**SPONSORED RESEARCH AGREEMENT**

THIS AGREEMENT is made this \_\_\_\_day of \_\_\_\_\_\_\_\_\_, 199   , between The University of Texas \_\_\_\_\_\_\_\_\_\_\_ ("INSTITUTION"), a component of The University of Texas System ("SYSTEM"), and California Biotechnology Inc., 2450 Bayshore Parkway, Mountain View, California, 94043, ("SPONSOR"), to conduct a clinical study and evaluation ("STUDY"). INSTITUTION and SPONSOR agree as follows:

**1. PROTOCOL**

1.1 INSTITUTION agrees to use its best efforts to conduct the STUDY, as an independent contractor, in accordance with INSTITUTIONAL policy, applicable laws and regulations and the Protocol/Project entitled "                           ", described in Exhibit I as attached hereto and incorporated herein. The STUDY will be supervised by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_in the Department of \_\_\_\_\_\_\_\_\_\_\_\_\_\_at INSTITUTION with assistance from associates and colleagues as required.

1.2 SPONSOR agrees to engage the services of INSTITUTION to conduct the STUDY and further agrees to provide at no cost to INSTITUTION the drugs for the conduct of the STUDY.

**2. AWARD**

2.1 In consideration for performance of the STUDY by INSTITUTION, SPONSOR shall pay INSTITUTION \_\_\_\_\_\_\_\_ and NO/100 DOLLARS \_\_\_\_\_\_\_\_\_ for STUDY expenses for the clinical study of approximately \_\_\_\_ patients and other related costs. This amount, shown by approximate category of expense in Exhibit II attached hereto for information only, is payable in installments in accordance with the payment schedule set forth as part of Exhibit II based on patient completion.

Checks should be made payable to: The University of Texas \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_ , Texas \_\_\_\_\_\_.

**3. TERM**

3.1 This Agreement shall continue in force until completion of the STUDY as mutually agreed upon by the parties, or may be earlier terminated by either party giving thirty (30) days advance notice of termination to the other.

3.2 Upon early termination of this Agreement, SPONSOR shall be liable for all reasonable costs incurred or obligated by INSTITUTION at the time of such termination, subject to the maximum amount specified in Article 2. SPONSOR shall pay INSTITUTION for such costs within thirty (30) days of receipt of an invoice for same. The maximum expense charged as to each patient in the STUDY shall be \_\_\_\_\_\_\_\_\_\_\_ and NO/100 DOLLARS ($       ). Charges shall begin to accrue upon commencement of the STUDY as to the first evaluable patient. In the event the STUDY is terminated prior to costs being incurred exceeding SPONSOR's initial payment of $              , the excess of such amount over reasonable costs incurred or obligated by INSTITUTION shall be repaid to SPONSOR within thirty (30) days of the termination of the STUDY, together with an accounting.

3.3 Upon termination of this Agreement, INSTITUTION shall return SPONSOR's materials to SPONSOR.

**4. INDEMNIFICATION**

4.1 INSTITUTION shall, to the extent authorized under the Texas Constitution and the Texas Tort Claims Act, hold SPONSOR harmless from liability resulting from the negligent acts or omissions of INSTITUTION, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that INSTITUTION shall not hold SPONSOR harmless from claims arising out of the negligence of SPONSOR, its officers, agents, or any person or entity not subject to INSTITUTION supervision or control.

4.2 SPONSOR shall indemnify and hold harmless SYSTEM, INSTITUTION, their regents, officers, agents and employees from any liability or loss resulting from judgements or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement, including but not limited to the use by SPONSOR of the results of the STUDY; provided, however, that the following is excluded from SPONSOR's obligation to indemnify and hold harmless:

a. the negligent failure of INSTITUTION to comply with any applicable governmental requirements or to adhere to the terms of the protocol attached hereto as Exhibit I; or

b. the negligence or willful malfeasance by a regent, officer, agent, or employee of INSTITUTION or SYSTEM.

**5. PUBLICATION AND CONFIDENTIALITY**

5.1 The parties reserve the right to publish or otherwise make public the data or other results of the STUDY. The party so wishing to publish or make public shall submit any such manuscript to release to the other party for comment prior to publication or release.

5.2 Except as otherwise required by law or regulation, neither party shall release or distribute any materials or information containing the name of the other party or any of its employees without prior written approval by an authorized representative of the non-releasing party, but said approval shall not be unreasonably withheld.

5.3 Each party shall hold in confidence for three (3) years after the termination of this agreement any information identified as proprietary or confidential obtained from the other party during the course of this STUDY. Nothing herein, however, shall prevent INSTITUTION or any other component of SYSTEM from using any information generated hereunder for ordinary research and educational purposes of a university.

**6. GENERAL**

6.1 This Agreement constitutes the entire and only Agreement between the parties relating to the STUDY, and all prior negotiation, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof, including the exhibits attached hereto, may be made except by a written document signed by the duly authorized representatives of the parties.

6.2 Any conflicts between the Protocol and this Agreement are controlled by this Agreement.

6.3 This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

6.4 This Agreement anticipates educational training and may involve health science postgraduates and other students of the INSTITUTION.

IN WITNESS WHEREOF INSTITUTION and SPONSOR hereby enter into this Agreement, effective as of the date first hereinabove written, and execute two (2) original counterparts.

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| CALIFORNIA BIOTECHNOLOGY INC.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | THE UNIVERSITY OF TEXAS \_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

I have read this agreement and  
understand my obligations hereunder.

By                                   
    Principal Investigator

Date

horizontal rule

**EXHIBIT II**

**SPONSORED RESEARCH AGREEMENT**

**BETWEEN**

**THE UNIVERSITY OF TEXAS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**AND**

**CALIFORNIA BIOTECHNOLOGY INC.**

**"                                   "  
(Project Title)**

The approximate distribution of expenses related to the STUDY described in the covering Agreement is as follows:

Salaries (including fringe benefits)                                   $              .00

Supplies                                                                           \_\_\_\_\_\_\_.00

Indirect Costs (institutional overhead)                               \_\_\_\_\_\_\_.00

TOTAL COST                                                             $              .00

Such expenses are provided for information only. INSTITUTION reserves the right to modify the distribution of such expenses as necessary in the circumstances, provided that the stipulated total cost of is not exceeded. Further, the above data is predicated on the evaluation of \_\_\_\_\_\_\_\_ patients; if the total number of evaluated patients is greater or less than said number, the parties may increase or decrease the grant amount accordingly by \_\_\_\_\_\_\_\_\_\_\_\_ and NO/100 DOLLARS (           ) per patient.

**CALBIO  
Revised \_\_\_\_\_**