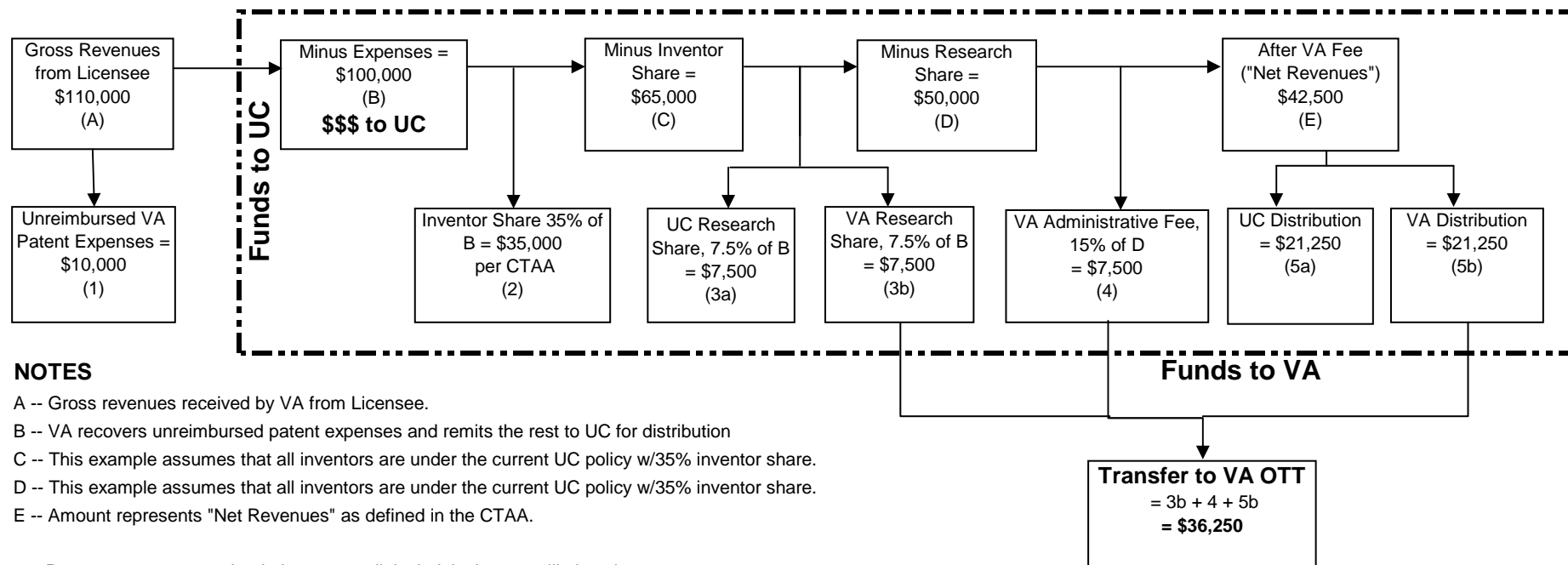


## Example CTAA Royalty Flow, With VA Lead & UC Distribution of Inventor and Research Shares

### Example: One Dual Appointment Personnel (DAP)



#### NOTES

A -- Gross revenues received by VA from Licensee.

B -- VA recovers unreimbursed patent expenses and remits the rest to UC for distribution

C -- This example assumes that all inventors are under the current UC policy w/35% inventor share.

D -- This example assumes that all inventors are under the current UC policy w/35% inventor share.

E -- Amount represents "Net Revenues" as defined in the CTAA.

1 -- Patent expenses vary, but in late-stage clinical trials there are likely to be none.

2 -- Current UC Policy sets inventor share at 35% of revenues after deducting unreimbursed expenses. Some inventors, however, operate under a pre-1997 Policy with a 42.5% share.

3 -- UC policy and CTAA sets the Research Share at 15% of revenues after deducting unreimbursed expenses.

This amount is divided between UC and the VA according to the affiliations of the inventors; in this example, 50-50.

4 -- VA Administrative fee of 15% is taken after Inventor Share and Research Share are deducted so that Research Share is not less than under present CTAA distribution arrangement.

5 -- The parties have agreed that when the VA is managing the invention, the Net Revenues will be distributed equally without cumulative pooling.

#### Example Distribution Summary

\$10,000 VA Unreimbursed Patent Expenses

\$35,000 Inventor Share

\$15,000 Research Share (in this example, divided evenly between UC and VA)

\$7,500 VA Administrative Fee

\$21,250 UC Distribution

\$21,250 VA Distribution