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December 13, 2007

Mitchell Ho, Ph.D.
National Cancer Institute, NIH
Bldg 37, Rm 5116
Bethesda, MD 20892

Re: Grant Award Terms and Conditions

Dear Dr. Ho,

We are pleased to formally notify you that the Mesothelioma Applied Research Foundation (“Meso Foundation”) has accepted your grant application through National Cancer Institute, NIH (“the “Institute”) for Targeting Mesothelin by Human Antibodies for Mesothelioma Treatment (the “Project”). We received forty applications, and yours was determined to be one of the most outstanding. This year we awarded ten grants including yours, and we are very excited to be attracting such excellent projects.

The terms and conditions for the Meso Foundation’s award of the grant to your Project are:

- (1) You and the Institute certify that as of the date of your signatures below you have not received, been awarded or been promised any funding other than from the Meso Foundation for any of the proposed work described in your application to the Meso Foundation for the Project. (If you have been awarded such funding, please contact me immediately to discuss apportioning the Meso Foundation’s funds with the other funds.)
- (2) The effective date of the grant and the Project will be January 1, 2008.
- (3) The Institute will indicate the grant funds separately on its account books; will charge only grant-related expenditures to the grant account; will keep records adequate to enable the Meso Foundation to easily determine the use of grant funds; will, if requested, make books and records available for inspection by Meso Foundation officers and representatives at reasonable times and upon advance notice.

- (4) The grant funds will be used only in accordance with the Detailed Budget for Initial Budget Period and Budget Justification submitted with your grant application, and the Detailed Budget for the second year of the grant period required below.
- (5) You and the Institute certify that the Project does not involve human subject in any way, not even to draw samples or specimens. The Institute assumes all responsibility for the proposed work of the Project to the extent provided under the Federal Tort Claims Act (28 USC Chapter 171), and acknowledges that the Institute has full control over and responsibility for the selection, initiation, approval, oversight, and conduct of the project, and that Meso Foundation does not and has not had any such control or responsibility, nor opportunity for same.
- (6) Beginning with the first quarter, and updated each quarter thereafter, you will provide the Meso Foundation with a Quarterly Report including a brief (approximately one page) Progress Report, and a Disposition of Funds Report itemizing the use of the Meso Foundation grant funds on the Project. The Quarterly Report will be due one month after the end of each quarter (e.g. the first Quarterly Report will cover January 1, 2008 through March 31, 2008, and will be due no later than April 30, 2008). The Disposition of Funds report will be co-signed by you individually and by a fiscal officer of the Institute.
- (7) On or prior to November 30, 2008, you will provide to the Meso Foundation:
 - (A) a Detailed Budget for the second year of the grant period, in the same format as the Detailed Budget for Initial Budget Period, and
 - (B) a 2-3 page Progress Report detailing what research has been done and remains to be done on each of the specific aims, what has been accomplished and learned, and what you expect to accomplish during the second year of the Project; and listing publications, presentations, and abstracts you have made resulting from the the Project.

Project funding will be continued for the second year if you are in compliance with the terms and conditions stated in this letter, the Meso Foundation's Board of Directors (based on the recommendation of the Scientific Advisory Board Chairman) is satisfied with the progress obtained in the first year, and the budget for the second year is comparable to that of the first year or is otherwise acceptable to the Meso Foundation's Board of Directors.

- (8) Sixty days after termination of the Project, you will provide to the Meso Foundation a 2-3 page Final Progress Report detailing what research has been done on the Project, to what extent the Specific Aims of the Project have been accomplished and to what extent they remain to be accomplished, and the significance of and conclusions to be drawn from the accomplished research; and listing publications, presentations, abstracts, further research projects or further grant applications resulting from the the Project which have been made or are planned. This Final Progress Report may replace the final quarter's Progress Report.

- (9) Without violating established scientific journals' or conferences' "embargo" requirements, the Meso Foundation may make public, including through press releases, newsletters and newspaper, magazine and website articles, summaries of each of the Progress Reports required in paragraphs (8) through (10) above.
- (10) You will make all reasonable attempts to publish the results of the Project's research in a peer-reviewed journal.
- (11) You and the Institute will acknowledge the financial support of the Mesothelioma Applied Research Foundation on all publications, presentations, abstracts, press releases, and Institution-generated literature resulting from or discussing the Project or the work conducted as part of the Project, or discussing the award of the grant. In doing so, you will refer to this support as the "Mesothelioma Applied Research Foundation Grant in Honor of Craig Kozicki".
- (12) During the term of the grant, the Institute will include on its website at least a brief discussion of the grant and the Project, including an outgoing link to the Meso Foundation's website (curemeso.org). Alternatives for where this might be posted resulting from the Project prior to its submission.
- (13) For both years of this grant, you will make all reasonable efforts to attend the Meso include: in a discussion of your research in particular, or in a discussion of the Institute mesothelioma-related research generally, or in a news item.
- (14) You will provide the Meso Foundation with the opportunity to review any manuscript Foundation's annual International Symposium on Malignant Mesothelioma to present a talk or poster on your work on the Project. In 2008, the Symposium is expected to be in Washington, D.C. June 26-28th. In 2009, the Symposium is expected to be in a U.S. city, between mid-September and mid-October. If funding from your Institution or other sources is not available for travel to present on mesothelioma, reasonable travel expenses to participate in the Symposium may be allocated to your grant.

If you have questions or concerns regarding the above, please contact me immediately. Otherwise, please indicate acceptance of these terms and conditions by having a copy of this letter executed, and returning the signed copy to me. I will then send the check for the first installment amount of the grant, \$10,000, payable, unless you direct me otherwise, to National Cancer Institute, NIH.

Again, we appreciate your commitment to mesothelioma research, and wish you great success with the Project.

Cordially yours,

Christopher E. Hahn
Executive Director
The Mesothelioma Applied Research Foundation, Inc.

The above-stated terms and conditions for the Meso Foundation's award of the grant to the Project – Targeting Mesothelin by Human Antibodies for Mesothelioma Treatment – are hereby accepted.

Dated: December 13, 2007

Mitchell Ho, Ph.D.
Principal Investigator

Christopher Corey
Administrative Officer
National Cancer Institute, NIH