Inc.
Taxpayer Identification Number: 11-2872047

By: /s/Mark L. Weinstein-(seal)

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), made as of this 1st day of February, 2002, is entered into by Bio-Imaging Technologies, Inc., a Delaware corporation with its principal place of business at 826 Newtown-Yardley Road, Newtown, Pennsylvania 18940 (the "Company"), and Mark L. Weinstein (the "Employee").

The Company desires to employ the Employee, and the Employee desires to be employed by the Company. In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Term of Employment. The Company hereby agrees to employ the Employee,

and the Employee hereby accepts employment with the Company, upon the terms set forth in this Agreement, for the period commencing on February 1, 2002 (the "Commencement Date") and ending on January 31, 2005 (such period, as it may be extended, the "Employment Period"), unless sooner terminated in accordance with the provisions of Section 4.

2. Title; Capacity. The Employee shall serve as President, Chief Executive

Officer and Chief Financial Officer or in such other reasonably comparable position as the Company or its Board of Directors (the "Board") may determine from time to time. The Employee shall be based at the Company's headquarters in Newtown, Pennsylvania, or such place or places in the continental United States as the Board shall determine. The Employee shall be subject to the supervision of, and shall have such authority as is delegated to the Employee by, the Board or such officer of the Company as may be designated by the Board.

The Employee hereby accepts such employment and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board or its designee shall from time to time reasonably assign to the Employee. The Employee agrees to devote his entire business time, attention and energies to the business and interests of the Company during the Employment Period. The Employee agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company. The Employee further agrees to abide by the applicable rules, practices, policies, restrictions and principles outlined by the Board in its' Corporate Policy Governance Manual and amendments adopted thereto.

3. Compensation and Benefits.

3.1 Salary. The Company shall pay the Employee, in periodic

installments in accordance with the Company's customary payroll practices, an annual base salary of \$237,500 for the one-year period commencing on the Commencement Date. Such salary may be subject to cost of living or other increases thereafter as determined by the Board.

3.2 Fringe Benefits. The Employee shall be entitled to participate in

all bonus and benefit programs that the Company establishes and makes available to its employees, if any, to the extent that Employee's position, tenure, salary, age, health and other qualifications make him eligible to participate, including, but not limited to, a car allowance not to exceed \$500

per month. The Employee shall be entitled to four (4) weeks paid vacation per year, to be taken at such times as may be approved by the Board or its designee.

3.3 Reimbursement of Expenses. The Company shall reimburse the

Employee for all reasonable travel, entertainment and other expenses incurred or paid by the Employee in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, in accordance with policies and procedures, and subject to limitations, adopted by the Company or the Board from time to time.

3.4 Bonuses; Incentive Compensation. The Employee shall be eligible to

receive, at the sole discretion of the Board, an annual bonus (the "MIP Bonus") up to a maximum amount equal to 50% of the Employee's annual base salary upon the achievement of certain milestones as set forth in a board approved annual Management Incentive Plan, attached hereto as Schedule A (the "Management

Incentive Plan"). The specific annual milestones will be set each year by the Board following consultation with the Employee. Notwithstanding the foregoing, the Employee shall not be eligible to receive the MIP Bonus if the Company has not achieved pre-tax earnings for that applicable fiscal year.

3.5 Restricted Stock Award. On January 31, 2005, provided that the

Employee is still employed by the Company on such date, the Company shall grant and issue to the Employee 30,000 shares (the "Restricted Shares") of the Company's common stock, \$0.00025 par value (the "Common Stock"), pursuant to the Company's 2002 Stock Incentive Plan (the "Plan"). In the event that, during the Employment Period, a Change in Control occurs, the Employee's right to the Restricted Shares shall accelerate and the Company shall issue the Restricted Shares to the Employee immediately prior to the events set forth in subsection (a) below and immediately after the events set forth in subsections (b) and (c) below. The term "Change in Control" as used in this Agreement shall mean the first to occur of any of the following:

(a) The effective date or date of consummation of any transaction or series of transactions (other than a transaction to which only the Company and

one or more of its subsidiaries are parties) pursuant to which the Company:

- (i) becomes a subsidiary of another corporation, or
- (ii) is merged or consolidated with or into another corporation, or
- (iii) engages in an exchange of shares with another corporation, or
- (iv) transfers, sells or otherwise disposes of all or substantially all its assets to a single purchaser (other than the Employee), or a group of purchasers (none of whom is the Employee);

provided, however, that this subsection (a) shall not be applicable to a -----

transaction or series of transactions in which a majority of the capital stock of the other corporation, following such transaction or series of transactions, is owned or controlled by the holders of a majority of the Company's outstanding capital stock immediately before such sale, transfer or disposition.

