UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1
on
FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 10, 2004

XOMA LTD.
(Exact name of registrant as specified in its charter)

BERMUDA
(State or other jurisdiction of incorporation)

0-14710	52-2154066
(Commission File Number)	(IRS Employer Identification No.)

2910 Seventh Street, Berkeley, California	94710
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code (510) 204-7200

(Former name or former address, if changed since last report)

Item 1.01. Entry into a Material Definitive Agreement

As announced on November 10, 2004, XOMA Ltd. has entered into an exclusive worldwide license agreement with Zephyr Sciences Inc.

A copy of the license agreement and the related amendments to XOMA's existing license agreements with New York University and Incyte Corporation are attached hereto as Exhibit 2, Exhibit 3 and Exhibit 4 and are incorporated herein by reference.

Item 9.01. Exhibits

1. Press Release dated November 10, 2004.*

2. License Agreement by and between Zephyr Sciences Inc. and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).

3. Seventh Amendment to License Agreement by and among New York University, XOMA Technology Limited and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).

4. Amendment No. 1 to License Agreement by and among Incyte Corporation, XOMA Technology Limited and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).

_____

* Previously filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 30, 2004 XOMA LTD.

By: /s/ Christopher J. Margolin

Christopher J. Margolin
Vice President, General
Counsel and Secretary

EXHIBIT INDEX

Number	Description
1.	Press Release dated November 10, 2004.*
2.	License Agreement by and between Zephyr Sciences Inc. and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).
3.	Seventh Amendment to License Agreement by and among New York University, XOMA Technology Limited and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).
4.	Amendment No. 1 to License Agreement by and among Incyte Corporation, XOMA Technology Limited and XOMA Ireland Limited effective as of November 10, 2004 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).

---

* Previously filed.

Exhibit 2

[*] indicates that a confidential portion of the text of this agreement has been omitted. The non-public information has been filed separately with the Securities and Exchange Commission.

Execution Version

LICENSE AGREEMENT

This Agreement (hereinafter referred to as this "Agreement"), effective as of this November 10, 2004, is entered into by and between XOMA Ireland Limited, a company with limited liability organized under the laws of the Republic of Ireland (the "Licensor"), and Zephyr Sciences Inc., a corporation duly organized and existing under the laws of the State of Delaware (the "Company").

WHEREAS, the Licensor owns exclusive rights to the research, development and commercialization of intellectual property relating to the Technology (as defined below); and

WHEREAS, the Company is interested in obtaining rights for the use, production, distribution, and marketing of products derived from the Technology and the Licensor is willing to grant such rights, on the terms and conditions set forth herein, so that the Technology may be developed and the benefits enjoyed by the public.

NOW, THEREFORE, it is agreed as follows:

ARTICLE 1

DEFINITIONS

For the purposes of this Agreement, the following words and phrases shall have the following meanings:

1.1 "Affiliate" shall mean, with respect to any Entity, any Entity that directly or indirectly controls, is controlled by, or is under common control with such Entity.

1.2 "BPI" means a bactericidal/permeability-increasing protein molecule, [*] and specifically includes rBPI21, opebacan (a/k/a NEUPREX(R)).

1.3 "BPI Cell Line" shall mean the cell line presently used by the Licensor to manufacture BPI or any Improvement to or new cell lines producing BPI developed by or for the Licensor, including, but not limited to, the genetic material contained in the cell line from which BPI is produced.

1.4 "Category" shall mean Category 1, Category 2, Category 3 or Category 4, each of which is mutually exclusive.

1.5 "Category 1" shall mean [*].

1.6 "Category 2" shall mean [*].

1.7 "Category 3" shall mean [*].

1.8 "Category 4" shall mean [*].

1.9 "control" and each of its derivatives shall mean, with respect to any Entity, direct or indirect control of more than fifty percent (50%) of the voting securities of an Entity or, if such Entity does not have outstanding voting securities, more than fifty percent (50%) of the directorships or similar positions with respect to such Entity.

1.10 "Entity" shall mean any corporation, association, joint venture, partnership, limited liability company, trust, university, business, individual, government or political subdivision thereof, including an agency, or any other organization that can exercise independent legal standing.

1.11 "Existing Licenses" shall mean the NYU License Agreement, the Incyte License Agreement and the Joslin License Agreement.

1.12 "Fair Market Value" shall mean, as to any property, the amount which a willing independent third party buyer, under no compulsion to buy, would pay a willing seller, under no compulsion to sell, for such property in a voluntary,

negotiated, arms'-length transaction as of the time of such proposed sale, as determined by the Company and the Licensor by good faith negotiations, and if the parties, after good faith negotiations, dispute the value of such property, the parties shall resolve such dispute in accordance with Article 8.

1.13 "Field of Use" shall mean all uses of BPI.

1.14 "Improvements" shall mean any modification of a Licensed Process or Licensed Product or any discoveries, other technology or inventions (whether patentable or not), information and data, in the Field of Use that, during the term of this Agreement, the manufacture, use or sale of which would be (i) necessary in the practice of, or would infringe an issued or pending claim within, the Patent Rights or (ii) to the extent such modification, discovery, other technology, invention, information or data is directed to BPI, useful in the practice of the Patent Rights.

1.15 "Incyte License Agreement" shall mean the License Agreement, effective as of July 9, 1998, between XOMA Corporation and Incyte Pharmaceuticals, Inc.

1.16 "Joslin License Agreement" shall mean the License Agreement, effective as of March 23, 2001, between the Joslin Diabetes Center and XOMA Tech.

1.17 "Know-how" shall mean all tangible information (other than that contained in the Patent Rights) whether patentable or not (but which have not been patented), and all physical objects related to the Licensed Products (including but not limited to formulations, biological samples, tissues, animals, organisms, compounds, intermediates, Investigative New Drug Applications ("IND"), integrated safety databases, laboratory notebooks,

in vitro, preclinical or clinical design, information or results, other proprietary materials, processes, including but not limited to manufacturing processes, data, drawings and sketches, designs, testing and test results, regulatory information of a like nature, owned by or in the possession of the Licensor by license or otherwise) and any United States and/or foreign trademarks or trademark applications filed by or on behalf of the Licensor related to the Technology.

1.18 "Licensed Process(es)" shall mean any process, use or method to which any of the Patent Rights or Know-how are directed, in whole or in part, in the country in which the process or method is used.

1.19 "Licensed Product(s)" shall mean:

1.19.1 any product containing BPI which is covered in whole or in part by Patent Rights or Know-how in the country in which the product is made, used, leased or sold;

1.19.2 any product containing BPI which is manufactured using a process which is covered in whole or in part by Patent Rights or Know-how in the country in which the process is used; or

1.19.3 any product containing BPI which is used according to a method or use which is covered in whole or in part by Patent Rights or Know-how in the country in which the method is used.

1.20 "Market Price" shall mean, with respect to any shares of capital stock or other securities of the Company, (i) if such stock or securities are listed or admitted to trading on a national securities exchange or an inter-dealer quotation system or traded in the over-the-counter market, the average price per share or security, at the close, for the ten (10) trading days immediately preceding the relevant determination date and (ii) if such stock or security is not so listed, admitted or traded, the Fair Market Value of such stock or security as determined by the Company and the Licensor by good faith negotiations, and if the parties, after good faith negotiations, dispute the price of such stock or security, the parties shall resolve such dispute in accordance with Article 8.

1.21 "Net Sales" shall mean the total gross amounts invoiced by the Company from the sale of Licensed Products or the practice of Licensed Processes by or on behalf of the Company or any of its Affiliates, and from licensing, leasing, renting or otherwise making Licensed Products available to others without sale or other dispositions, whether invoiced or not, less only the sum of the following:

1.21.1 usual trade discounts to customers;

1.21.2 sales, tariff duties and/or taxes directly imposed and with reference to particular sales;

1.21.3 amounts allowed or credited on returns or rejections;

1.21.4 bad debt deductions actually written off during the accounting period; and

1.21.5 outbound transportation prepaid or allowed and transportation insurance.

1.22 "Non-Licensor Patent Owners" shall mean the owners of the Patent Rights other than the Licensor (including, without limitation, the counterparty to each of the Existing Licenses).

1.23 "NYU" shall mean New York University, a New York corporation.

1.24 "NYU License Agreement" shall mean the Amended and Restated Research and License Agreement, dated as of September 1, 1993, between XOMA Corporation and NYU, as amended.

1.25 "Patent Rights" shall mean all U.S. and foreign patents and patent applications set forth in Exhibit A and:

1.25.1 any other United States and/or foreign patent applications and/or patents that claim priority to any of the patents or applications listed in Exhibit A, together with any and all patents issuing thereon, including continuations, divisionals, reexaminations, extensions, and reissue applications and continuation-in-part applications and any United States or foreign patents granted upon such applications, and Improvements on any of the foregoing, all of which shall be deemed added to Exhibit A;

1.25.2 any United States and/or foreign patent applications or patents (whether filed prior to or during the term of this Agreement) with claims covering BPI or its manufacture or use, Improvements thereon, or corresponding thereto, including any continuations, continuations-in-part, divisionals, reissues, reexaminations, or extensions thereof; and

1.25.3 any United States and/or foreign patents issuing from any of the foregoing.

For the avoidance of doubt, the parties acknowledge that, to the extent any Patent Rights arise from or are governed by a license or other agreement with a third party, such Patent Rights shall, for all purposes of this Agreement, be subject to the limitations and restrictions contained in such third party license or agreement. Notwithstanding anything in this Agreement to the contrary, "Patent Rights" shall exclude, and the Licensor specifically does not grant to the Company any rights under, the patents and patent applications listed in Exhibit B.

1.26 "Peptides" shall mean peptide sequences [*] derived from BPI.

1.27 "Qualified Financing" shall mean the closing of the first financing of the Company as a result of the sale of debt or equity securities resulting in gross proceeds to the Company equal to or greater than [*].

1.28 "Technology" shall mean all Know-how and Patent Rights, as well as all other rights that the Licensor has in BPI Cell Lines, BPI or its use or manufacture, unless expressly excepted or retained by the Licensor in this Agreement.

1.29 "Territory" shall mean the world.

1.30 "XOMA Tech" shall mean XOMA Technology Ltd., a Bermuda company.

ARTICLE 2

GRANT

2.1 The Licensor hereby grants to the Company and the Company accepts, subject to the terms and conditions of this Agreement, an exclusive license (except as to the Licensor in cases where the Licensor provides development, manufacturing or other services to the Company) in the Field of Use to practice under the Technology and to utilize the Know-how and Improvements in the Territory, and to (a) make, have made, use, lease, sell or offer to sell the Licensed Products and to practice and have practiced the Licensed Processes, to the full end of the term for which the Patent Rights are granted, unless sooner terminated as hereinafter provided, and (b) sublicense to third parties, in accordance with Section 2.2 below, the rights granted under clause (a) of this Section 2.1.

2.2 In accordance with Section 2.1 above, the Licensor hereby grants to the Company the right to grant sublicenses to third parties under the license granted hereunder in its sole discretion; provided that each sublicensee shall, as a condition to such sublicensee's sublicense, agree in writing to be bound by the provisions of this Agreement as applicable to a licensee of the Licensed Products and/or Licensed Processes and shall comply with such provisions during the term of such sublicense.

2.2.1 Within thirty (30) days after execution or receipt thereof, as applicable, the Company shall provide the Licensor with a copy of each sublicense issued hereunder and shall deliver copies of all royalty reports received by the Company from such sublicensees.

2.2.2 Upon termination of this Agreement, other than by expiration in accordance with Section 7.6, any and all sublicenses shall survive such termination. Notwithstanding the foregoing, if the Company believes that the Licensor has terminated this Agreement for the primary purpose of doing business directly with the sublicensee, the termination may be disputed under the provisions of Article 8.

2.3 If the Company fails to close the Qualified Financing on or before [*], the Licensor shall have the right, but not the obligation, to terminate this Agreement at any time after [*], upon five (5) days' notice to the Company, and until such right to terminate is exercised (if exercised), (i) the parties shall continue to perform in accordance with the provisions of this Agreement and (ii) the Company may continue its efforts to close the Qualified Financing (which must occur prior to the exercise by the Licensor of its right to terminate this Agreement).

The Licensor's right to terminate this Agreement pursuant to this Section 2.3 shall expire upon the closing of the Qualified Financing and payment by the Company to the Licensor of [*] pursuant to Section 4.9 hereof.

2.4 From the date of this Agreement until the HS Right Termination Date, the parties agree that, notwithstanding Section 2.1, the Licensor retains the right to make and sell any Licensed Products directly to the United States Department of Homeland Security, either by itself or in conjunction with the United States Department of Health and Human Services, or any agency or agencies that is/are responsible for securing the continental United States against terrorist attacks with biological agents (collectively, "Homeland Security") solely under the provisions promulgated in the Final Rule relating to "New Drug and Biological Drug Products; Evidence Needed to Demonstrate Effectiveness of New Drugs When Human Efficacy Studies Are Not Ethical or Feasible" 67 Fed. Reg. 105, 37988-37998 (May 31, 2002) and the corresponding 21 C.F.R. Parts 314 Subpart I and 601 Subpart H (collectively, the "Final Rule"); provided that such right shall not extend to (i) sales to any other end user, (ii) sales for any reason other than the intended treatment of victims (or potential victims) of terrorist attacks or (iii) the conduct of human efficacy clinical trials.

2.4.1 The Licensor shall provide to the Company updates of the status of the efforts of the Licensor and its Affiliates to sell Licensed Products to Homeland Security within thirty (30) days of the end of each calendar quarter and in response to all reasonable requests made by the Company for such status updates. As permitted by law and applicable government policy, the Licensor shall provide the Company (subject to any required confidentiality restrictions) with a copy of (i) all material written correspondence to be delivered to any governmental agency in connection with the testing and trial of the Licensed Products (including each interim and final report of any permitted human safety trial) prior to delivery to any governmental agency and (ii) all written correspondence received by the Licensor or any of its Affiliates (including, without limitation, any requests for human clinical trials). Prior to the commencement of any permitted human safety trials, the Licensor shall provide the Company a written notice containing a thorough description of the trial design intended to be conducted by the Licensor.

2.4.2 In the event the Licensor receives notice from Homeland Security requesting that the Licensor conduct human safety clinical trials of such Licensed Products, and (i) the dosing for such a trial is less than 3 mg/kg to be administered over any period of 12 hours or less and (ii) the dosing regimen for such a trial includes a bolus of 2.5 mg/kg or less to be administered in any period of one hour or less (regardless of the amount of the total infusion) and (iii) the dosing regimen for such a trial includes an infusion of 0.5 mg/kg or less to be administered in any period of 15 minutes or less (regardless of the amount of the total infusion), then the Licensor must obtain the prior written consent of the Company to conduct the trial at the proposed dosage levels, which consent to such dosage levels shall not be unreasonably withheld. The parties agree that if the Company does not grant such consent, (x) the Licensor cannot undertake such trial at such dosage levels and (y) the Licensor may submit such matter to arbitration for resolution pursuant to Article 8. For purposes of this Section 2.4.2, in the event of any such arbitration, either party may raise any of the following factors to establish the reasonableness or unreasonableness of

the withholding of such consent: (a)

whether the dosing regimen for such a trial exceeds any regimen previously conducted using the Licensed Product, or (b) whether the conduct of such a trial may interfere with any pending or planned clinical trial of the Company or any of its sublicensees, or (c) whether such a trial is likely to result in a serious adverse event in any subject of such trial, or (d) whether such a trial relates to any indication that is not contemplated by the Final Rule; provided that the factors in clauses (a), (b) (c) and (d) above are for illustrative purposes only and shall not be deemed a conclusive list of factors.

2.4.3 In the event the Licensor receives a trial request from Homeland Security requesting that the Licensor conduct human safety clinical trials of such Licensed Products, and the dosing regimen for such a trial falls outside the parameters set forth in Section 2.4.2 above, then the Licensor must obtain the prior written consent of the Company to conduct the trial at the proposed dosage levels, which consent to such dosage levels may be provided or withheld by the Company in its sole discretion, it being agreed that if the Company does not grant such consent, the Licensor cannot undertake such trial at such dosage levels.

2.4.4 The Licensor shall use commercially reasonable efforts to insure that none of the Licensed Products sold or intended to be sold to Homeland Security are sold or conveyed into another market and in particular a market for which human efficacy clinical trials are required, by (a) using appropriate and clear labeling on the packaging to advise that the product is not for commercial sale or resale and which complies with the labeling requirements of the FDA for drugs and biologics for which no human efficacy trials have been conducted and in particular as set out in 21 C.F.R. Parts 314 Subpart I and 601 Subpart H and (b) providing reasonable safeguards to insure that off label sales and uses do not occur. The Company shall have the right to audit the facilities and records of Licensor to insure compliance with this provision.

