
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (date of earliest event reported): **April 28, 2017**

Heat Biologics, Inc.

(Exact name of registrant as specified in charter)

Delaware

(State or other jurisdiction of incorporation)

001-35994

(Commission File Number)

26-2844103

(IRS Employer Identification No.)

**801 Capitola Drive
Durham, NC 27713**

(Address of principal executive offices and zip code)

(919) 240-7133

(Registrant's telephone number including area code)

N/A

(Former Name and Former Address)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

The Acquisition

As previously reported by Heat Biologics, Inc. (“Heat”) in a Current Report on Form 8-K filed by Heat with the Securities and Exchange Commission (the “SEC”) on March 8, 2017 (the “March 2017 Form 8-K”), Heat entered into a Stock Purchase Agreement on March 7, 2017 (the “Purchase Agreement”) with Pelican Therapeutics, Inc. (“Pelican”), a related party, and certain stockholders in Pelican (the “Initial Participating Pelican Stockholders”) to purchase 80% of the outstanding capital stock of Pelican on a fully diluted basis (the “Acquisition”). On April 28, 2017, Heat closed the Acquisition (the “Closing”) and additional Pelican stockholders executed Joinders to the Purchase Agreement (the “Additional Participating Pelican Stockholders,” together with the Initial Participating Pelican Stockholders, collectively, the “Participating Pelican Stockholders”). Each Participating Pelican Stockholder exchanged approximately 84.7% of the shares of Pelican common stock held by such Participating Pelican Stockholder in exchange for a pro rata share of (i) an aggregate of 1,331,056 shares (the “Stock Consideration”) of Heat restricted common stock, \$0.0002 par value per share (the “Common Stock”), and (ii) aggregate cash consideration of \$500,000 (the “Cash Consideration”), all of which is being held in escrow for a period of up to six (6) months to secure certain indemnification and other obligations of Pelican and the Participating Pelican Stockholders in connection with the Acquisition. In addition to the payments described above, under the terms of the Purchase Agreement, Heat agreed to cause Pelican to make cash payments to the Participating Pelican Stockholders upon the achievement of certain clinical and commercialization milestones, as well as low single digit royalty payments and payments upon receipt of sublicensing income, all as described in more detail in the March 2017 Form 8-K. The Cash Consideration will be reduced by the amount by which certain of Pelican’s accrued liabilities are not satisfied for less than \$250,000. All but two security holders of Pelican participated in the Acquisition.

The Purchase Agreement contains customary representations, warranties and covenants of Heat, Pelican and the Participating Pelican Stockholders. Subject to certain customary limitations, the Participating Pelican Stockholders have agreed to indemnify Heat and its officers and directors against certain losses related to, among other things, breaches of Pelican’s and the Participating Pelican Stockholders’ representations and warranties, certain specified liabilities and the failure to perform covenants or obligations under the Purchase Agreement.

In connection with the Acquisition, Heat and the Participating Pelican Stockholders entered into a Stockholders’ Agreement (the “Stockholders’ Agreement”) with respect to the Pelican common stock retained by the Participating Pelican Stockholders (the “Retained Shares”). The Stockholders’ Agreement, contains restrictions on transfer of the Retained Shares and drag-along rights in the event of a consolidation or merger of Pelican with another entity after the date of the Purchase Agreement or the sale of all or substantially all of Pelican’s assets or a transaction in which at least fifty percent (50%) of the voting rights attached to the Pelican securities are sold. In addition, Participating Pelican Stockholders will have co-sale rights in connection with Heat’s transfer of the Pelican Shares that Heat owns.

The foregoing summaries of the Purchase Agreement and the Stockholders’ Agreement do not purport to be complete and are qualified in their entirety by reference to the full texts of the Purchase Agreement that is included as Exhibit 10.1 to this Current Report on Form 8-K and the Stockholders Agreement that is filed as an exhibit thereto.

The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to the Purchase Agreement, and may be subject to limitations agreed upon by the contracting parties. Accordingly, the Purchase Agreement is incorporated herein by reference only to provide investors with information regarding the terms of the Purchase Agreement, and not to provide investors with any other factual information regarding Heat, Pelican or either of their businesses, and should be read in conjunction with the disclosures in Heat’s periodic reports and other filings with the SEC.

About Pelican

Pelican is a biotechnology company focused on the development and commercialization of monoclonal antibody and fusion protein-based therapies that are designed to activate the immune system. Under the Purchase Agreement, it was a condition to closing that holders of at least 80% of the outstanding capital stock of Pelican on a fully diluted basis participate in the Acquisition and that Pelican deliver to Heat a fully executed agreement with the Cancer Prevention and Research Institute of Texas (“CPRIT”), with respect to the \$15.2 million CPRIT grant that had been awarded to Pelican to fund preclinical and some clinical activities from CPRIT. Under license agreements with the University of Miami, Pelican has obtained exclusive rights to five different patent families each directed to therapeutic compositions and methods related to targeting TNFRSF25/TL1A for the purpose of modulating immune responses described in more detail in the March 2017 Form 8-K.

