

LETTER OF INTENT (R & D FUNDING AND INTELLECTUAL PROPERTY LICENSING)

[on company letterhead]

September 3, 2008

[name of institution] ("Institution")

[address]

Attention: [name of contact person]

Dear Sirs:

This Letter of Intent will confirm the discussions between the parties with respect to the following:

- (a) The Institution has undertaken research in the following area(s) (the "Research"): *[describe]*
- (b) [Name of Company] (the "Company") is engaged in the following business activities: *[describe]*
- (c) The Company intends to provide funding of the Research, so that potential commercial products ("Products") can be developed;
- (d) The parties wish to formalize their relationship, and to set out the terms and conditions governing (among other things) the ownership, marketing, development and commercialization of intellectual property;
- (e) The Company wishes to acquire certain exclusive rights in the field of use to the Research, Products and any patents generated therefor ("Patents") to enable the Company to develop and commercialize them, and the Institution is willing to grant such rights to the Company.

This Letter of Intent summarizes the general preliminary understanding of the parties with respect to the terms and conditions upon which they would contemplate entering into a contractual relationship. Upon acceptance of this Letter of Intent by both of the parties, it is anticipated that representatives of the Company and the Institution will promptly enter into good faith negotiations and prepare a definitive Exclusive Licensing Agreement (the "Agreement"), embodying the terms, conditions and provisions set forth herein.

1. Terms for Negotiation

1.1 The parties agree to negotiate in good faith with respect to the following terms:

- (a) funding by the Company of a research program for further development of the Research;
- (b) licensing to the Company of the background intellectual property to the Research;
- (c) licensing to the Company of any future Patents or intellectual property generated by the new research and development program;
- (d) the following issues with respect to the license(s) granted under the Agreement:
 - (i) exclusivity;
 - (ii) applications / fields of licensing;
 - (iii) right to sublicense;
 - (iv) license fees and royalties on net sales of Products;
 - (v) a commitment from the Company to develop and commercialize the Research, Products and Patents;
 - (vi) payment of application / registration fees and costs for Patents;
 - (vii) reporting and record keeping;

(viii) milestones.

THIS IS A 3-PAGE DOCUMENT.