2.4.5 The rights retained by the Licensor under this Section 2.4 shall terminate upon the later of (the "HS Right Termination Date") [*]. On and after the HS Right Termination Date, all sales to Homeland Security shall be made by the Company or its sublicensee and shall be governed not by this Section 2.4 but instead by the other applicable provisions of this Agreement, including Sections 2.1 and 4.1 hereof. Notwithstanding the foregoing, the occurrence of the HS Right Termination Date shall not affect the right of the Licensor to perform under any agreements in effect between the Licensor and Homeland Security as of the HS Right Termination Date or supply any additional orders for Licensed Products in the same indication or indications as any one or more orders placed prior to the HS Right Termination Date, all of which shall continue to be governed by the terms of this Section 2.4 (other than this Section 2.4.5).

2.4.6 The parties agree and acknowledge that, notwithstanding any consent provided by the Company to the Licensor under this Section 2.4, the Company shall have no liability resulting from, arising out of, or in connection with any clinical trial conducted by the Licensor or any of its Affiliates in the exercise of the Licensor's rights under this Section 2.4.

2.5 The Licensor hereby grants to the Company an exclusive sublicense in the Field of Use to all rights granted under the NYU License Agreement (the "NYU Sublicense").

The Company shall fully comply with all terms and conditions of the NYU License Agreement, as amended pursuant to an amendment to the NYU License Agreement, dated as of November 9, 2004, a redacted copy of which is attached hereto as Exhibit C-1 (the "NYU Amendment"). The provisions set forth below in clauses (a) through (e), together with the NYU Amendment, shall govern the Company's sublicense of the Licensor's rights under the NYU License Agreement. Upon execution of this Agreement by the Licensor, the Licensor shall deliver to the Company a redacted copy of the fully executed NYU Amendment and an acknowledgement of NYU in substantially the form attached hereto as Exhibit C-2.

(a) The Company shall, at all times during the term of this Agreement and thereafter, defend, indemnify and hold harmless NYU and its trustees, officers, agents, employees, faculty and students from and against any and all liability, loss, damages and expenses (including attorneys' fees), they may suffer as the result of claims, demands, costs or judgments which may be made or instituted against them or any of them arising out of the manufacture, distribution, use, testing, sale or other disposition by Company or any Entity under common control with the Company, distributor, customer, sublicensee or representative of the Company or anyone in privity therewith, of any Licensed Products to the extent such products are derived from Patent Rights owned by NYU, or any method or process licensed by NYU to the Company hereunder or out of any representation

made by the Company pursuant to this Agreement, in each case relating to Patent Rights and Know-how arising out of the NYU License Agreement. The Company's obligation to defend, indemnify and hold harmless NYU shall include, but not be limited to, claims, demands, costs or judgments, whether for money damages or equitable relief by reason of: alleged personal injury (including death) to any person; alleged property damage; alleged infringement of any United States or foreign patent, copyright or other proprietary rights.

(b) Under the NYU License Agreement, NYU has agreed to notify the Licensor as soon as NYU becomes aware of a claim or action for which indemnification may be sought under the NYU License Agreement. The Licensor agrees to notify the Company as soon as the Licensor is notified by NYU of NYU becoming aware of a claim or action for which indemnification may be sought by NYU pursuant to this Section 2.5. At NYU's request, the Company shall provide attorneys to defend against any claim or action with respect to the subject of indemnity contained herein, whether or not such claims are rightfully brought or filed.

(c) The Company shall not sell any Licensed Products arising out of the NYU License Agreement nor manufacture, have manufactured, market or distribute any Licensed Products arising out of the NYU License Agreement for commercial sale, nor grant any rights to a third party to sell Licensed Products arising out the NYU License Agreement or to make, have made, distribute or market any Licensed Products arising out of the NYU License Agreement for commercial sale unless the Company shall have first, as required by the NYU License Agreement:

(i) provided NYU and the Licensor with a certificate of insurance proving the Company or such third party has in force, during the term of this Agreement, a policy of insurance acceptable to NYU and the Licensor which:

(A) is drawn in an amount not less than five million dollars ($5,000,000) for each occurrence as a combined single limit for bodily injury including personal injury and death and property damage; and

(B) is endorsed to name NYU, the Licensor, the Company, the Company's sublicensees and their respective partners, trustees, officers, directors, employees, agents and students as additional insureds under such policy of insurance with respect to the Company's obligations to indemnify pursuant to Section 2.5(a); and

(C) contains a stipulation that the required insurance coverage will not be reduced, materially altered or cancelled without first giving sixty (60) days prior written notice to NYU and the Licensor; or

(ii) provided NYU written evidence acceptable to NYU (at the individual full discretion of NYU) that the Company has sufficient financial resources to support meaningfully the indemnification obligations undertaken in Section 2.5(a); or

(iii) provided NYU with the Company's warranty and representation (and upon request by NYU, evidence acceptable to NYU) that the Company's net worth (excluding intangible assets) during the term of this Agreement is in excess of five million dollars ($5,000,000), as determined in accordance with accounting principles generally accepted in the United States and consistently applied; or

(iv) provided NYU with a written guarantee and undertaking, in form satisfactory, on a reasonable basis, to NYU by a party having sufficient financial resources to support the indemnification obligations undertaken in Section 2.5. Such party shall be required to execute in form satisfactory, on a reasonable basis to NYU a guarantee and undertaking to: (a) provide defense and indemnification to the NYU pursuant to Section 2.5 hereof; (b) maintain at all times required by Section 2.5 hereof sufficient insurance or self-insurance to indemnify NYU pursuant to Section 2.5; (c) upon written request of NYU provide evidence satisfactory, on a reasonable basis, to NYU that such party maintains such insurance or self-insurance; and (d) appoint an agent for service of process in the United States and consent to jurisdiction in the federal and state courts of New York. With respect to such third parties in each instance, NYU and the Company shall negotiate in good faith to determine the nature an extent of the financial resources necessary to constitute "sufficient financial resources" for purposes of this Section 2.5(c)(iv).

(d) Unless waived in writing by NYU, the Company agrees that the liability insurance policy or policies referred to in Section 2.5(c) above shall be maintained in force for so long as this Agreement remains in force and for six (6) years thereafter or as long as the Company shall make, use or sell the Licensed Product derived from Patent Rights owned by NYU, and for six (6) years thereafter, whichever shall be longer. The Company shall not terminate, reduce the face value of, or otherwise materially modify such insurance coverage during

the aforementioned period of time, unless equal or greater coverage is provided under another policy in compliance with the foregoing provisions and without a gap in coverage.

(e) The Company and the Licensor agree that NYU is a third party beneficiary of the provisions set forth in Sections 2.5(a) - (d).

2.6 The Licensor hereby grants to the Company an exclusive sublicense in the Field of Use under the Incyte License Agreement. The Company hereby agrees to be bound by the terms and conditions of the Incyte License Agreement and shall fully comply with all terms and conditions of the Incyte License Agreement, in each case, as amended pursuant to an amendment to the Incyte License Agreement, dated as of November 9, 2004, a redacted copy of which is attached hereto as Exhibit D-1 (the "Incyte Amendment"). Upon execution of this Agreement by the Licensor, the Licensor shall deliver to the Company a redacted copy of the fully executed Incyte Amendment. The Licensor shall use commercially reasonable efforts to have Incyte enter into an acknowledgement in substantially the form attached hereto as Exhibit D-2.

2.7 The Licensor hereby grants to the Company an exclusive sublicense in the Field of Use under the Joslin License Agreement. The Company hereby agrees to be bound by the terms and conditions of the Joslin License Agreement and shall fully comply with all terms and conditions of the Joslin License Agreement. The Licensor shall use commercially reasonable efforts to enter into an amendment to the Joslin License Agreement in substantially the form attached hereto as Exhibit E (the "Joslin Amendment").

2.8 The Licensor shall use its commercially reasonable efforts to comply with all terms of the Existing Licenses and will take all steps reasonably necessary to continue its compliance with such terms during the term of this Agreement. The Licensor shall not enter into, or grant, any agreement, amendment, modification, waiver or consent which would result in any diminution or contravention of the rights granted to the Company by the other parties to the Existing Licenses pursuant to the NYU Amendment, the Incyte Amendment and/or (once executed) the Joslin Amendment. Subject to the prohibition set forth in the immediately prior sentence, (x) to the extent feasible, the Licensor shall provide at least ten (10) days' prior notice to the Company of any proposed change to any of the Existing Licenses and (y) the Licensor may not make any other changes to the Existing Licenses, without the prior written consent of the Company; provided, however, that adjustments in the financial terms favorable to the Licensor may occur without notice to the Company and without the Company's prior written consent (so long as such adjustment does not diminish or contravene any rights of the Company). If the Company shall exercise its right under the applicable amendment to an Existing License to cure a breach or default of the Licensor, any reasonable, documented amounts (including, without limitation, reasonable attorneys fees) paid, or expense or costs incurred, by the Company in connection with such cure shall be a credit (and result in a direct offset) to a portion of the Company's monetary obligations to the Licensor under this Agreement equal to the monetary value of the reasonable, documented amounts paid or otherwise incurred.

2.9 The Company hereby grants to the Licensor and the Licensor accepts, subject to the terms and conditions of this Agreement (including, without limitation, the restrictions set forth in Section 11.2), an irrevocable, perpetual, fully paid up, exclusive sublicense under the Patent Rights, with the right to further sublicense, to make, have made, use, lease, sell or offer to sell products containing Peptides [*]. Any sublicense granted by the

Licensor under this Section 2.9 shall be conditioned upon such sublicensee's written agreement to be bound by the applicable provisions of this Agreement (including, without limitation, the proviso set forth in the immediately preceding sentence and the restrictions applicable to the Licensor under Section 11.2 hereof).

ARTICLE 3

COMMERCIALIZATION

3.1 Following the closing of the Qualified Financing, the Company shall use its commercially reasonable efforts to bring a Licensed Product to market through a thorough, vigorous and diligent program for exploitation of the Technology as timely and efficiently as possible. Such program shall include the preclinical and clinical development of Licensed Products, including research and development, manufacturing, laboratory and clinical testing and marketing. The Company shall continue active, diligent marketing efforts for Licensed Products throughout the term of this Agreement. The Company will assume the

costs of the pre-clinical and clinical development of the Technology subsequent to the date of the closing of the Qualified Financing. Notwithstanding the foregoing, the Company agrees that it will:

(a) commence a Phase II clinical trial for a Licensed Product sponsored by the Company or its sublicensee(s) (the "Initial Indication Trial") within [*] of the closing of the Qualified Financing ("Initial Trial Date"); and

(b) commence a Phase II clinical trial for a Licensed Product sponsored by the Company or its sublicensee(s) in an indication other than the indication that is the subject of Section 3.1(a) above (the "Second Indication Trial"), within [*] of the closing of the Qualified Financing ("Second Indication Trial Date"). The Second Indication Trial Date shall be extended by that number of months equal to [*] minus the number of months it takes the Company to commence the Phase II Clinical trial indicated in Section 3.1(a) above; provided, however, the Second Indication Trial Date shall never be less than [*] from the closing of the Qualified Financing.

For purposes of this Section 3.1 and Section 3.2, the term "commence" shall mean the dosing of the first patient in the applicable clinical trial.

3.2 If the Company fails to satisfy the conditions in Section 3.1(a) above, it shall pay the Licensor [*] per month for each full calendar month in which the Company does not commence the Initial Indication Trial following the Initial Trial Date. Additionally, the Licensor shall credit the Company [*] per month against the milestone payments and/or royalties (as directed by the Company) for each full calendar month prior to the Initial Trial Date in which the Company commences the Initial Indication Trial (such credit not to exceed [*]). Additionally, if the Company fails to satisfy the condition of Section 3.1(b) above, it shall pay the Licensor [*] per month for each full calendar month in which the Company does not commence the Second Indication Trial following the Second Indication Trial Date. Additionally, the Licensor shall credit the Company [*] per month against milestone payments and/or royalties (as directed by the Company) for each full calendar month prior to the Second Indication Trial

Date in which the Company commences the Second Indication Trial (such credit not to exceed [*]). All rights and obligations of the parties under this Agreement shall terminate upon termination or expiration of this Agreement except for any rights or obligations which have accrued to the benefit of, or have been incurred by, either party prior to such termination or expiration.

3.3 A Development Committee (the "Committee") shall be organized by the Company to monitor the clinical progress of the Licensed Products. The Committee will consist of independent scientific and technical thought leaders that are highly regarded by the scientific community in the field of each Licensed Product and at least one representative from each of the Licensor and the Company. The Committee will be responsible for (i) making recommendations to the Company's management relating to the pre-clinical and clinical development strategy; (ii) analysis and assessment of ongoing pre-clinical and clinical development of each Licensed Product; and (iii) assisting the Company to prepare pre-clinical and clinical development budgets. The actions and opinions of the Committee will be confidential; however, the Licensor representative may report general status overviews to senior management of the Licensor and other employees thereof who have a need to know such information. The Committee will meet at least two (2) times per year. The Company shall reimburse the Committee for any reasonable costs and expenses incurred by the Committee or its members in connection with any review or analysis requested to be performed by the Company.

ARTICLE 4

ROYALTIES AND OTHER CONSIDERATION

4.1 The Company agrees to pay to the Licensor the royalties set forth below, and in accordance with the provisions of Sections 4.5 and 4.6, to (i) the end of the term of the Patent Rights or (ii) [*] from first commercial sale of any Licensed Product, whichever is later, or until this Agreement terminates as hereinafter provided:

4.1.1 During the term of the License Agreement, the Company shall pay to the Licensor royalties equal to [*] of Net Sales received by the Company resulting from the sale of any Licensed Product by or on behalf of the Company to an end user.

4.1.2 During the term of the License Agreement, the Company shall pay to the Licensor royalties equal to [*] of the royalties received by the Company resulting from sales by or on behalf of any sublicensee of Licensed Products to an end user, provided, however, that in no case shall the Licensor receive less

than [*] of Net Sales of Licensed Products from any sublicensee to an end user. Notwithstanding the foregoing, should the Company receive in excess of a [*] royalty on Net Sales of a Licensed Product from a sublicensee, then the Company will pay the Licensor [*] of such royalties received by the Company in excess of [*] of Net Sales of Licensed Products from the sublicensee. By way of example, should the Company receive a [*] royalty from a sublicensee, then the Licensor shall be entitled to receive its [*] of Net Sales of Licensed Products from the sublicensee to an end user plus [*]of Net Sales of Licensed Products from such sublicensee to an end user (determined by giving the Licensor [*] of the [*]

royalty in excess of [*]) for a total royalty to the Licensor equal to [*] of Net Sales of Licensed Products from such sublicensee to an end user.

4.2 No multiple royalties shall be payable because the use, lease or sale of any Licensed Product or Licensed Process is, or shall be, covered by more than one valid and unexpired claim contained in the Patent Rights. In addition, royalties shall be paid for a Licensed Product or Licensed Process based upon only one of Sections 4.1.1 or 4.1.2 above (that is, royalties on direct sales of a Licensed Product or Licensed Process by the Company or its Affiliates shall be based only on clause 4.1.1, while royalties on sales of a Licensed Product or Licensed Process by the Company's sublicensees shall be based only on clause 4.1.2, so as to avoid double counting).

4.3 In the event that a Licensed Product is sold in the form of a combination product containing one or more products or technologies which are themselves not a Licensed Product, the Net Sales for such combination product shall be calculated by multiplying the sales price of such combination product by the fraction A/(A+B) where A is the invoice price of the Licensed Product or the Fair Market Value of the Licensed Product if sold to an Affiliate and B is the total invoice price of the other products or technologies or the Fair Market Value of the other products or technologies if purchased from an Affiliate. In the case of a combination product which includes one or more Licensed Products, the Net Sales for such combination product upon which the royalty due to the Licensor is based shall not be less than the normal aggregate Net Sales for such Licensed Product.

4.4 Royalty payments shall be paid in United States dollars at such place as the Licensor may reasonably designate consistent with the laws and regulations controlling in the United States and if applicable in any foreign country. Any taxes which the Company, its Affiliate or any sublicensee shall be required by law to withhold on remittance of the royalty payments shall be deducted from such royalty payment to the Licensor. The Company shall furnish the Licensor with the original copies of all official receipts for such taxes. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate prevailing at Citibank, N.A., in New York, New York on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

4.5 Royalties payable to the Licensor shall be paid on a quarterly basis within thirty-five (35) days of the end of each calendar quarter. Each such payment shall be for unpaid royalties which accrued within the most recently completed calendar quarter.