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(b) The date upon which any person, (other than the Employee), group of associated persons acting in concert (none of whom is the Employee) or corporation becomes a direct or indirect beneficial owner of shares of stock of the Company representing an aggregate of more than fifty percent (50%) of the votes then entitled to be cast at an election of directors of the Company; provided however, that this Subsection (b) shall not be applicable to a transaction or series of transactions in which the entity acquiring such ownership in excess of fifty percent (50%) is a person or entity who is eligible, pursuant to Rule 13d-1(b) under the Securities Exchange Act of 1934, as amended, to file a statement on Schedule 13G with respect to its beneficial ownership of the Company's capital stock, whether or not such person or entity shall have filed a schedule 13G, unless such person or entity shall have filed a Schedule 13D with respect to beneficial ownership of fifteen (15%) or more of the Company's capital stock; and provided, further, that the acquisition of -----

shares in a bona fide public offering or private placement of securities by an -----

investor who is acquiring such shares for passive investment purposes only shall not constitute a "Change in Control."

(c) The date upon which the persons who were members of the Board of Directors of the Company on the date of this Agreement (the "Original Directors") cease to constitute a majority of the Board of Directors; provided, however, that any new Director whose nomination or selection has been approved by the affirmative vote of at least three of the Original Directors then in office shall also be deemed an Original Director.

3.6 Stock Options. The Employee shall be eligible to receive, at the

sole discretion of the Board, in accordance with the Company's Plan, options to purchase shares of Common Stock of the Company with an exercise price equal to the fair market value of the Common Stock on the date of grant and vesting pursuant to the terms set forth by the Board.

3.7 Rabbi Trust. During the first year of the Employment Period, the

Employee may elect to defer \$25,000 of his annual base salary into a non-qualified deferral plan, commonly known as a "Rabbi Trust", created for the benefit of the Employee; and thereafter during the Employment Period, the Employee may elect to defer 100% of any amounts received pursuant to the Management Incentive Plan into the Rabbi Trust.

3.8 Withholding. All salary, bonus and other compensation payable to

the Employee shall be subject to applicable withholding taxes.

4. Termination of Employment Period. The employment of the Employee by the

Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

4.1 Expiration of the Employment Period;

4.2 At the election of the Company, for Cause (as defined below), immediately upon written notice by the Company to the Employee, which notice shall identify the Cause upon which the termination is based. For the purposes of this Section 4.2, "Cause" shall mean (a) a good faith finding by the Company that (i) the Employee has repeatedly failed to perform his assigned duties for the Company, or (ii) the Employee has engaged in dishonesty,

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gross negligence or misconduct, or (b) the conviction of the Employee of, or the entry of a pleading of guilty or nolo contendere by the Employee to, any crime involving moral turpitude or any felony;

4.3 At the election of the Employee, for Good Reason (as defined below), immediately upon written notice by the Employee to the Company, which notice shall identify the Good Reason upon which the termination is based. For the purposes of this Section 4.3, "Good Reason" for termination shall mean (i) a material adverse change in the Employee's authority, duties or compensation without the prior written consent of the Employee (provided that neither the hiring of a chief operating officer nor the hiring of a chief financial officer by the Company and the relinquishment of such title and associated duties by the Employee shall constitute Good Reason hereunder), (ii) a material breach by the Company of the terms of this Agreement, which breach is not remedied by the

Company within 10 days following written notice from the Employee to the Company notifying it of such breach or (iii) the relocation of the Employee's place of work more than 50 miles from the Company's current executive offices.

4.4 Upon the death or disability of the Employee. As used in this Agreement, the term "disability" shall mean the inability of the Employee, due to a physical or mental disability, for a period of 90 days, whether or not consecutive, during any 360-day period, to perform the services contemplated under this Agreement, with or without reasonable accommodation as that term is defined under state or federal law. A determination of disability shall be made by a physician satisfactory to both the Employee and the Company; provided, that, if the Employee and the Company do not agree on a physician, the Employee and the Company shall each select a physician and these two together shall select a third physician, whose determination as to disability shall be binding on all parties;

4.5 At the election of either party, upon not less than 180 days' prior written notice of termination.

5. Effect of Termination.

5.1 At-Will Employment. If the Employment Period expires pursuant to

Section 1 hereof, then, unless the Company notifies the Employee to the contrary, the Employee shall continue his employment on an at-will basis following the expiration of the Employment Period. Such at-will employment relationship may be terminated by either party at any time and shall not be governed by the terms of this Agreement.