4.6 As further consideration for the license granted hereunder, the Company shall pay to the Licensor the following one time milestone payments (which milestone payments shall not be deducted from royalties otherwise owed or which may in the future be owing to the Licensor on account of sublicensing royalties and/or lump sum payments received by the Company or its Affiliate from sublicensees pursuant to clause 4.1.2):

4.6.1 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase II clinical trial with a Licensed Product to treat a

Category 1 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.2 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase III clinical trial to determine efficacy with a Licensed Product to treat a Category 1 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.3 [*] within thirty (30) days of the first date on which (x) the United States Food & Drug Administration (the "FDA") accepts a biologics license or other marketing application (an "NDA"), (y) the European Medicines Evaluation Agency accepts the equivalent of an NDA or (z) the Japanese Food & Drug Administration accepts the equivalent of an NDA (and only the first of these three events to occur), in each case, submitted by the Company or its

sublicensee relating to a Licensed Product for the treatment of a Category 1 medical condition;

4.6.4 [*] within thirty (30) days of the approval by the FDA of an NDA submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 1 medical condition;

4.6.5 [*] within thirty (30) days of the approval of a marketing application by the European Medicines Evaluation Agency so that the Company or its sublicensee may commence commercial sales of Licensed Product to treat a Category 1 medical condition;

4.6.6 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase III clinical trial to determine efficacy with a Licensed Product to treat a Category 2 medical condition under a Company sponsored or Company sublicensee sponsored IND (for the avoidance of doubt, no milestone payment shall be due as a result of the dosing of the first patient in a Phase II clinical trial to determine efficacy with a Licensed Product to treat a Category 2 medical condition);

4.6.7 [*] within thirty (30) days of the first date on which (x) the FDA accepts an NDA, (y) the European Medicines Evaluation Agency accepts the equivalent of an NDA or (z) the Japanese Food & Drug Administration accepts the equivalent of an NDA (and only the first of these three events to occur), in each case, submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 2 medical condition;

4.6.8 [*] within thirty (30) days of the approval by the FDA of an NDA submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 2 medical condition;

4.6.9 [*] within thirty (30) days of the approval of a marketing application by the European Medicines Evaluation Agency so that the Company or its sublicensee may commence commercial sales of Licensed Product for the treatment of a Category 2 medical condition;

4.6.10 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase II clinical trial with a Licensed Product to treat a Category 3 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.11 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase III clinical trial to determine efficacy with a Licensed Product to treat a Category 3 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.12 [*] within thirty (30) days of the first date on which (x) the FDA accepts an NDA, (y) the European Medicines Evaluation Agency accepts the equivalent of an NDA or (z) the Japanese Food & Drug Administration accepts the equivalent of an NDA (and only the first of these three events to occur), in each case, submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 3 medical condition;

4.6.13 [*] within thirty (30) days of the approval by the FDA of an NDA submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 3 medical condition;

4.6.14 [*] within thirty (30) days of the approval of a marketing application by the European Medicines Evaluation Agency so that the Company or its sublicensee may commence commercial sales of Licensed Product for the treatment of a Category 3 medical condition;

4.6.15 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase II clinical trial with a Licensed Product to treat a Category 4 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.16 [*] within thirty (30) days of the first date on which the Company doses the first patient in a Phase III clinical trial to determine efficacy with a Licensed Product to treat a Category 4 medical condition under a Company sponsored or Company sublicensee sponsored IND;

4.6.17 [*] within thirty (30) days of the first date on which (x) the FDA accepts an NDA, (y) the European Medicines Evaluation Agency accepts the equivalent of an NDA or (z) the Japanese Food & Drug Administration accepts the equivalent of an NDA (and only the first of these three events to occur), in each case, submitted by the Company or its sublicensee relating to a Licensed Product for the treatment of a Category 4 medical condition;

4.6.18 [*] within thirty (30) days of the first approval by the FDA of an NDA submitted by the Company or its sublicensee relating to a Licensed Product

for the treatment of a Category 4 medical condition; and

4.6.19 [*] within thirty (30) days of the first approval of a marketing application by the European Medicines Evaluation Agency so that the Company or its

sublicensee may commence commercial sales of Licensed Product for the treatment of a Category 4 medical condition.

Notwithstanding anything in this Section 4.6, in no event shall the Company be obligated to pay any Milestone Payment more than one time for the Licensed Products in Categories 1, 2 or 3.

4.7 The Company shall pay to the Licensor an amount equal to [*] of all sublicensing fees and other lump sum payments (including milestones) or other compensation (excluding royalties) received by the Company or an Affiliate from its sublicensees or other third parties having a direct or indirect interest in the proceeds from the sale of any Licensed Products for the development, manufacture, use, lease or sale of Licensed Products to end users, other than (a) payments received from the sale or issuance of debt or equity securities of the Company unless such payments are made at a premium to the Market Price, in which case, the Licensor shall be entitled to [*] of the difference between the Market Price and the purchase price of such securities; and (b) payments received by the Company that are (i) designated in any agreement with a third party to be dedicated to the research and development of the Technology or Licensed Products (including testing and FDA approvals), (ii) dedicated to establish a marketing and sales force for sales of Licensed Products, or (iii) in exchange for goods and/or services relating to a Licensed Product having a Fair Market Value equivalent to the amount received by the Company. All payments owing under this Section 4.7 shall be paid by the Company to the Licensor within ten (10) business days of receipt by the Company of payment from the relevant sublicensee or other third party.

4.8 The Company shall pay to the Licensor [*] of the gross proceeds the Company actually receives from the sale of its equity or debt securities until such time as the Licensor shall have received an aggregate of [*] from such proceeds (the "Accruable License Fee"). In addition to the foregoing obligation with respect to debt and equity financing that occurs after the date of this Agreement, if the Licensor shall have not yet received the entire Accruable License Fee (i) on or before [*], the Company shall pay the Licensor, as a license fee, the lesser of (a) the remaining balance of the Accruable License Fee and (b) an amount that when added to the aggregate Accruable License Fees paid through such date equals [*] and (ii) on or before [*], the Company shall pay the Licensor, as a license fee, the lesser of (a) the remaining balance of the Accruable License Fee and (b) an amount that when added to the aggregate Accruable License Fees paid through such date equals [*] (which includes all payments made under clause (i)(b) above). All amounts payable under this Section 4.8 shall be paid within ten (10) days of the applicable determination date and shall be credited against the Accruable License Fee and the remaining balance of the Accruable License Fee shall be proportionately reduced. The amount payable under Section 4.9 shall not be credited against the Accruable License Fee. Upon termination of the License Agreement, for any reason, the Company will not be obligated to the Licensor to pay the remaining balance, if any, of the Accruable License Fee.

4.9 In addition to the milestone payments and royalties payable under this Article 4, after the closing of the Qualified Financing, the Company shall pay to the Licensor, as a license fee, [*] within five (5) days of the closing of such financing.

For the avoidance of doubt, the obligations of the Company under Sections 4.8 and 4.9 of this Agreement relate to payments to be made after the date of this Agreement (the failure of which

to be paid may provide the Licensor with a basis to assert a breach of this Agreement) and shall not (i) constitute a condition precedent to the grant of the license (or sublicense) rights granted to the Company under this Agreement or (ii) result in the termination of any license (or sublicense) rights granted hereunder, except as expressly provided in Article 7 of this Agreement.

4.10 To the extent that the Company or any Affiliate of the Company is required, (i) after reasonable legal analysis, or (ii) by order or judgment of any court in any jurisdiction, to obtain a license from a third party in order to practice the rights purported to be granted to the Company by the Licensor hereunder under Patent Rights in such jurisdiction, then up to [*] of the royalties payable under such license in such jurisdiction may be deducted from royalties otherwise payable to the Licensor hereunder, provided that in no event

shall the aggregate royalties payable to the Licensor in any quarterly period in such jurisdiction be reduced (i) by more than [*] as a result of any such deduction or (ii) by an amount that would reduce the Licensor's royalty payment to less than [*] of Net Sales of Licensed Products from any license or sublicensee.

4.11 The Licensor shall remit [*] of net revenues received by it to the Company as a result of its sales, if any, to Homeland Security. For the purposes of this Section, net revenues shall be defined as gross revenues from Homeland Security minus (i) costs of goods sold ("COGS") determined according to GAAP, (ii) directly related packaging and freight charges and (iii) other directly related costs of such sales in an amount not to exceed [*] per annum. Such sublicense fees shall be paid quarterly, due thirty-five (35) days after the close of each calendar quarter and submitted along with a financial report equivalent to what is required of Company under this Agreement. The Licensor agrees to make such payments until (i) the end of the term of the Patent Rights or (ii) [*] years from first commercial sale of any Licensed Product, whichever is later.

4.12 To the extent the Company shall have paid to NYU, Incyte or Joslin any royalty or other payment which the Licensor was obligated to make under the terms of any of the Existing Licenses (immediately prior to any termination) (i) as a result of a failure of the Licensor to make such payment, or (ii) resulting from the assumption by the Company (or its designee) of the obligations of the Licensor under any Existing License after termination of such Existing Licenses by the counterparty thereto (whether as a result of breach by the Licensor or otherwise), in each case, the documented amount of such payments made by the Company shall be credited against equal amounts owed by the Company to the Licensor under this Agreement.

ARTICLE 5

REPORTS AND RECORDS

5.1 The Company shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to the Licensor by way of royalty as aforesaid. Said books of account shall be kept at the Company's principal place of business and the supporting data shall be made available up to once per year upon reasonable notice to the Company, for three (3) years following the end of the calendar year to which they pertain, for inspection by the Licensor's internal audit division

and/or by another designated auditor selected by the Licensor, except one to whom the Company has reasonable objection, for the purpose of verifying the Company's royalty statement or compliance in other respects with this Agreement. If an inspection shows an under reporting or underpayment in excess of the greater of [*] of royalties payable for any twelve (12) month period and [*], then the Company shall reimburse the Licensor for the cost of the inspection at the time the Company pays the unreported royalties, including any late charges as required by Section 5.4 of this Agreement. All payments required under this Article 5 shall be due within fifteen (15) days of the date the Licensor provides the Company notice of the payment due.

5.2 Within thirty five (35) days from the end of each quarter of each calendar year, the Company shall deliver to the Licensor complete and accurate reports, giving such particulars of the business conducted by the Company during the preceding quarter under this Agreement as shall be pertinent to a royalty accounting hereunder. These shall include at least the following:

5.2.1 All Licensed Products and Licensed Processes used, leased or sold by or for the Company or its Affiliates;

5.2.2 Total amounts invoiced by the Company for Licensed Products and Licensed Processes used, leased or sold by or for the Company or its Affiliates;

5.2.3 Deductions applicable in computed Net Sales, if any;

5.2.4 Total royalties due based on Net Sales by or for the Company or its Affiliates or any sublicensee; and

5.2.5 Names and addresses of all sublicensees and Affiliates of the Company.

In addition, within ninety (90) days of the end of each fiscal year of the Company, the Company shall provide the Company's year-end financial statements to the Licensor.

5.3 With each such quarterly report submitted, the Company shall pay to the Licensor the royalties due and payable under this Agreement, subject to any

applicable credits. Until such time as the first Licensed Product is approved by the FDA, the Company shall not be required to make a report pursuant to this Article 5 (other than the provision of the Company's year-end financial statements).

5.4 Amounts which are not paid when due and which are not the subject of a bona fide dispute shall accrue interest from the due date until paid, at a rate equal to the then prevailing prime rate of Citibank, N.A., plus two percent (2%).

5.5 The Company agrees to forward to the Licensor annually a copy of any report, which is in substance similar to the report required by this Article 5, received from any sublicensee and other documents received from any sublicensee as the Licensor may reasonably request, as may be pertinent to an accounting of royalties.

5.6 The Licensor agrees to hold in confidence each report delivered by the Company pursuant to this Article 5 until the termination of this Agreement. Notwithstanding the foregoing, the Licensor may disclose any such information required to be disclosed pursuant to any judicial, administrative or governmental request, subpoena, requirement or order, provided that the Licensor take reasonable steps to provide the Company with the opportunity to contest such request, subpoena, requirement or order.

ARTICLE 6

PATENT PROSECUTION AND MAINTENANCE

6.1 Following the closing of the Qualified Financing, the Company shall diligently prosecute and maintain the Patent Rights as set forth in Exhibit A hereto (as the same may be amended or supplemented from time to time after the date hereof), at its sole cost and expense, including, but not limited to, the filing of patent applications which may be required. The Company agrees to keep the Licensor reasonably well informed with respect to the status and progress of any such applications, prosecutions and maintenance activities, subject to the obligations of confidentiality set forth in Article 15 hereof, and to consult in good faith with the Licensor and take into account the Licensor's comments and requests with respect thereto. Both parties agree to provide reasonable cooperation to each other to facilitate the application and prosecution of patents pursuant to this Agreement.

6.2 The Company may, in its discretion, elect to abandon any patent applications or issued patent in the Patent Rights. Prior to any such abandonment, the Company shall give the Licensor at least sixty (60) days' notice and a reasonable opportunity to take over prosecution or maintenance of such Patent Rights. In such event, the Licensor shall have the right, but not the obligation, to commence or continue such prosecution and to maintain any such Patent Rights under its own control and at its expense. The Company agrees to cooperate in such activities including execution of any assignments or other documents necessary to enable the Licensor to obtain and retain sole ownership and control of such Patent Rights.

ARTICLE 7

TERMINATION

7.1 If the Company shall file a petition in bankruptcy, an involuntary petition for bankruptcy is filed against the Company and not contested with ninety (90) days of such filing, or if the business of the Company shall be placed in the hands of a receiver, assignee or trustee for the benefit of creditors, whether by the voluntary act of the Company or otherwise, this Agreement shall automatically terminate.

7.2 If the Company fails to make payment to the Licensor of royalties, milestones or other amounts due in accordance with the terms of this Agreement which are not the subject of a bona fide dispute between the Licensor and the Company, the Licensor shall have the right to terminate this License Agreement within ten (10) days after giving written

notice of termination unless the Company shall pay to the Licensor, within the 10-day period, all such royalties, milestones or other amounts due and payable that are not the subject of a bona fide dispute. In the event of a bona fide dispute over royalties, milestones or other amounts due and payable, the parties shall resolve such dispute in accordance with Article 8. Subject to Article 8 and the immediately preceding sentence, upon the expiration of the 10-day

period, if the Company shall not have paid all such royalties, milestones or other amounts due and payable, the rights, privileges and license granted hereunder shall, at the option of the Licensor, immediately terminate.

7.3 Upon any material breach or default of this Agreement by the Company, other than as set forth in Sections 7.1 and 7.2 above, the Licensor shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder by giving sixty (60) days prior written notice to the Company. Subject to Article 8, such termination shall become effective immediately unless the Company shall have cured any such breach or default prior to the expiration of such 60-day period referred to above. If a dispute regarding termination is addressed according to Article 8, the licenses and rights granted under this Agreement shall remain in full force and effect until such dispute is settled in a manner that is not further appealable or not appealed.

7.4 The Company shall have the right at any time to terminate this Agreement in whole, for any reason or no reason, by giving sixty (60) days notice thereof in writing to the Licensor.

7.5 Upon termination of this Agreement for any reason, all monetary obligations of a party that would accrue or be incurred by such party after the date of such termination shall be released and terminated; provided, however, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination or obligations under Articles 4, 5, 8, 9, 10, 11, 14, 16 and 19 and Sections 2.4 and 3.2. The Company and/or any sublicensee thereof may, however, after the effective date of any such termination by the Company due to a material breach or default of this Agreement by the Licensor and continuing for a period not to exceed six (6) months thereafter, sell all completed Licensed Products, provided that the Company shall pay or cause to be paid to the Licensor the royalties thereon as required by Article 4 of this Agreement and shall submit the reports required by Article 5 hereof on the sales of Licensed Products. All representations and warranties contained in this Agreement (including the schedules hereto) shall survive during the term of this Agreement and, in the case of a termination by the Company due to a material breach or default of this Agreement by the Licensor, for the [*] after such termination.

7.6 If not terminated sooner, this Agreement shall terminate, on a country by country basis, on (i) the date of the last to expire claim contained in the Patent Rights or (ii) thirteen (13) years from first commercial sale of any Licensed Product, whichever is later.

ARTICLE 8

DISPUTE RESOLUTION

8.1 Any dispute arising from or relating to the amount of any payments to be made, or alleged to be made, under Article 3 or Article 4 of this Agreement, or arising under Section 2.4.2 of this Agreement, shall be determined before a tribunal of three arbitrators in New York, New York in accordance with the rules of the American Arbitration Association. One arbitrator shall be selected by the Licensor, one arbitrator shall be selected by the Company and the third arbitrator shall be selected by mutual agreement of the first two arbitrators.

8.2 Any other claim, dispute, or controversy arising from this Agreement and the provisions hereof (including, without limitation, the validity, enforceability, or infringement of any patent contained in the Patent Rights licensed hereunder and/or the license of the Patent Rights) shall be resolved in any court as to which the parties have submitted to jurisdiction pursuant to Section 19.10 hereof.

8.3 In the event that, in any arbitration proceeding, any issue other than the amount and/or existence of any payment obligation under Article 3 or Article 4 shall arise, the arbitrators shall, to the extent possible, resolve only the issues relating to the amount and/or existence of any payment obligation under Article 3 or Article 4; in any event, the arbitrators shall not delay the arbitration proceeding for the purpose of obtaining or permitting either party to obtain judicial resolution of any other issues, unless an order staying the arbitration proceeding shall be entered by a court of competent jurisdiction.

8.4 The costs of such arbitration shall be borne proportionate to the finding of fault as determined by the arbitrators. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

ARTICLE 9

INFRINGEMENT AND OTHER ACTIONS

9.1 Each of the parties shall, promptly after receipt of notice or other

indication of alleged infringement by a third party of the Patent Rights, provide written notice to the other party of such alleged infringement and provide such other party with any available evidence of such infringement.

9.2 During the term of this Agreement, the Company shall have the right, but not the obligation, to prosecute and/or defend, at its own expense and utilizing counsel of its choice, any infringement of, and/or challenge to, the Patent Rights. In furtherance of such right, the Licensor hereby agrees that the Company may join the Licensor as a party in any such suit (and will join at the Company's request), provided that the Company pay all of the Licensor's reasonable out-of-pocket expenses. Any recovery of damages pursuant to this Section 9.2 shall be retained entirely by the Company and allocated pursuant to 9.4 below. In addition, the

Company shall defend, indemnify and hold the Licensor, its Affiliates and their respective directors, officers, shareholders, agents, successors and permitted assigns harmless from and against any costs, expenses or liability that may be found or assessed against the Licensor in any such suit, other than those resulting from the Licensor's gross negligence or willful misconduct or any fact or condition the existence of which constitutes a breach of any representation or warranty made by the Licensor to the Company in Article 17 hereof.

9.3 In the event that a claim or suit is asserted or brought against the Company alleging that the manufacture or sale of any Licensed Product by the Company, an Affiliate of the Company, or any sublicensee, or the use of such Licensed Product by any customer of any of the foregoing, infringes proprietary rights of a third party, the Company shall give written notice thereof to the Licensor. The Company may, in its sole discretion, modify such Licensed Product to avoid such infringement and/or may settle on terms that it deems advisable in its sole discretion, subject to Section 9.2. Otherwise, the Company shall have the right, but not the obligation, to defend any such claim or suit.

9.4 Any recovery of damages by the Company, in any such suit, shall be applied first in satisfaction of any unreimbursed expenses and legal fees of the Company relating to the suit. The balance remaining from any such recovery shall be treated as royalties received by the Company from sublicensees and shared by the Licensor and the Company in accordance with clause 4.1.1 or 4.1.2 hereof, as applicable.

9.5 If within six (6) months after receiving notice of any alleged infringement, the Company shall have been unsuccessful in persuading the alleged infringer to desist, or shall not have brought and shall not be diligently prosecuting an infringement action, or if the Company shall notify the Licensor, at any time prior thereto, of its intention not to bring suit against the alleged infringer, then, and in those events only, the Licensor shall have the right, but not the obligation, to prosecute, at its own expense and utilizing counsel of its choice, any infringement of the Patent Rights, and the Company may, for such purposes, join the Licensor as a party plaintiff. The total cost of any such infringement action commenced solely by the Licensor shall be borne by the Licensor and the Licensor shall keep any recovery or damages for infringement or otherwise derived therefrom and such shall not be applicable to any royalty obligation of the Company.

9.6 In any suit to enforce and/or defend the Patent Rights pursuant to this Agreement, the party not in control of such suit shall, at the request and expense of the controlling party, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

ARTICLE 10

LIMITATION OF LIABILITY, INDEMNITIES

10.1 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSOR MAKES NO REPRESENTATIONS AND EXTENDS NO

WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE.

10.2 The Company agrees to defend, indemnify and hold the Licensor, its Affiliates and their respective directors, officers, shareholders, agents, successors and permitted assigns harmless from and against all losses, liabilities, claims, obligations, penalties, damages, costs and expenses (including all attorneys' fees and disbursements and other costs reasonably incurred or sustained in connection with the investigation, defense or prosecution of any such claim or any action or proceeding ("Losses") relating to

or arising directly or indirectly: (a) out of use by the Company or its transferees of inventions licensed or information furnished under this Agreement or (b) out of any use, sale or other disposition by the Company or its transferees of Patent Rights, Licensed Products or Licensed Processes, in each case which are not the result of the Licensor's gross negligence or willful misconduct or any fact or condition the existence of which constitutes a breach of any representation or warranty made by the Licensor to the Company in Article 17 hereof. The Company agrees that any sublicense agreement it enters relative to the Licensed Products and/or Licensed Processes shall contain a covenant by such sub-licensee providing for the indemnification of the Licensor as provided in this Article 10.

10.3 The Licensor agrees to defend, indemnify and hold the Company, its Affiliates and their respective directors, officers, shareholders, agents, successors and permitted assigns harmless from and against, and shall pay and reimburse the foregoing persons for, any and all Losses relating to or arising, directly or indirectly, out of the breach (or alleged breach if asserted by a third party) of (i) any representation or warranty of the Licensor contained in this Agreement, (ii) any covenant or agreement of the Licensor contained in this Agreement, (iii) any agreement between the Licensor and any third party in existence as of the date of this Agreement (including all clinical trial agreements and all agreements containing indemnification obligations of the Licensor), or (iv) any clinical trial conducted by the Licensor or any of its Affiliates pursuant to Section 2.4 hereof. All Losses as to which the Company shall be entitled to recover from the Licensor under this Section 10.3 may be credited against any amounts owing by the Company to the Licensor under this Agreement.

10.4 A party seeking indemnification pursuant to Section 10.2 or 10.3 (an "Indemnified Party") shall give prompt notice to the party from whom such indemnification is sought (the "Indemnifying Party") of the assertion of any claim or assessment, or the commencement of any action, suit or other proceeding, by a third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but no failure to give such notice shall relieve the Indemnifying Party of any liability hereunder (except to the extent the Indemnifying Party has suffered actual and material prejudice thereby). The Indemnifying Party shall have the right, exercisable by written notice to the Indemnified Party within 14 days of receipt of notice from the Indemnified Party of commencement of or assertion of any Third Party Claim, to assume the defense of such Third Party Claim, using counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party; provided, that if the Indemnified Party shall have been advised by counsel that under applicable standards of professional responsibility, a conflict will arise in the event both the Indemnified

Party and the Indemnifying Party are represented by the same counsel with respect to the Third Party Claim, such Indemnified Party shall have the right to separate counsel for the defense of such Third Party Claim and all Losses in connection therewith shall be reimbursed by the Indemnifying Party from time to time upon demand of the Indemnified Party. The Indemnifying Party or the Indemnified Party, as the case may be, shall in any event have the right to participate at its own expense, in the defense of any Third Party Claim which the other is defending. The Indemnifying Party, if it shall have assumed the defense of any Third Party Claim in accordance with the terms hereof, shall have the right, upon 30 days' prior written notice to the Indemnified Party, to consent to the entry of judgment with respect to, or otherwise settle, such Third Party Claim unless (i) the Third Party Claim involves equitable or other non-monetary damages, (ii) in the reasonable judgment of the Indemnified Party such settlement would have a continuing material adverse effect on the business of the Indemnified Party (including any material impairment of relationships with customers or suppliers) or (iii) the terms of such settlement do not include a full release of the Indemnified Party from the liability in connection with such Third Party Claim, in which cases such settlement only may be made with the written consent of the Indemnified Party, which consent shall not be unreasonably withheld. The Indemnified Party shall have the sole and exclusive right to settle any Third Party Claim, on such terms and conditions as it deems reasonably appropriate, (A) if the Indemnifying Party fails to assume the defense in accordance with the terms hereof or (B) to the extent such Third Party Claim involves equitable or other non-monetary relief, and shall have the right to settle any Third Party Claim involving monetary damages with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

ARTICLE 11

OTHER AGREEMENTS

11.1 In connection with the transfer of the Technology, the Licensor shall,

to the extent permitted by law, provide the Company with, sell to the Company (as specifically indicated below and only to the extent requested by the Company), and/or give the Company access to the following: (i) copies of all regulatory submissions by the Licensor, its Affiliates, contractors or agents, (ii) copies of or access to all patient records (including those held by physicians, care facilities, or clinical trial organizations) to the extent the Licensor has copies thereof or can provide access thereto, (iii) copies of all computer data and reports pertaining to clinical trials, (iv) copies of all adverse event reports, (v) copies of all pre-clinical evaluations, (vi) any clinical trial material in the Licensor's possession that has not expired at cost plus [*], (vii) storage of and access permission to biological samples, (viii) physicians, CROs and health care administrators involved in trials, to the extent such persons are available, (ix) all drug manufacture files along with the right to use manufacturing processes, (x) remaining quantities of any active pharmaceutical ingredient intermediates pursuant to the terms of a supply agreement to be negotiated between the parties and (xi) all other information that the Company may reasonably request from the Licensor. All costs related to the duplication and transfer of such materials shall be borne by the Company. In addition, the Licensor shall assign or, if the Licensor is legally prohibited from assigning or the parties agree to cross-reference, cross-reference to the Company all regulatory filings relating to Licensed Products; provided that the

Licensor shall have access to such regulatory filings related to the Licensed Products to the extent necessary to assist in the sale of Licensed Products to Homeland Security pursuant to Section 2.4 hereof. To the extent that the Licensor has access to patient records, data, computer files, patient samples or other patient clinical trial information, the Licensor, to the extent permitted by law, on written request by the Company, shall arrange for the Company access to such documents, information, materials and CT Agreements (as defined below). The Licensor will promptly notify the Company of any ongoing clinical trial responsibilities (including patient monitoring and follow-up) under the CT Agreements and shall allow the Company to decide, in its sole discretion, whether to assume such obligations and, to the extent the Company elects not to assume such obligations, such obligations shall remain the sole responsibility of the Licensor. From time to time during the term of this Agreement, at the request and expense of the Company, the Licensor agrees to execute and deliver to the Company such documents and take such other actions as the Company may reasonably request in order to consummate more effectively the transactions contemplated hereby. The Licensor shall reasonably cooperate with the Company and provide the Company with such assistance as reasonably may be requested by the Company, including with respect to the transfer of clinical data and filings with the FDA.

11.2 In consideration of the obligations of the Company under this Agreement and the payments made, and to be made, by the Company to the Licensor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Licensor shall not (and shall cause its employees, consultants and agents not to), for a period commencing on the date hereof and ending (x) in the case of a termination resulting from a breach by the Licensor or its Affiliate, [*] after the termination of this Agreement or (y) in all other cases, upon the termination of this Agreement, by business operation, joint venture, partnership, merger, consolidation, acquisition, ownership of securities or otherwise, develop, commercialize, operate, manage, control, finance, consult with, engage or participate in any manner in any business or activity anywhere in the world that uses one or more Peptides for treatment of any of the indications set forth on Schedule 11.2 attached hereto. The Licensor acknowledges that a violation or threatened violation of any of the provisions of this Section 11.2 may result in the Company sustaining irreparable harm, which result may not be adequately redressed by the payment of damages to the Company and, therefore, in addition to any other remedies that the Company may have under this Agreement or otherwise, the Company shall be entitled to apply to any court of competent jurisdiction, at law or in equity, for an injunction, without providing any bond, enjoining or restraining any such violation, including the rescission of any violative transaction to the extent permissible under applicable law. If, for any reason, a court of competent jurisdiction shall find any of the provisions of this Section unreasonable in duration, geographic scope or otherwise, the prohibitions contained herein shall be restricted to such time and geographic area as such court determines to be reasonable and that reflect the intention of the parties to the fullest extent permissible. Such restriction shall apply only with respect to the operation of such provisions in the particular jurisdiction in which such adjudication is made. The parties agree that the list of indications included on Schedule 11.2 may be supplemented by the Company, at any time during the term of this Agreement, with any additional indications that the Company or its sublicensee has formally committed to pursue, as evidenced by the initiation of a development program therefor, by providing the Licensor with written notice of such additional indication(s) and the initiation of such program(s); provided that

any such additional indication(s) shall only be added to Schedule 11.2 if, at the time of such notice, the Licensor or an Affiliate has not commenced a development program to develop a compound for treatment of such indication.

11.3 The Licensor hereby authorizes the Company (a) to include in any NDA for a Licensed Product, as the Company may deem appropriate under the Federal Food, Drug and Cosmetic Act (the "Act"), a list of patents included among the Licensed Patents that relate to such Licensed Product and such other information as the Company in its reasonable discretion believes is appropriate to be filed pursuant to the Act; (b) to commence suit for any infringement of the Licensed Patents under ss. 271(e) (2) of Title 35 of the United States Code occasioned by the submission by a third party of an IND, an Abbreviated New Drug Application (as that term is defined in the Act) for a Licensed Product pursuant to ss. 505(j) of the Act or an NDA for a Licensed Product pursuant to ss. 505(b)(2) of the Act; and (c) subject to the Licensor's consent (which consent will not be unreasonably withheld or delayed), to exercise any rights that may be exercisable by Licensor as patent owner under the Act to apply for an extension of the term of any patent included among the Licensed Patents. In the event that applicable law in any other country of the Territory hereafter provides for the extension of the term of any patent included among the Licensed Patents in such country, upon request by and at the expense of the Company, the Licensor shall use commercially reasonable efforts to obtain such extension or, in lieu thereof, shall authorize the Company or, if requested by the Company or its sublicensees to apply for such extension, in consultation with the Licensor. The Licensor, at the Company's expense, agrees to reasonably cooperate with the Company or its sublicensees, as applicable, in the exercise of the authorization granted herein or which may be granted pursuant to this Section and will execute such documents and take such additional actions as the Company may reasonably request in connection therewith, including, if necessary, permitting itself to be joined as a proper party in any suit for infringement brought by the Company under clause (b) above. The provisions of this Section 11.3 shall apply to any suit for infringement brought by the Company under clause (b) above. In the event the Company decides not to commence suit for infringement under clause (b) above, the Company will notify the Licensor of its decision within twenty-five (25) days after the receipt of notice that the third party has made a certification described in ss. 505(b)(2)(A)(iv) or 505(j)(2)(A)(vii)(IV) of the Act, so that Licensor may institute such litigation itself, if it wishes, at its own cost and expense.

11.4 The Licensor shall promptly provide to the Company a copy of each (i) written notice (including, without limitation, relating to termination, amendment, cancellation or acceleration), (ii) request for waiver, consent, amendment or modification, and (iii) other material written materials, in each case, received on or after the date of this Agreement by the Licensor or any of its Affiliates in connection with each Material Agreement.

11.5 The Licensor covenants that it will not during the term of this Agreement (a) cause or assist in the assertion, instigation, maintenance or pursuit of any claim against the Company based on or alleging infringement of any rights under any of the patents or patent applications listed in Exhibit B or any and all patents issuing thereon, including continuations, divisionals, reexaminations, extensions, and reissue applications and continuation-in-part applications and any United States or foreign patents granted upon such applications in connection with the practice by the Company of any of its rights granted hereunder other than

with respect to Peptides or (b) enter into a license with respect to, or otherwise convey rights under, any of the patents and patent applications listed in Exhibit B to any third party relating to (i) peptide sequences [*] derived from BPI or (ii) any licensed products comprising, or licensed processes utilizing, peptide sequences [*] derived from BPI.

ARTICLE 12

ASSIGNMENT

This Agreement and the rights and duties appertaining hereto may not be assigned by either party without first obtaining the written consent of the other which consent shall not be unreasonably withheld. Any such purported assignment, without the written consent of the other party, shall be null and of no effect. Notwithstanding the foregoing, each party may assign this Agreement without the consent of the other party (i) to a purchaser, merging or consolidating corporation, or acquiror of substantially all of the assignor's assets or business and/or pursuant to any reorganization qualifying under section 368 of the Internal Revenue Code of 1986, as amended, as may be in effect at such time, or (ii) in whole or in part to an Affiliate of the assignor; provided that the Licensor may not assign any portion of this Agreement that relates to NYU or Incyte as provided above unless the assignee is assigned all of the Licensor's rights and obligations under the Incyte License

Agreement and the NYU License Agreement. The Licensor may not assign or terminate any rights held by Licensor as of the date of this Agreement with respect to the Patent Rights arising from any license, agreement or arrangement with any Non-Licensor Patent Owner without the prior written consent of the Company.

ARTICLE 13

PAYMENT OF FEES AND EXPENSES

Each of the Company and the Licensor shall be responsible for their own expenses relating to the preparation and consummation of this Agreement and the agreements and transactions contemplated hereby.