5.2 Payments Upon Termination.

(a) In the event the Employee's employment is terminated pursuant to Section 4.1, Section 4.2, Section 4.4 or by the Employee pursuant to Section 4.5, the Company shall pay to the Employee the compensation and benefits otherwise payable to him under Section 3 through the last day of his actual employment by the Company.

(b) In the event the Employee's employment is terminated by the Employee pursuant to Section 4.3 or by the Company pursuant to Section 4.5, the Company shall continue to pay to the Employee his salary as in effect on the date of termination

and the amount of the annual bonus paid to him for the fiscal year immediately preceding the date of termination (payable in annualized monthly installments) and continue to provide to the Employee the other benefits owed to him under Section 3.2 (to the extent such benefits can be provided to non-employees, or to

the extent such benefits cannot be provided to non-employees, then the cash equivalent thereof) until the date 60 days after the date of termination. The payment to the Employee of the amounts payable under this Section 5.2(b) shall constitute the sole remedy of the Employee in the event of a termination of the Employee's employment in the circumstances set forth in this Section 5.2(b). The Employee shall not be entitled to any payments under this Section 5.2(b) unless and until the Employee executes a general release and waiver in a form satisfactory to the Board.

5.3 Survival. The provisions of Sections 5.2(b) and 6 shall survive

the termination of this Agreement.

6. Non-Competition and Non-Solicitation. The Employee shall execute, if not

previously executed and still in effect, simultaneously with the execution of this Agreement, or otherwise upon the request of the Company, the Company's customary form of Invention Assignment and Confidential Information Agreement and form of Non-Competition and Non-Solicitation Agreement, substantially in the form attached hereto as Exhibit A and Exhibit B, respectively.

7. Other Agreements. The Employee represents that his performance of all

the terms of this Agreement and the performance of his duties as an employee of the Company do not and will not breach any agreement with any prior employer or other party to which the Employee is a party (including without limitation any nondisclosure or non-competition agreement). Any agreement to which the Employee is a party relating to nondisclosure, non-competition or non-solicitation of employees or customers is listed on Schedule B attached hereto.

8. Miscellaneous.

8.1 Notices. Any notices delivered under this Agreement shall be

deemed duly delivered four business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, in each case to the address of the recipient set forth in the introductory paragraph hereto. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this Section 8.1.

8.2 Pronouns. Whenever the context may require, any pronouns used in

this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

8.3 Entire Agreement. This Agreement constitutes the entire agreement

between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

8.4 Amendment. This Agreement may be amended or modified only by a

written instrument executed by both the Company and the Employee.

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8.5 Governing Law. This Agreement shall be governed by and construed

in accordance with the laws of the Commonwealth of Pennsylvania (without reference to the conflicts of laws provisions thereof). Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Pennsylvania (or, if appropriate, a federal court located within Pennsylvania), and the Company and the Employee each consents to the jurisdiction of such a court. The Company and the Employee each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

8.6 Successors and Assigns. This Agreement shall be binding upon and

inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business; provided,

however, that the obligations of the Employee are personal and shall not be

assigned by him. Notwithstanding the foregoing, if the Company is merged with or into a third party which is engaged in multiple lines of business, or if a third party engaged in multiple lines of business succeeds to the Company's assets or business, then for purposes of this Agreement, the term "Company" shall mean and refer to the business of the Company as it existed immediately prior to such event and as it subsequently develops and not to the third party's other businesses.

8.7 Waivers. No delay or omission by the Company in exercising any

right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

8.8 Captions. The captions of the sections of this Agreement are for

convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

8.9 Severability. In case any provision of this Agreement shall be

invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

[Signature Page Follows]

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THE EMPLOYEE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT, HAS HAD A FULL OPPORTUNITY TO REVIEW THIS AGREEMENT AND CONSULT WITH COUNSEL AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

BIO-IMAGING TECHNOLOGIES, INC.

By: /s/ David E. Nowicki

Name: David E. Nowicki

Title: Chairman of the Board

EMPLOYEE

/s/ Mark L. Weinstein

Mark L. Weinstein

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