ARTICLE 14

USE OF NAMES AND PUBLICATION

14.1 Nothing contained in this Agreement shall be construed as granting any right to the Company or its Affiliates to use in advertising, publicity, or other promotional activities any name, trade name, trademark, or other designation of the Licensor or any of its units (including contraction, abbreviation or simulation of any of the foregoing) without the prior, written consent of the Licensor; provided, however, that the Licensor acknowledges and agrees that the Company may use the names of the Licensor in various documents used by the Company for capital raising and financing without such prior written consent where the use of such names may be required by law. Notwithstanding the foregoing, the Licensor hereby grants

to the Company for the term of this Agreement a non-exclusive, royalty free license to use any United States and/or foreign trademarks or trademark applications filed by or on behalf of the Licensor related to the Technology, the Patent Rights, Licensed Products or Licensed Processes, including NEUPREX(R).

14.2 Nothing herein shall be deemed to establish a relationship of principal and agent between the Licensor and the Company, nor any of their agents or employees for any purpose whatsoever.

14.3 The Licensor and the Company agree to the release of a press release in the form attached hereto as Schedule 14.3 upon full execution of this Agreement and that the consummation of this Agreement, as well as such terms as are expressly described in such press release, shall be deemed to be in the public domain. Subject to either party's disclosure obligations under law, the Licensor and the Company shall cooperate with each other in the development and distribution of all further news releases and other written statements for general circulation relating primarily to the transaction contemplated hereby.

ARTICLE 15

PAYMENTS, NOTICES AND OTHER COMMUNICATIONS

Any payment, notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and sent by certified first class mail, postage prepaid, by hand delivery or by facsimile if confirmed in writing, in each case effective upon receipt, at the addresses below or as otherwise designated by written notice given to the other party:

In the case of the Licensor:

XOMA Ireland Limited
Shannon Airport House
Shannon Co., Clare
Ireland
Attention: Company Secretary
Fax:

with a copy to:

Cahill Gordon & Reindel LLP
80 Pine Street
New York, NY 10005
Attn.: Geoffrey E. Liebmann, Esq.
Fax: 212-378-2295

In the case of the Company:

Zephyr Sciences Inc.
55 Broad Street
20th Floor
New York, NY 10004
Attn: President
Fax: (212) 422-2091

With a copy to:

Reitler Brown & Rosenblatt
80 Third Avenue
New York, NY 10022
Attn.: Scott H. Rosenblatt, Esq.
Fax: 212-371-5500

ARTICLE 16

CONFIDENTIALITY

16.1 Any and all proprietary or confidential information relating to the Patent Rights (including but not limited to Know-how and patent prosecution documents relating to Patent Rights) collectively constitute the "Confidential Information." The Company and the Licensor agree that they will not use the Confidential Information for any purpose unrelated to this Agreement, and will hold it in confidence during the term of this Agreement and for a period of five (5) years after the termination or expiration date of this Agreement. The Company shall exercise with respect to such Confidential Information the same degree of care as the Company exercises with respect to its own confidential or proprietary information of a similar nature, and shall not disclose it or permit its disclosure to any third party (except to those of its employees, consultants, or agents who are bound by the same obligation of confidentiality as the Company is bound by pursuant to this Agreement). However, such undertaking of confidentiality by the Company shall not apply to any information or data which:

16.1.1 The Company receives at any time from a third party lawfully in possession of same and having the right to disclose same;

16.1.2 Is, as of the date of this Agreement, in the public domain, or subsequently enters the public domain through no fault of the Company;

16.1.3 Is independently developed by the Company as demonstrated by written evidence without reference to information disclosed to the Company by the Licensor;

16.1.4 Is disclosed pursuant to the prior written approval of the Licensor; or

16.1.5 Is required to be disclosed pursuant to law or legal process (including, without limitation, to a governmental authority) provided, in the case of disclosure pursuant to legal process, reasonable notice of the impending disclosure is provided to the Licensor and the Licensor has agreed to such disclosure in writing or has exhausted its right to contest such disclosure.

ARTICLE 17

REPRESENTATIONS AND WARRANTIES OF LICENSOR

The Licensor represents and warrants to the Company, as of the date of this Agreement, that:

17.1 The Licensor is a company with limited liability duly organized, validly existing and in good standing under the laws of the Republic of Ireland. The Licensor has the requisite power and authority to execute and deliver this Agreement and the other agreements contemplated hereby to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other agreements contemplated hereby to which the Licensor is a party and the performance and consummation of the transactions contemplated hereby and thereby by the Licensor have been duly authorized by all necessary action on the part of the Licensor. This Agreement and the other agreements contemplated hereby to which the Licensor is a party have been duly executed and delivered by the Licensor and, subject to the due authorization, execution and delivery of such agreements by the other parties thereto, this Agreement and such other agreements contemplated hereby constitute valid and binding obligations of the Licensor, enforceable against the Licensor in accordance with their respective terms, except as such enforcement may be

affected by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditor's rights generally and except for general principles of equity.

17.2 The execution and delivery of this Agreement and the other agreements contemplated hereby do not, and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with, or result in any violation or breach of any provision of the organizational documents of the Licensor, (ii) conflict with or violate any applicable foreign, Federal, state and local statutes, judgments, decrees, laws, ordinances, rules, regulations, injunctions and orders ("Laws") of any U.S. Federal, state, foreign or local government or any court, tribunal, administrative agency or commission or other governmental or regulatory authority, body or agency, including any self-regulatory organization ("Governmental Authorities") applicable to the Licensor or any of its assets or operations or any permit applicable to the Licensor or (iii) result in (x) any violation or breach of, constitute (with or without notice or lapse of time or both) a default under or conflict with (or give rise to a right of termination, amendment, cancellation or acceleration of any material obligation or loss of any benefit under) the provisions of any lease, contract or other agreement to which the Licensor is a party or by which it or any of its properties or assets is otherwise bound or (y) the imposition of any lien, pledge, hypothecation, mortgage, security interest, claim, lease, charge, option, right of first refusal or first offer, easement, servitude, transfer restriction, voting requirement or any other encumbrance, restriction or limitation on any of the properties or assets of the Licensor, in

the case of clauses (ii) and (iii), except for such conflicts, violations, breaches, or defaults which, individually or in the aggregate, would not reasonably be likely to have a material adverse effect (A) on the Licensor's business, financial condition or results of operations or on its ability to enter into, or perform its obligations under, this Agreement or (B) on the rights of the Company hereunder or the Company's ability to sell or sublicense the Licensed Products (a "Material Adverse Effect").

17.3 No consent, approval or authorization of, or declaration or filing with, any Governmental Authority or Person (a "Consent") is required on the part of the Licensor in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

17.4 No written communication has been received by the Licensor, and no investigation, regulatory enforcement action (including seizure, injunction, civil penalty or criminal action) or any related Governmental Authority review is or, in respect of any Licensed Product, to the knowledge of the Licensor, was at any time pending or is threatened by any Governmental Authority with respect to (i) any alleged or actual violation by the Licensor of any permit, Law or other requirement of any Governmental Authority relating to the operations conducted by the Licensor with respect to any Licensed Product or (ii) any alleged or actual failure to have or maintain in effect all permits required in connection with the operations conducted by the Licensor with respect to any Licensed Product. The Licensor has not received from the Federal Drug Administration ("FDA"), the U.S. Drug Enforcement Administration ("DEA") or any similar state, local or foreign Governmental Authority any written notice regarding the approvability or approval of any of the Licensed Products, except as set forth in Schedule 17.4. Except for the NEUPREX(R) product in the meningococcemia and trauma indications, no Licensed Product has been withdrawn, suspended or discontinued by the Licensor as a result of any action by the FDA, the DEA or any similar state, local or foreign Governmental Authority, either within or outside the U.S. (whether voluntarily or otherwise). With respect to any Licensed Products only, no officer, employee or, to the knowledge of the Licensor, agent of the Licensor has made any untrue statement of a material fact or a fraudulent statement to the FDA, DEA or any similar state, local or foreign Governmental Authority, failed to disclose any material fact required to be disclosed to the FDA, the DEA or any similar state, local or foreign Governmental Authority, or committed an act, made a statement or failed to make a statement that, at the time such act, statement or omission was made, could reasonably be expected to provide a basis for the FDA, the DEA or any similar state, local or foreign Governmental Authority to invoke the FDA's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy, nor has any director, officer, employee or, to the knowledge of the Licensor, agent of the Licensor been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. Section 335a(a) (or any similar Law) or authorized by 21 U.S.C. Section 335a(b) (or any similar Law).

17.5 There are no suits or actions, administrative, arbitration or other proceedings, or governmental investigations pending or, to the knowledge of the Licensor, threatened against or affecting the Licensor with respect to the Licensed Products. No Entity has notified the Licensor in writing of any material claim against the Licensor alleging any personal

property or economic injury, loss or damage incurred as a result of or relating to the use of the Licensed Products. There is no judgment, order, injunction, decree, writ or award against the Licensor that is not satisfied and remains outstanding with respect to any Licensed Product.

17.6 Schedule 17.6 hereto sets forth a true and complete list of each material license, contract or other agreement (together with certain other agreements) to which the Licensor is a party or by or to which any property of the Licensor is otherwise bound or subject that relates to the Licensed Products or the Patent Rights (collectively, the "Material Agreements"), including, without limitation, the Existing Licenses and any material CT Agreements. True and complete copies of all Material Agreements have been previously delivered to the Company or, in the case of the CT Agreements, have been made available for review and copying by the Company and its agents. Each of the Material Agreements is valid, binding and in full force and effect, and enforceable by the Licensor, or has expired, in each case in accordance with its respective terms. No Person (other than the Licensor) that is a party to any Material Agreement or is otherwise bound thereby is, to the knowledge of the Licensor, in default or breach thereof and, to the Licensor's knowledge, no event, condition or act exists that, with the giving of notice or the lapse of time or both, would give rise to such a default or breach thereof or a right of cancellation by the Licensor thereunder. The Licensor is not in default or breach in any material respect of any of the Material Agreements and, to the knowledge of the Licensor, no event, condition or act exists that, with the giving of notice or the lapse of time or both, would give rise to a default or breach by the Licensor thereof or a right of cancellation thereunder by any other party thereto. For the purposes of this Section 17.6, the term "material" shall mean having any ongoing effect on any Licensed Product or Patent Rights.

17.7 Except as provided in the documents set forth on Schedule 17.6, the Licensor has all right, title, and interest in and to the Patent Rights, Licensed Products, Licensed Processes and Know-how (including the exclusive, absolute, irrevocable right, title and interest thereto), free and clear of all liens, charges, encumbrances or other restrictions or limitations of any kind whatsoever material to the uses of the Patent Rights, Licensed Products and Know-how. Except as provided in the Material Agreements, there are no restrictions on the direct or indirect transfer of any contract or other agreement, or any interest therein, held by the Licensor in respect of any of the Patent Rights and Know-how.

17.8 To the knowledge of the Licensor, none of the Patent Rights, Licensed Products or Licensed Processes infringes or conflicts in any material respect with, and the Licensor has not received any notice of infringement of, or conflict with, any license, patent, copyright, trademark, service mark or other intellectual property right of any other Entity and, to the knowledge of the Licensor, there is no infringement or unauthorized use by any person of any of the Patent Rights, Licensed Products or Licensed Processes. Except as set forth on Schedule 17.8, the validity or enforceability of any of the Patent Rights, Licensed Products and Licensed Processes and or the title of the Licensor thereto has not been questioned in any litigation, governmental inquiry or proceeding to which the Licensor is a party and, to the knowledge of the Licensor, no such litigation, governmental inquiry or proceeding is threatened.

17.9 The U.S. and foreign patent applications and patents itemized on Exhibit A set forth all of the patents and patent applications relating to and necessary for the

development, sublicensing and/or sale of Licensed Products in the Field of Use owned by, or licensed to, the Licensor as of the date of this Agreement. There are no inventors of Patent Rights other than those listed as inventors on the patent filings and, to the knowledge of the Licensor, each of the Patent Rights is valid and enforceable. The Licensor has complied with its duty of disclosure to the U.S. Patent and Trademark Office regarding each of such patents in all material respects.

17.10 To the knowledge of the Licensor, the Licensor has taken all reasonable actions necessary or appropriate to preserve the confidentiality of all trade secrets, proprietary and other confidential information material to the Licensed Products and Patent Rights.

17.11 The Licensor is party to numerous clinical trial agreements that relate to Licensed Products ("CT Agreements") with physicians, care facilities, hospitals and contract research organizations to organize and carry out clinical trials. The parties acknowledge that, by this Agreement, the Licensor is not assigning, and the Company is not assuming, any indemnification or other obligations under the CT Agreements and that all liabilities and obligations under the CT Agreements shall be the sole responsibility of the Licensor. The Licensor has provided to the Company a copy of each written notice of invention,

if any, received by the Licensor or its Affiliates under any of the CT Agreements.

17.12 The Licensor has received, by irrevocable assignment for adequate consideration effective prior to the date of this Agreement, from its Affilates (including XOMA Tech) the exclusive right to license any Technology, Patent Rights and Licensed Products covered by the Existing Licenses. The Licensor has the sole power and authority (to the exclusion of all of its Affiliates) to sublicense to the Company any Technology, Patent Rights and Licensed Products covered by the Existing Licenses.

17.13 The portions of the NYU Amendment, the Incyte Amendment and the Joslin Amendment that have been redacted from Exhibits C-1, D-1 and E, respectively, represent changed economic terms more favorable to the Licensor than the comparable terms of the NYU License Agreement, the Incyte License Agreement and the Joslin License Agreement, as the case may be, prior to being amended thereby.

ARTICLE 18

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Licensor, as of the date of this Agreement, that:

18.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to execute and deliver this Agreement and the other agreements contemplated hereby to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other agreements

contemplated hereby to which the Company is a party and the performance and consummation of the transactions contemplated hereby and thereby by the Company have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and the other agreements contemplated hereby to which the Company is a party have been duly executed and delivered by the Company and, subject to the due authorization, execution and delivery of such agreements by the other parties thereto, this Agreement and such other agreements contemplated hereby constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforcement may be affected by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditor's rights generally and except for general principles of equity.

18.2 The execution and delivery of this Agreement and the other agreements contemplated hereby do not, and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with, or result in any violation or breach of any provision of the certificate of incorporation or bylaws of the Company, (ii) conflict with or violate any applicable Laws of any U.S. Federal, state, foreign or local government or any court, tribunal, administrative agency or commission or other Governmental Authorities applicable to the Company or any of its assets or operations or any permit applicable to the Company or (iii) result in (x) any violation or breach of, constitute (with or without notice or lapse of time or both) a default under or conflict with (or give rise to a right of termination, amendment, cancellation or acceleration of any material obligation or loss of any benefit under) the provisions of any lease, contract or other agreement to which the Company is a party or by which it or any of its properties or assets is otherwise bound or (y) the imposition of any lien, pledge, hypothecation, mortgage, security interest, claim, lease, charge, option, right of first refusal or first offer, easement, servitude, transfer restriction, voting requirement or any other encumbrance, restriction or limitation on any of the properties or assets of the Company.

18.3 No Consent is required on the part of the Company in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE 19

MISCELLANEOUS PROVISIONS

19.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

19.2 If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, the Company shall assume all legal obligations to do so and the costs in

connection therewith.

19.3 The parties hereto acknowledge that this Agreement, including the Appendices and documents incorporated by reference, sets forth the entire agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any

change of modification except by the execution of a written instrument subscribed to by the parties hereto.

19.4 The provisions of this Agreement are severable, and in the event that any provision of this Agreement shall be determined to be invalid or unenforceable under any controlling body of law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

19.5 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

19.6 The headings of the several articles are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

19.7 This Agreement will not be binding upon the parties until it has been signed below on behalf of each party, in which event, it shall be effective as of the date recited on page one.

19.8 This Agreement embodies the entire understanding of the parties and shall supersede all previous communications, representations or understandings, either oral or written, between the parties relating to the subject matter hereof.

19.9 Neither party shall be liable for delays or nonperformance of this Agreement if such delay or nonperformance was caused by: (i) act of God, act of war, strike, fire, natural disaster, terrorism, quarantine or accident; (ii) lack of availability of materials, fuel or utilities; or (iii) any other cause beyond such party's control (provided that the required acts of the Non-Licensor Patent Owners shall not be an act beyond the Licensor's control for purposes of this Section 19.9).

19.10 For the purposes of this Agreement and all claims, disputes, or controversies arising from this Agreement (other than as provided in Section 8.1 above), the parties submit to the exclusive jurisdiction of the state and federal courts located in the Southern District of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in triplicate by proper persons thereunto duly authorized.

ZEPHYR SCIENCES INC.

By: _____
Name: _____
Title: _____
Date: _____

XOMA Ireland Limited

By: _____
Alan Kane
Director

duly authorized for and on behalf of
XOMA Ireland Limited in the presence of:

_____

EXHIBIT A

Patent Rights

Tab 1

Title: BPI-Immunoglobulin Fusion Proteins

Inventors: Theofan, Grinna, Horwitz

Based on PCT/US93/04754 [WO93/23434] which corresponds to U.S. Application No. 08/064,693 filed May 19, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/064,693	5,643,570
United States	08/885,366	6,274,348
[*]		

Tab 2

Title: Improved Methods for the Preparation to Endotoxin-Binding Protein
Inventors: Grinna

Based on PCT/US93/04752 [WO93/23540] which corresponds to U.S. Application No. 08/072,063 filed May 19, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/072,063	5,439,807
[*]	[*]	[*]
Canada	2,136,208	2,136,208
Canada	2,276,548	2,276,648
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Japan	6-503617	3391453
Japan (Div)	2002-300374	Pending
[*]		

Tab 3

Title: Stable Bactericidal/Permeability-Increasing Protein Products and Pharmaceutical Compositions Containing the Same
Inventors: Theofan, Horwitz, Burke, Baltaian, Grinna

Based on PCT/US94/01235 [WO94/18323] which corresponds to U.S. Application No. 08/013,801 filed February 2, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/013,801	5,420,019
[*]	[*]	[*]
United States	08/430,417	5,674,834
United States	08/466,822	5,827,816
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/425,034	6433140
[*]	[*]	[*]
Australia	61702/94	693,089

Canada	2,155,004	Pending
China	94191672.3	94191672.3
EPO	94908704.3	0689592
Austria	94908704.3	0689592
Belgium	94908704.3	0689592
Denmark	94908704.3	0689592
France	94908704.3	0689592
Germany	94908704.3	69426019.3
Great Britain	94908704.3	0689592
Greece	94908704.3	0689592
Hong Kong	98115811.8	1014548
Ireland	94908704.3	0689592
Italy	94908704.3	0689592
Luxembourg	94908704.3	0689592
Monaco	94908704.3	0689592
Netherlands	94908704.3	0689592
Portugal	94908704.3	0689592
Spain	94908704.3	94908704.3
Sweden	94908704.3	94908704.3
Switzerland	94908704.3	0689592
EPO (Div)	00103901.5	1013760
France	00103901.5	1013760
Germany	00103901.5	64931995.3
Great Britain	00103901.5	1013760
Ireland	00103901.5	1013760
Italy	00103901.5	1013760
[*]	[*]	[*]

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
Finland	953,658	112367
Finland (Div)	20031199	Pending
[*]	[*]	[*]
Norway	1995-3033	315705
Norway (Div)	2002-3224	Pending
New Zealand	262284	262284
Japan	6-518210	Pending
Japan (Div)	2003-355706	Pending
Japan	2004-108131	Pending
Korea	703197/95	361997
Mexico	94 1544	196117
So. Africa	94/0703	94/0703
[*]		

Tab 4

Title: Pharmaceutical Compositions Containing Bactericidal Permeability Increasing Protein and a Surfactant
Inventors: McGregor, Stubstad, Chang

Based on PCT/US94/01239 [WO94/17819] which corresponds to U.S. Application No. 08/190,869 filed February 2, 1994.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/190,869	5,488,034
United States	08/251,576	5,932,544
United States	08/472,995	5,696,090
United States	08/986,413	5,955,427
United States	09/299,321	6,057,293
United States	09/313,525	6,066,620
United States	09/502,286	6,268,345
United States	09/502,356	6,255,284
[*]	[*]	[*]
Australia	61330/94	695125
Canada	2,155,005	2,155,005
China	94191355.4	94191355.4
EPO	94907963.6	0682524
France	94907963.6	0682524
Germany	94907963.6	69428521.8
Great Britain	94907963.6	0682524
Austria	94907963.6	E206308
Belgium	94907963.6	0682524
Denmark	94907963.6	0682524

Greece	94907963.6	3037729
Ireland	94907963.6	682524
Italy	94907963.6	0682524
Luxembourg	94907963.6	0682524
Monaco	94907963.6	0682524
Netherlands	94907963.6	0682524
Portugal	94907963.6	0682524
Spain	94907963.6	94907963.6
Sweden	94907963.6	94907963.6
Switzerland	94907963.6	0682524
Hong Kong	98115456.8	1014156
Japan	6-518123	Pending
Mexico	94 2023	191964
So. Africa	94/1531	94/1531
[*]		

Tab 4A

Title: Pharmaceutical Compositions Containing Bactericidal Permeability Increasing Protein and a Lipid Carrier
Inventors: Grinna

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/251,576	5,932,544
United States	09/299,321	6,057,293
United States	09/502,286	6,268,345

Tab 5

Title: Therapeutic Uses of BPI Protein Products
Inventors: Little, Gazzano-Santoro, Parent

Based on PCT US94/02401 [WO 94/20128], which is a continuation-in part of U.S. Patent Application No. 08/030,644 filed March 12, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/030,644	5,348,942
[*]	[*]	[*]
United States	08/415,158	5,639,727
United States	08/435,855	5,807,818
United States	08/466,624	5,837,678
United States	08/466,826	5,854,214
[*]	[*]	[*]
[*]	[*]	[*]
Australia	63605/94	684503
Canada	2,157,927	2,157,927
China	94191892.0	94191892.0
[*]	[*]	[*]
EPO	94910854.2	0690720
Austria	94910854.2	0690720
Belgium	94910854.2	0690720
Denmark	94910854.2	0690720
France	94910854.2	0690720
Germany	94910854.2	69427582.4
Great Britain	94910854.2	0690720
[*]	[*]	[*]
Hong Kong	98115810.9	1014497
Ireland	94910854.2	0690720
Italy	94910854.2	0690720
Luxembourg	94910854.2	0690720
Monaco	94910854.2	0690720
Netherlands	94910854.2	0690720
Portugal	94910854.2	0690720
Spain	94910854.2	0690720
Switzerland	94910854.2	0690720
Sweden	94910854.2	0690720
[*]	[*]	[*]
Japan	6-520214	Pending
Mexico	94 1807	205944

New Zealand	263057	263057
New Zealand	500011	Pending
So. Africa	94/1773	94/1773

Tab 7

Title: Treatment of Mycobacterial Diseases by Administration of Bactericidal/Permeability-Increasing Protein Products
Inventors: Lambert

Based on PCT/US94/02463 [WO94/20129] [*] filed March 12, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	08/626,646	6,214,789
United States	09/782,642	6,620,785
[*]	[*]	[*]
Canada	2,157,925	2,157,925
EPO	94910876.5	0690721
Austria	94910876.5	0690721
Belgium	94910876.5	0690721
Denmark	94910876.5	0690721
France	94910876.5	0690721
Germany	94910876.5	69410254.7
Great Britain	94910876.5	0690721
Greece	94910876.5	0690721
Hong Kong	98111614.6	1010983
Ireland	94910876.5	0690721
Italy	94910876.5	0690721
Luxembourg	94910876.5	0690721
Monaco	94910876.5	0690721
Netherlands	94910876.5	0690721
Portugal	94910876.5	0690721
Spain	94910876.5	94910876.5
Sweden	94910876.5	94910876.5
Switzerland	94910876.5	0690721
Mexico	94 1808	194437
So. Africa	94/1772	94/1772
[*]		

Tab 10

Title: Method for Quantifying BPI in Body Fluids

Inventors: White, Carroll, Ma

Based on PCT US94/10793 [WO 95/08773] which corresponds to U.S. Patent Application No. 08/310,961 filed September 22, 1993.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/125,677	5,466,580
United States	08/175,276	5,466,581
United States	08/310,961	5,821,064
United States	09/169,125	6,759,203
Australia	78010/94	697356
Canada	2,172,243	2,172,243
[*]	[*]	[*]
EPO	94928653.8	0720745
Austria	94928653.8	0720745
Belgium	94928653.8	0720745
Denmark	94928653.8	0720745
France	94928653.8	0720745
Germany	94928653.8	69414871.7
Great Britain	94928653.8	0720745
Greece	94928653.8	3029150
Hong Kong	98115455.9	1014207
Ireland	94928653.8	0720745

Italy	94928653.8	0720745
Luxembourg	94928653.8	0720745
Monaco	94928653.8	0720745
Netherlands	94928653.8	0720745
Portugal	94928653.8	0720745
Spain	94928653.8	94928653
Sweden	94928653.8	94928653
Switzerland	94928653.8	0720745
[*]	[*]	[*]
Korea	701474/96	Pending
Mexico	94 7290	210407
New Zealand	274083	274083
So. Africa	94/7393	94/7393

Tab 11

Title: Method of Treating Gram-Negative Bacterial Infection By Administration of Bactericidal/Permeability-Increasing (BPI) Protein Product and an Antibiotic
Inventors: Cohen, Kung

Based on PCT/US94/11225 [WO95/08344] which corresponds to U.S. Application No. 08/311,611 filed September 22, 1994.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
United States	08/311,611	5,523,288
United States	08/657,162	6,140,306
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Australia	80740/94	695814
Canada	2,172,245	2,172,245
EPO	94931793.7	0759774
Austria	94931793.7	0759774
Belgium	94931793.7	0759774
Denmark	94931793.7	0759774
France	94931793.7	0759774
Germany	94931793.7	69430823.4
Great Britain	94931793.7	0759774
Greece	94931793.7	3040717
Hong Kong	98115454.0	1014155
Ireland	94931793.7	0759774
Italy	94931793.7	0759774
Luxembourg	94931793.7	0759774
Monaco	94931793.7	0759774
Netherlands	94931793.7	0759774
Portugal	94931793.7	0759774
Spain	94931793.7	94931793.7
Sweden	94931793.7	94931793.7
Switzerland	94931793.7	0759774
Japan	7-509977	Pending
Mexico	94 7310	Pending
New Zealand	275205	275205
New Zealand	329583	329583
So. Africa	94/7394	94/7394

*Cases abandoned in favor of a continuing application.

Tab 12

Title: Method of Treating Depressed Reticuloendothelial System Function
Inventors: van Leeuwan, Boermeester

Based on PCT/US94/11404 [WO95/10297] [*] filed October 5, 1994.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]

[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/689,097	6,686,332
[*]	[*]	[*]
Canada	2,173,611	2,173,611
EPO	94930656.7	722333
Austria	94930656.7	722333
Belgium	94930656.7	722333
Denmark	94930656.7	722333
France	94930656.7	722333
Germany	94930656.7	722333
Great Britain	94930656.7	722333
Greece	94930656.7	722333
Hong Kong	98115812.7	Pending
Ireland	94930656.7	722333
Italy	94930656.7	722333
Luxembourg	94930656.7	722333
Monaco	94930656.7	722333
Netherlands	94930656.7	722333
Portugal	94930656.7	722333
Spain	94930656.7	94930656.7
Sweden	94930656.7	94930656.7
Switzerland	94930656.7	722333
[*]	[*]	[*]
So. Africa	94/7783	94/7783
[*]		

Tab 14

Title: Human Therapeutic Uses of BPI Protein Products
Inventors: Friedmann, Scannon, van Deventer, von der Mohlen, Wedel

Based on PCT/US95/01151 [WO95/19784] which corresponds to U.S. Application No. 08/378,228 filed January 24, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/291,112	5,643,875
United States	08/378,228	5,753,620
United States	09/081,166	5,952,302
United States	09/388,758	6,191,112
United States	09/733,613	6,586,400
[*]	[*]	[*]
Australia	16944/95	703728
Canada	2,181,816	2,181,816
[*]	[*]	[*]
EPO	95908723.0	Pending
EPO (Div)	01121005.1	Pending
[*]	[*]	[*]
Hong Kong	02104223.9	Pending
[*]		

Tab 15

Title: Therapeutic Uses of Bactericidal/Permeability-Increasing Protein Dimer Products
Inventors: Ammons, Little

Based on PCT/US95/03125 [WO95/24209] which corresponds to U.S. Application No. 08/704,504 filed March 13, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/212,132	5,447,913
United States	08/470,366	5,703,038
United States	08/704,504	5,856,302
United States	09/223,342	6,277,821
Australia	19969/95	703134

Canada	2,185,155	2,185,155
EPO	95913668.0	0749317
Austria	95913668.0	0749317
Belgium	95913668.0	0749317
Denmark	95913668.0	0749317
France	95913668.0	0749317
Germany	95913668.0	69527049.4
Great Britain	95913668.0	0749317
Greece	95913668.0	0749317
Hong Kong	98115460.2	1014159
Ireland	95913668.0	0749317
Italy	95913668.0	0749317
Luxembourg	95913668.0	0749317
Monaco	95913668.0	0749317
Netherlands	95913668.0	0749317
Portugal	95913668.0	0749317
Spain	95913668.0	95913668.0
Sweden	95913668.0	95913668.0
Switzerland	95913668.0	0749317
[*]	[*]	[*]

Tab 16

Title: Method of Treating Conditions Associated with Intestinal Ischemia/Reperfusion
Inventors: Ammons, Meszaros

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/232,527	5,578,568
United States	08/756,164	6,017,881
United States	09/416,828	6,767,893

Tab 17

Title: Anti-Gram-Positive Bacterial Methods and Materials
Inventors: Horwitz, Lambert, Little

Based on PCT/US95/00656 [WO95/19180] which corresponds to U.S. Application No. 08/372,783 filed January 13, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/372,783	5,578,572
[*]	[*]	[*]
United States	08/758,116	5,783,561
United States	09/119,263	6,054,431
[*]	[*]	[*]
Australia	16822/95	703192
Canada	2,181,164	Pending
EPO	95908545.7	0754050
Austria	95908545.7	0754050
Belgium	95908545.7	0754050
Denmark	95908545.7	0754050
France	95908545.7	0754050
Germany	95908545.7	69527195.4
Great Britain	95908545.7	0754050
Greece	95908545.7	0754050
Hong Kong	98115461.1	1014160
Ireland	95908545.7	0754050
Italy	95908545.7	0754050
Luxembourg	95908545.7	0754050
Monaco	95908545.7	0754050
Netherlands	95908545.7	0754050
Portugal	95908545.7	0754050
Spain	95908545.7	95908545.7
Sweden	95908545.7	95908545.7

Switzerland	95908545.7	0754050
Japan	7-519190	Pending
So. Africa	95/0249	95/0249
[*]		

Tab 18

Title: Anti-Fungal Methods and Materials

Inventors: Little, Lim, Scannon, Lambert

Based on PCT US95/00498 [WO 95/19179] [*]

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.u
[*]	[*]	[*]
United States	08/372,105	5,627,153
Australia	16797/95	703211
Canada	2,181,165	Pending
China	95191676.9	95191676.9
EPO	95908502.8	0754049
France	95908502.8	0754049
Germany	95908502.8	69526216.5
Great Britain	95908502.8	0754049
Hong Kong	98115459.5	1014158
Ireland	95908502.8	0754049
Switzerland	95908502.8	0754049
Japan	7-519144	Pending
Korea	703773/96	Pending
Mexico	96/02570	195391
[*]	[*]	[*]

Tab 19

Title: Anti-Protozoan Methods and Materials
Inventors: Lambert

Based on PCT/US95/08624 [WO96/01647] which corresponds to U.S. Application No. 08/273,470 filed July 11, 1994.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/273,470	5,646,114
United States	08/888,876	6,013,629
United States	09/416,118	6,271,203
United States	09/878,546	6,440,936
Canada	2,194,895	Status Pending
EPO	95925597.7	Status Pending
Great Britain	95925597.7	Status Pending
Hong Kong	98115458.6	Status Pending
Ireland	95925597.7	Status Pending
Japan	8-504455	Status Pending
So. Africa	95/5740	Status Pending

Tab 20

Title: Therapeutic Compositions Comprising BPI protein products
Inventors: Lambert

Based on PCT/US96/01095 [WO96/21436] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
United States	08/586,133	5,912,228
[*]	[*]	[*]
[*]	[*]	[*]
Australia	47705/96	717640
Canada	2,210,390	Pending
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Japan	8-521883	Pending

Tab 21

Title: Method of Treating Conditions Associated with Burn Injuries
Inventors: Hansbrough

Based on PCT US96/02349 [WO 96/30037] which corresponds to U.S. Application No. 08/414,924 filed March 31, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/414,924	5,494,896
[*]	[*]	[*]

Tab 23

Title: Methods of Treating Conditions Associated with Corneal Injury

Inventors: Scannon

Based on PCT US96/18632 [WO 97/17990] [*] filed November 14, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Australia	10215/97	730307
Canada	2,235,626	2,235,626
[*]	[*]	[*]
[*]	[*]	[*]
Japan	9-519166	Pending

Tab 24

Title: Methods of Treating Conditions Associated with Corneal Transplantation
Inventors: Scannon

Based on PCT US96/18416 [WO 97/17989] which corresponds to U.S. Application No. 08/557,287 filed November 14, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/557,287	5,686,414
Australia	77361/96	730303
Canada	2,235,625	2,235,625
[*]	[*]	[*]
Hong Kong	99100829.9	Pending
Japan	9-519125	Pending

Tab 25

Title: Methods for Recombinant Microbial Production of Fusion Proteins and BPI Derived Peptides

Inventors: Better

Based on PCT US97/05287 [WO 97/24297] which corresponds to U.S. Application No. 08/621,803 filed March 18, 1997.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/621,803	5,851,802
United States	09/217,352	6,274,344
[*]	[*]	[*]
Australia	24297/97	732,475
Canada	2,249,180	2,249,180
[*]	[*]	[*]
Hong Kong	99104085.0	
Japan	9-533802	Pending

Tab 26

Title: Therapeutic Uses of BPI Protein Products for Human Meningococcemia

Inventors: Giroir, Scannon

Based on PCT/US97/08016 [WO97/42966] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/927,437	5,888,977
United States	09/203,159	5,990,086
United States	09/365,858	6,242,418
United States	09/728,938	6,596,691
[*]	[*]	[*]
[*]	[*]	[*]
Australia	30043/97	735058
Canada	2,253,837	2,253,837
[*]	[*]	[*]
EPO	97924679.0	0914144
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
France	97924679.0	0914144
Germany	97924679.0	69703689.8
Great Britain	97924679.0	0914144
[*]	[*]	[*]
Hong Kong	99105126.8	1019856
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Netherlands	97924679.0	0914144
[*]	[*]	[*]
Spain	97924679.0	0914144
[*]	[*]	[*]

[*]	[*]	[*]
[*]	[*]	[*]
New Zealand	332720	332720
New Zealand	505070	Pending
[*]		

Tab 27

Title: Antithrombotic Materials and Methods
Inventors: White, Ammons

Based on PCT/US97/08017 [WO97/42976] which corresponds to U.S. Application No. 08/644,290 filed May 10, 1996.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/644,290	5,741,779
United States	09/063,465	5,935,930
United States	09/299,319	6,107,280
United States	09/610,785	6,599,881
[*]	[*]	[*]
Australia	30044/97	735318
Canada	2,253,836	Pending
[*]	[*]	[*]
[*]	[*]	[*]
Hong Kong	99105772.5	Pending
[*]	[*]	[*]
[*]	[*]	[*]

Tab 28

Title: Therapeutic Uses of BPI Protein Products for Humans with Hemorrhage Due to Trauma
Inventors: Scannon, Wedel

Based on PCT/US97/08941 [WO97/44056] which corresponds to U.S. Application No. 08/862,785 filed May 23, 1997.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/862,785	5,945,399
United States	08/927,438	5,756,464
[*]		

Tab 29

Title: Anti-Chlamydial Methods and Materials
Inventors: Lambert

Based on PCT/US97/13810 [WO98/06415] which corresponds to U.S. Application No. 08/694,843 filed August 9, 1996.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.

United States	08/694,843	5,888,973
United States	09/281,985	6,162,788
United States	09/699,625	6,583,116
[*]	[*]	[*]
Australia	39094/97	Status Pending
Canada	2,263,181	Status Pending
China	97198452.2	Status Pending
EPO	97936420.5	Status Pending
France	97936420.5	Status Pending
Germany	97936420.5	Status Pending
Great Britain	97936420.5	Status Pending
Hong Kong	99105621.8	Status Pending
Switzerland	97936420.5	Status Pending
Japan	10-509836	Status Pending
Mexico	991366	Status Pending
New Zealand	334041	Status Pending

Tab 30

Title: Therapeutic Uses of N-Terminal BPI Protein Products in ANCA-Positive Patients
Inventors: Carroll

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	09/255,245	6,482,796
[*]	[*]	[*]

Tab 31

Title: Therapeutic Uses of BPI Protein Products in Cystic Fibrosis Patients
Inventors: Carroll, Scannon

Based on PCT/US97/19850 [WO98/19694] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/255,083	6,482,796
[*]	[*]	[*]
Australia	51596/98	744918
Canada	2,270,290	Pending
EPO	97946427.8	0938331
France	97946427.8	0938331
Germany	97946427.8	69718047.6
Great Britain	97946427.8	0938331
Ireland	97946427.8	0938331
[*]	[*]	[*]
Hong Kong	00100900.9	Pending
Japan	10-521605	Pending
New Zealand	335401	335401
[*]		

Tab 32

Title: Three Dimensional Structure of Bactericidal/Permeability Increasing Protein (BPI)

Inventors: Beamer, Carroll, Eisenberg

Based on PCT US97/13007 [WO 98/58961] which is a continuation-in-part application of U.S. Application No. 08/879,565, filed June 20, 1997

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/879,565	6,093,573
United States	09/446,415	Status Pending
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Australia	84722/98	Status Pending
Canada	2,293,999	Status Pending
[*]	[*]	[*]
Japan	11-504967	Pending

Tab 35

Title: Bactericidal/Permeability Increasing (BPI) Protein Deletion Analogs
Inventors: Horwitz, Carroll, Burke

Based on PCT/US99/1386 [WO99/66044] which corresponds to U.S. Application No. 09/336,402 filed June 18, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/099,725	6,013,631
United States	09/336,402	6,087,126
United States	09/579,403	6,599,880
[*]	[*]	[*]
Australia	46976/99	755624
Canada	2,331,880	Pending
[*]	[*]	[*]
Hong Kong	01106701.6	Pending
Japan	2000-554855	Pending
China	99809726.8	Pending
Mexico	2000/011398	Status Pending
New Zealand	508816	Pending

Tab 36

Title: Identification of Novel Antimicrobial Agents using Membrane Potential Indicator Dyes

Inventors: Little, Abrahamson, Wong

Based on PCT/US99/22361 [WO0/18951] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/404,926	6,143,516
United States	09/626,995	6,455,271
Australia	61644/99	Pending
Canada	2344676	Pending
Great Britain	01096825	2361316

Tab 38

Title: Method of Treating Chronic Cardiac Disease
Inventors: Giroir, Scannon

Based on PCT US00/01515 [WO 00/43028] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/488,979	6,509,317
[*]	[*]	[*]
[*]	[*]	[*]
Australia	27341/00	Pending
Canada	2,359,681	Pending
Japan	2000-594481	Pending
China	008051151.1	Pending
Mexico	2001/00731	Pending
New Zealand	513087	513087
EPO	00905696.1	1143996
Belgium	00905696.1	1143996
France	00905696.1	1143996
Germany	00905696.1	60002552.7
Great Britain	00905696.1	1143996
Hong Kong	02102817.5	Pending
Ireland	00905696.1	1143996
Monaco	00905696.1	1143996
Switzerland	00905696.1	1143996

Tab 40

Title: Therapeutic Uses of BPI Protein Products in BPI-Deficient Humans
Inventors: Levy

Based on PCT US00/08864 [WO 00/59531] which corresponds to U.S. Application No. 09/285,124 filed April 1, 1999

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/285,124	6,153,584
United States	09/541,821	6,376,465
[*]	[*]	[*]
Australia	40679/00	Pending
Canada	2,367,943	2,367,943
[*]	[*]	[*]
Hong Kong	02105068.4	Pending

Tab 41

Title: Therapeutic Uses of BPI Protein Products in Humans with Otitis Media with Effusion
Inventors: Grote, Nell

Based on PCT US00/14496 [WO 00/71149] [*] filed May 24, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/586,850	6,670,327
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Australia	52923/00	Pending
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

[*]

[*]

Tab 47

Title: Agents and Methods for Inhibiting F1/F0 ATPase

Inventors: Little, Abrahamson

Based on PCT US00/09137 [WO01/04347] [*] filed July 12, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	09/545,112	6,376,211
[*]	[*]	[*]
Canada	2,379,119	Pending

Tab 48

Title: Identification of Novel Antimicrobial Agents using Metabolic Oxidation - Reduction Indicator Dyes

Inventors: Little

Based on PCT US00/09116 [WO01/04346] [*] filed July 12, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	09/543,955	6,436,660
Canada	2,379,118	Pending

Tab 51

Title: Modulation of Pericyte Proliferation

Inventors: King, Abrahamson, Pugsley

Based on PCT US01/46609 [WO 02/055099] which claims benefit under 35 USC ss.119(e) of U.S. Provisional Application No. 60/250,542 filed December 1, 2000.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]

Australia	2002241589	Pending
Canada	2,430,588	Pending
[*]	[*]	[*]
Japan	2002-555833	Pending

NYU

Title: Biologically Active Bactericidal/Permeability-Increasing Protein Fragments
Inventors: Elsbach, Weiss (New York University)

Based on PCT/US88/02700 [WO 89/01486] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	07/801,814	6,132,775
United States	07/805,031	5,198,541
[*]	[*]	[*]
United States	08/007,837	5,641,874
United States	08/023,760	5,489,676
United States	08/173,968	5,576,292
United States	08/361,299	5,948,408
[*]	[*]	[*]
[*]	[*]	[*]
United States	08/478,063	5,980,897
United States	09/309,217	6,287,811
United States	09/866,514	6,652,862
[*]	[*]	[*]
Australia	91275/91	Pending
Canada	2,574,398	Pending
[*]	[*]	[*]
Europe	88907884.6	0375724
Austria	88907884.6	Status Pending
Belgium	88907884.6	0375724
France	88907884.6	0375724
Germany	88907884.6	3853918.7
Great Britain	88907884.6	0375724
Italy	88907884.6	Status Pending
Luxembourg	88907884.6	Status Pending
Netherlands	88907884.6	0375724
Sweden	88907884.6	Status Pending
Switzerland	88907884.6	0375724
[*]	[*]	[*]
Europe	92902215.0	0563222
France	92902215.0	0563222
Great Britain	92902215.0	0563222

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
Germany	92902215.0	69128968.9
Japan	63-507146	3040781
Japan	11-331278	3086685
[*]		

INCYTE 11300

Title: Use of Bactericidal/Permeability Increasing Protein or Biologically Active Analogs Thereof to Treat Lipopolysaccharide Associated Gram Negative Infections
Inventors: Marra, Scott

Based on PCT/US90/00837 [WO 90/09183] [*] filed February 14, 1989.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	07/468,696	5,089,274
Australia	51706/90	647734
Canada	2,048,619	2,048,619
Canada (Divisional)	2,323,630	Pending
EPO	90904068.5	0460058
Belgium	90904068.5	0460058
Denmark	90904068.5	0460058
France	90904068.5	0460058
Germany	90904068.5	69032579.7
Great Britain	90904068.5	0460058
Italy	90904068.5	0460058
Netherlands	90904068.5	0460058
Spain	90904068.5	0460058
EPO	97118279.5	0841064
Belgium	97118279.5	0841064
France	97118279.5	0841064
Germany	97118279.5	69034096.6
Great Britain	97118279.5	0841064
Italy	97118279.5	0841064
Netherlands	97118279.5	0841064
Spain	97118279.5	97118279.5
Japan	504045/90	2966923
Korea	702247/1990	Status Pending

INCYTE 11301

Title: Use of Bactericidal/Permeability Increasing Protein or Biologically Active Analogs Thereof to Treat Lipopolysaccharide Associated Gram Negative Infections
Inventors: Marra, Scott

Based on PCT/US91/05758 [WO 92/03535] filed August 13, 1990.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	07/681,551	5,171,739
United States	07/990,662	5,308,834
United States	07/990,044	5,334,584
Australia	88501/91	660427
Canada	2,088,496	Pending
Japan	517796/91	Pending
Japan (Div)	2002-108147	3493022
Japan (Div)	2003-317025	Pending
Korea	700379/1993	240385
Korea	7002675	Status Pending

INCYTE 11303

Title: Compositions Comprising a Bactericidal/Permeability-Increasing Protein and a Lipid Carrier, Methods of Making Same, and Uses Thereof.
Inventors: Marra, Scott

Based on PCT/US92/08234 [WO 93/05797] filed September 27, 1991.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	07/468,696	5,089,274
Australia	51706/90	647734
Canada	2,048,619	2,048,619
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
EPO	97118279.5	0841064
Belgium	97118279.5	0841064
France	97118279.5	0841064
Germany	97118279.5	69034096.6
Great Britain	97118279.5	0841064
Italy	97118279.5	0841064
Netherlands	97118279.5	0841064
Spain	97118279.5	97118279.5
Japan	504045/90	2966923
[*]		

INCYTE 11301

Title: Use of Bactericidal/Permeability Increasing Protein or Biologically Active Analogs Thereof to Treat Lipopolysaccharide Associated Gram Negative Infections
Inventors: Marra, Scott

Based on PCT/US91/05758 [WO 92/03535] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	07/681,551	5,171,739
[*]	[*]	[*]
United States	07/990,662	5,308,834
United States	07/990,044	5,334,584
Australia	88501/91	660427
Canada	2,088,496	Pending
EPO	00126715.2	Pending
Japan	517796/91	Pending
Japan (Div)	2002-108147	3493022
Japan (Div)	2003-317025	Pending
Korea	700379/1993	240385
[*]		

INCYTE 11303

Title: Compositions Comprising a Bactericidal/Permeability-Increasing Protein and a Lipid Carrier, Methods of Making Same, and Uses Thereof.
Inventors: Marra, Scott

Based on PCT/US92/08234 [WO 93/05797] [*] filed September 27, 1991.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
Australia	26997/92	664206
Canada	2,119,262	2,119,262
EPO	93906309.5	0610445
France	93906309.5	0610445
Germany	93906309.5	69327516.2
Great Britain	93906309.5	0610445
Ireland	93906309.5	0610445
Switzerland	93906309.5	0610445
[*]		

[*]

[*]

INCYTE 11306

Title: Glycosylated and Non-Glycosylated Bactericidal/Permeability-Increasing Protein and Methods for Producing Same.
Inventors: Marra, Scott, Lane, Snable

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
EPO	94921451.4	726944
France	94921451.4	726944
Germany	94921451.4	69431923
Ireland	94921451.4	726944
[*]	[*]	[*]

INCYTE 11307

Title: Recombinant Endotoxin-Neutralizing Proteins
Inventors: Scott, Marra

Based on PCT/US96/06134 [WO 96/34873] which corresponds to U.S. Application No. 08/431,517 filed May 1, 1995.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	08/431,517	6,265,187
[*]	[*]	[*]
[*]	[*]	[*]
Australia	56358/96	Pending

INCYTE 11308

Title: Neutralization of Non-Lipopolysaccharide Compounds by Bactericidal/Permeability-Increasing Protein
Inventors: Espevik, Marra

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/267,139	5,532,216

INCYTE 11309

Title: Genetically Engineered BPI Variant Proteins
Inventors: Scott, Marra

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	07/915,720	5,770,694
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/025,543	6,093,801
[*]	[*]	[*]

EXHIBIT B

Tab 6

Title: Biologically Active Peptides from Functional Domains of Bactericidal/Permeability-Increasing Protein and Uses Thereof
Inventors: Little

Based on PCT US94/02465 [WO94/20532], [*]filed January 14, 1994.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/209,762	5,733,872
[*]	[*]	[*]
United States	08/473,344	5,763,567
[*]	[*]	[*]
United States	09/093,539	6,228,834
United States	09/790,230	6,495,516
[*]	[*]	[*]
Australia	63988/94	694,108
Canada	2,158,058	2,158,058
China	94191894.7	Pending
EPO	94911490.4	0690872B
Austria	94911490.4	0690872B
Belgium	94911490.4	0690872B
Denmark	94911490.4	0690872B
France	94911490.4	0690872B
Germany	94911490.4	69412243.2
Great Britain	94911490.4	0690872B
Greece	94911490.4	0690872B
Hong Kong	98115457.7	1014191
Ireland	94911490.4	0690872B
Italy	94911490.4	0690872B
Luxembourg	94911490.4	0690872B
Monaco	94911490.4	0690872B
Netherlands	94911490.4	0690872B
Portugal	94911490.4	0690872B
Spain	94911490.4	94911490.4
Sweden	94911490.4	94911490.4
Switzerland	94911490.4	0690872B
Mexico	94 01870	Pending
New Zealand	263344	Status Pending
South Africa	94/1771	94/1771
Japan	6-520251	Pending (8-508248)
United States	08/306,473	5,652,332

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
United States	08/485,445	5,856,438
[*]	[*]	[*]
United States	09/224,480	6,153,730
[*]	[*]	[*]
United States	10/446,628	Pending
Australia	79560/94	681,453
Canada	2,181,150	2,181,150
China	94194835.8	94194835.8

PCT	US94/10427	Pub. WO95/19372
EPO	94930435.6	0754194B
France	94930435.6	0754194B
Germany	94930435.6	69427546.8
Great Britain	94930435.6	0754194B
[*]	[*]	[*]
Ireland	94930435.6	0754194B
Switzerland	94930435.6	0754194B
Japan	7-519010	Pending (9-507501)
Mexico	94 7149	Pending
South Africa	94/7133	94/7133

Tab 22

Title: Anti-Fungal Peptides
Inventors: Little, Lim, Fadem

Based on PCT US95/09262 [WO 96/08509] [*].

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
United States	09/881,490	Pending
Australia	31981/95	709738
Canada	2,200,069	2,200,069
[*]	[*]	[*]
Hong Kong	98110168.8	Pending
Japan	8-510173	Pending
United States	08/621,259	5,858,974
United States	09/227,659	6,156,730
United States	09/677,664	6,664,231
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
PCT	US96/03845	Pub. WO97/04008
[*]		

[*]

Tab 42

Title: Therapeutic Peptide-Based Constructs Derived From Domain II of Bactericidal/Permeability-Increasing Protein
Inventors: Little, Lin, Gikonyo

Based on PCT/US00/17358 [WO01/00655] which corresponds to U.S. Application No. 09/344,219 filed June 25, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/344,219	6,515,104
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Australia	57628/00	Pending
Canada	2,377,209	Pending
[*]	[*]	[*]
Japan	2001-518656	Pending

Tab 43

Title: Derivative Compounds Derived From or Based On Bactericidal/Permeability-Increasing Protein

Inventors: Little, Lin, Gikonyo

Based on PCT US00/17383 [WO 01/00671] which corresponds to U.S. Application No. 09/344,541 filed June 25, 1999.

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/344,541	6,355,616
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

Tab 44

Title: Therapeutic Derivative Compounds Derived From Domain II of Bactericidal/Permeability-Increasing Protein
Inventors: Little, Lin, Gikonyo

COUNTRY	APPLICATION NO.	STATUS/PATENT NO.
United States	09/344,827	6,423,825

[*]

[*]

Exhibit C-1

NYU License Agreement Amendment

Exhibit C-2

NYU Acknowledgement

ACKNOWLEDGEMENT

Reference is made to the Amended and Restated Research and License Agreement dated as of September 1, 1993, as amended (the "License Agreement") between XOMA Corporation and New York University ("NYU") and the Seventh Amendment to License Agreement dated as of the date hereof (the "Amendment" and, together with the License Agreement, the "Agreement") among XOMA Technology Ltd., XOMA Ireland Limited (each a subsidiary of the successor in interest to XOMA Corporation and collectively "XOMA") and NYU.

NYU hereby acknowledges to Zephyr Sciences Inc. ("Zephyr") that (i) to the knowledge of its Executive Director, Industrial Liaison/Technology Transfer without investigation, as of the date hereof, there is no breach or event of default existing or continuing by XOMA and (ii) Zephyr is an intended third party beneficiary under the last sentence of Subsection 13.c. of the Agreement.

This acknowledgement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws, and may be executed in counterparts and delivered by facsimile transmission.

NEW YORK UNIVERSITY

By:_____
Abram M. Goldfinger
Executive Director,
Industrial Liaison/
Technology Transfer

Date: _____

ACCEPTED and AGREED
as of the date set forth below:

ZEPHYR SCIENCES INC.

By: _____
Name:
Title:

Date: _____

Exhibit D-1

Incyte License Agreement Amendment

Exhibit D-2

Incyte Acknowledgement

Incyte hereby acknowledges to Zephyr Sciences Inc. ("Zephyr") that (i) XOMA has the right under the Agreement to grant Zephyr an exclusive sublicense with the ability of Zephyr to sublicense its rights, subject to the terms of Zephyr's sublicense and the Agreement, (ii) as of the date hereof, there is no breach or event of default existing or continuing by XOMA, (iii) Zephyr is an intended third party beneficiary under the Agreement and this Acknowledgement and (iv) Zephyr shall rely upon the truth and accuracy of this Acknowledgement in entering into its sublicense from XOMA

Exhibit E-1

Joslin License Agreement Amendment Terms

So long as a valid sublicense hereunder remains in effect between XOMA Ireland

Limited and Zephyr Sciences Inc. ("Sublicensee"), there shall be no amendment to the terms or conditions of this Agreement without the prior written consent of Sublicensee; provided, however, that adjustments in the financial terms favorable to XOMA may occur without Sublicensee's prior consent (so long as such adjustment does not diminish or contravene any rights of Sublicensee).

Exhibit E-2

Joslin Acknowledgement

Joslin hereby acknowledges to Zephyr Sciences Inc. ("Zephyr") that (i) XOMA has the right under the Agreement to grant Zephyr an exclusive sublicense with the ability of Zephyr to sublicense its rights, subject to the terms of Zephyr's sublicense and the Agreement, (ii) as of the date hereof, there is no breach or event of default existing or continuing by XOMA, (iii) Zephyr is an intended third party beneficiary under the Agreement and this Acknowledgement and (iv) Zephyr shall rely upon the truth and accuracy of this Acknowledgement in entering into its sublicense from XOMA.

[*] indicates that a confidential portion of the text of this agreement has been omitted. The non-public information has been filed separately with the Securities and Exchange Commission.

SEVENTH AMENDMENT TO LICENSE AGREEMENT

This Seventh Amendment to License Agreement (hereinafter "Amendment") is made and effective on November 10, 2004, among XOMA TECHNOLOGY LTD., a company organized and existing under the laws of Bermuda and having a place of business at 2910 Seventh Street, Berkeley, California 94710 and XOMA IRELAND LIMITED, a company organized and existing under the laws of Ireland and having a place of business at Shannon Airport House, Shannon, Co. Clare, Ireland (hereinafter collectively referred to as "CORPORATION"), and NEW YORK UNIVERSITY, a corporation organized and existing under the laws of the State of New York and having a place of business at 70 Washington Square South, New York, New York 10012 (hereinafter "NYU").

WITNESSETH

WHEREAS, CORPORATION's predecessor in interest and NYU entered into a certain agreement made and effective as of August 6, 1990, as amended and restated on September 1, 1993 and as subsequently amended on August 1, 1996, June 12, 1997, December 23, 1998, June 25, 1999 and January 25, 2000 (as so amended and restated, the "Agreement"), pursuant to which, inter alia, CORPORATION's predecessor in interest undertook to sponsor the NYU Research Project (as such term is defined in the Agreement) and NYU granted to CORPORATION's predecessor in interest the License (as such term is defined in the Agreement); and

WHEREAS, CORPORATION and NYU wish to amend the Agreement as specified herein;

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

1. Effect of Amendment. Except as expressly provided for herein, all terms and conditions of the Agreement shall remain in full force and effect.

2. Certain Defined Terms. Terms which are defined in the Agreement shall have the same meanings when used in this Amendment, unless a different definition is given herein.

3. Term of Agreement. Subsection 7.b. of the Agreement shall be, and hereby is, amended by replacing the word and numeral "fifteen (15)" in clause (i) with the word and numeral "[*]."

4. Further Sublicenses. Subsection 7.c.(3) of the Agreement shall be, and hereby is, amended to read in its entirety as follows:

> the sublicensee may grant further sublicenses so long as such further sublicensees agree to the same terms and conditions herein as are applicable to the original sublicensee;

5. Various Payment Terms.

(a) The language of Subsection 9.a.(2) of the Agreement is hereby deleted and replaced in its entirety so that it reads as follows:

> (2) Non-refundable, milestone payments as follows: within forty five (45) days of the first approval by the United States Food & Drug Administration ("FDA") or the European Medicines Evaluation Agency ("EMEA"), as applicable, of a marketing application submitted by CORPORATION or its direct or indirect sublicensee relating to a Licensed Product for the treatment of each of the medical conditions referred to by Category (as defined below) in the table set forth below, the corresponding amounts in the table set forth below:

	Amount Payable in the	Amount Payable in the

Category	Event of FDA Approval	Event of EMEA Approval
Category 1	$[*]	$[*]
Category 2	$[*]	$[*]
Category 3	$[*]	$[*]
Category 4	$[*]	$[*]

For purposes hereof, (A) "Category" shall mean Category 1, Category 2, Category 3 or Category 4, each of which are defined below and are mutually exclusive; (B) "Category 1" shall mean [*]; (C) "Category 2" shall mean [*]; (D) "Category 3" shall mean [*]; and (E) "Category 4" shall mean [*].

(b) The language of Subsection 9.a.(3) of the Agreement is hereby deleted and replaced in its entirety so that it reads as follows:

a royalty of [*] percent ([*]%) of the Net Sales of any Licensed Product described in Section 1.1(aa) or (bb) and sold by CORPORATION or its sublicensees (including CORPORATION Entity) for any diagnostic, prophylactic and/or therapeutic uses, for as long as CORPORATION maintains the License, except that if a Licensed Product described in

Section 1.1(aa) or (bb) is covered solely by an NYU Patent having claims directed to the cDNA as described in Section 1.e.(i)(4) (including in circumstances where a third party is producing and selling a BPI Product by a manufacturing process using means other than such claimed cDNA), then the royalty owed by CORPORATION shall be reduced to [*] percent ([*]%).

(c) The language of Subsection 9.a.(4) of the Agreement is hereby deleted and replaced in its entirety so that it reads as follows:

a royalty of [*] percent ([*]%) of the Net Sales of any Licensed Product described in Section 1.1(cc) or (dd) and sold by CORPORATION or its sublicensees (including CORPORATION Entity) for any diagnostic, prophylactic and/or therapeutic uses, for as long as CORPORATION maintains the License, except that if a Licensed Product described in Section 1.1(cc) or (dd) is covered solely by an NYU Patent having claims directed to the cDNA as described in Section 1.e.(i)(4) (including in circumstances where a third party is producing and selling a BPI Product by a manufacturing process using means other than such claimed cDNA), then the royalty owed by CORPORATION shall be reduced to [*] percent ([*]%).

(d) The language of Subsection 9.d. of the Agreement is hereby deleted and replaced in its entirety so that it reads as follows:

Until such time as [*], the royalties otherwise due to NYU under Section 9.a.(3) and/or 9.a.(4) hereof, whichever is applicable, shall be reduced to [*] percent ([*]%) of the Net Sales of any Licensed Product (before giving effect to the provisions of Section 9.a.(3) or 9.a.(4), as the case may be, that, when applicable, would reduce such royalty to [*] percent ([*]%)) .

6. Notice to Sublicensee; Ability to Cure. Subsection 13.c. of the Agreement shall be, and hereby is, amended by adding to the end thereof the following:

So long as a valid sublicense hereunder remains in effect between CORPORATION and Zephyr Sciences Inc. ("Sublicensee"),

(i) NYU shall provide written notice to Sublicensee (A) of any breach or default by CORPORATION hereunder at least 20 days prior to any termination of this Agreement by NYU for cause based on such breach or default and shall permit Sublicensee, in its sole discretion, to cure any such breach or default by CORPORATION hereunder within such 20-day notice period and (B) at least ten (10) days prior to any other termination of this Agreement by NYU. In the event Sublicensee does not exercise its right to cure as provided in clause (A) above or receives the notice provided

for in clause (B) above, Sublicensee shall have the right (but not the obligation), exercisable only by written notice to NYU for a thirty (30) day period from the termination of this Agreement, to enter into a license agreement with NYU upon terms no less favorable to Sublicensee than the terms hereof then in effect, provided that at such time as Sublicensee is no longer obligated to pay CORPORATION royalties under the agreement between CORPORATION and Sublicensee that includes the sublicense hereunder (i) the royalty percentage payable to NYU under Subsections 9.a.(3) and 9.a.(4) of the Agreement (as specified in Paragraphs 5(b) and 5(c) of this Amendment) shall be [*] percent ([*]%) instead of [*] percent ([*]%); and (ii) the royalty percentage payable to NYU under Subsection 9.d of the Agreement (as specified in Paragraph 5(d) of this Amendment) shall be [*] percent ([*]%) instead of [*] percent ([*]%); and

(ii) there shall be no amendment to the terms or conditions of this Agreement without the prior written consent of Sublicensee; provided, however, that adjustments in the financial terms favorable to CORPORATION may occur without Sublicensee's prior consent (so long as such adjustment does not diminish or contravene any rights of Sublicensee).

7. Headings. The descriptive headings contained in this Amendment are included for convenience and reference only and shall not be held to expand, modify or aid in the interpretation, construction or meaning of this Amendment or the Agreement.

8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute together the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as follows:

NEW YORK UNIVERSITY

By: _____
Abram M. Goldfinger
Executive Director,
Industrial Liaison/
Technology Transfer

XOMA TECHNOLOGY LTD.

By: _____
G. James Reynolds
Director

XOMA IRELAND LIMITED

SIGNED by

Alan Kane, Director,
duly authorized for
and on behalf of XOMA
IRELAND LIMITED in
the presence of:

_____

[*] indicates that a confidential portion of the text of this agreement has been omitted. The non-public information has been filed separately with the Securities and Exchange Commission.

AMENDMENT NO. 1 TO LICENSE AGREEMENT

This Amendment No. 1 to License Agreement (this "Amendment") is effective as of November 10, 2004 (the "Effective Date"), between INCYTE CORPORATION (formerly known as Incyte Pharmaceuticals, Inc.), a Delaware corporation having a place of business at Experimental Station, Route 141 & Henry Clay Road, Building E336, Wilmington, Delaware 19880 ("Incyte"), and XOMA TECHNOLOGY LTD., a company organized under the laws of Bermuda having a place of business at 2910 Seventh Street, Berkeley, California 94710, and XOMA IRELAND LIMITED, a company with limited liability organized under the laws of Ireland having a place of business at Shannon Airport House, Shannon, Co. Clare, Ireland (together, the "XOMA Entities").

A. XOMA Corporation and Incyte entered into a certain license agreement effective as of July 9, 1998 (the "Agreement"), pursuant to which, inter alia, Incyte licensed certain patent rights relating to bactericidal/permeability-increasing protein or lipopolysaccharide-binding protein molecules and related technology to XOMA Corporation.

B. The XOMA Entities are XOMA Corporation's successors in interest with respect to all of XOMA Corporation's rights and obligations under the Agreement.

C. The XOMA Entities are entering into a license agreement with Zephyr Sciences Inc. and an amendment to their existing license agreement with New York University ("NYU") and, together with Incyte, wish to amend the Agreement as specified herein.

D. Terms which are defined in the Agreement shall have the same meanings when used in this Amendment, unless a different definition is given herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, Incyte and the XOMA Entities agree as follows:

Section 1. Amendments. Pursuant to Section 11.3 of the Agreement,

(a) Section 3.1 of the Agreement is hereby amended as follows:

(i) The words "[*] ([*]%) percent" in the first sentence thereof shall be replaced with the words "[*] ([*]%) percent"; and

(ii) The amount of "U.S. $11,500,000" in the first sentence thereof shall be replaced by the amount of "U.S. $[*]" each time such amount appears therein.

(b) Section 9.2 of the Agreement is hereby amended by adding to the end thereof the following:

So long as a valid sublicense hereunder remains in effect between XOMA Ireland Limited and Zephyr Sciences Inc. ("Sublicensee"),

(i) Incyte shall permit Sublicensee, in Sublicensee's sole discretion, to cure any breach or default by XOMA hereunder prior to any termination of this Agreement by Incyte based on such breach or default. In the event Sublicensee does not exercise its right to cure as provided above and Incyte elects to terminate this Agreement, Sublicensee shall have the right (but not the obligation), exercisable for a thirty (30) day period, to enter into a license agreement with Incyte upon terms no less favorable to Sublicensee than the terms hereof then in effect; and

(ii) there shall be no amendment to the terms or conditions of this Agreement without the prior written consent of Sublicensee; provided, however, that adjustments in the financial terms favorable to XOMA may occur without Sublicensee's prior consent (so long as such adjustment does not diminish or contravene any rights of Sublicensee).

Section 2. Representation. The XOMA Entities represent to Incyte that [*].

Section 3. Effectiveness of Amendment. This Amendment shall be effective only upon full execution and delivery of the license agreement with Zephyr Sciences Inc. [*].

Section 4. Effect of Amendment. Except as expressly provided for herein, all terms and conditions of the Agreement shall remain in full force and effect.

Section 5. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the undersigned parties have agreed to the foregoing as of the Effective Date.

INCYTE CORPORATION

By: _____
Name:
Title:

XOMA TECHNOLOGY LTD.

By: _____
G. James Reynolds
Director

XOMA IRELAND LIMITED

By: _____
Alan Kane, Director,
duly authorized for and
on behalf of XOMA IRELAND
LIMITED in the presence of:

_____