Rahul Jasuja, Ph.D., a member of the Pelican Board of Directors and a Pelican stockholder, was appointed to serve as the Chief Executive Officer of Pelican on April 3, 2017.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As disclosed in Item 1.01 of this Current Report on Form 8-K, on April 28, 2017, Heat completed the Acquisition of approximately 80% of the outstanding capital stock of Pelican on a fully diluted basis pursuant to the Purchase Agreement. The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference into this Item 2.01 in its entirety.

Jeff Wolf, Heat's President, Chief Executive Officer and Chairman of the board of directors, and two entities controlled by him, Edward Smith, a member of Heat's board of directors, and an entity controlled by Mr. Smith, Taylor Schreiber, M.D., Ph.D., the Chairman of Heat's Scientific Advisory Board and an entity controlled by him, and Dr. Jasuja are Participating Pelican Stockholders, each of which sold approximately 84.7% of their shares of capital stock of Pelican in order to meet the 80% closing condition, on the same terms as the other Participating Pelican Stockholders. A limited liability company (the "LLC") of which Mr. Wolf was the managing member owned 61.1% of the outstanding capital stock of Pelican agreed to sell approximately 84.7% of its shares of capital stock of Pelican in order to meet the 80% closing condition, on the same terms as the other Participating Pelican Stockholders. Mr. Wolf, Mr. Smith, Dr. Schreiber and John Monahan, Ph.D., a member of the board of directors of Heat, directly and/or entities they controlled were members of the LLC. The LLC liquidated concurrently with the Closing and distributed to its members the right to receive the Cash Consideration and Stock Consideration being held in escrow for six months pursuant to the terms of the Purchase Agreement. Subject to the escrow, Mr. Wolf and entities he controls will receive a pro rata share of the Cash Consideration and an aggregate of 271,752 shares of Stock Consideration (inclusive of shares received upon liquidation of the LLC). In addition, subject to the escrow, a trust for the benefit of Mr. Wolf's children (for which Mr. Wolf does not serve as the trustee) will receive a pro rata share of the Cash Consideration and an aggregate of 177,729 shares of Stock Consideration (inclusive of shares received upon liquidation of the LLC). Subject to the escrow, Mr. Smith and an entity he controls will receive a pro rata share of the Cash Consideration and an aggregate of 345,753 shares of Stock Consideration (inclusive of shares received upon liquidation of the LLC). Subject to the escrow, Dr. Schreiber and an entity he controls will receive a pro rata share of the Cash Consideration and an aggregate of 44,443 shares of Stock Consideration (inclusive of shares received upon liquidation of the LLC). Subject to the escrow, Dr. Monahan will receive a pro rata share of the Cash Consideration and an aggregate of 3,958 shares of Stock Consideration (inclusive of shares received upon liquidation of the LLC).

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference into this Item 3.02 in its entirety. The Stock Consideration was offered and sold to the Participating Pelican Stockholders on April 28, 2017 in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) thereof and Rule 506 of Regulation D thereunder. Each of the Participating Pelican Stockholders represented that such stockholder was an "accredited investor," as defined in Regulation D, and was acquiring the Stock Consideration for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Accordingly, the Stock Consideration has not been registered under the Securities Act and the Stock Consideration may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws. Neither this Current Report on Form 8-K nor the exhibits attached hereto is an offer to sell or the solicitation of an offer to buy shares of Common Stock or any other securities of Heat.

Item 8.01. Other Events.

On May 1, 2017, Heat issued the press release attached hereto as Exhibit 99.1 announcing the closing of the Acquisition and that Dr. Jasuja was appointed to serve as the Chief Executive Officer of Pelican.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The financial statements required by Item 9.01(a) of Form 8-K will be filed with the SEC no later than 71 calendar days after the date that this Current Report on Form 8-K is required to be filed.

(b) Pro forma financial information.

The pro forma financial information required by Item 9.01(b) of Form 8-K will be filed with the Securities and Exchange Commission no later than 71 calendar days after the date that this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

Exhibit Number	Description
10.1	Stock Purchase Agreement, dated March 7, 2017, by and among Heat Biologics, Inc., Pelican Therapeutics, Inc., the stockholders of Pelican Therapeutics, Inc. party thereto (filed as Exhibit 10.1 to Heat Biologics, Inc.'s Current Report on Form 8-K filed with the SEC on March 8, 2017)
10.2*	License Agreement by and between University of Miami and Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) dated July 11, 2008 (UM03-31, UM05-39)
10.3*	License Agreement by and between University of Miami and Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) dated December 12, 2010 (UMI176)
10.4*	License Agreement by and between University of Miami and Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) dated November 19, 2013 (UM-143 and UMN-106)
10.5*	Amendment to License Agreement between Heat Biologics, Inc. and University of Miami dated April 20, 2009
10.6*	Assignment and Assumption Agreement between Heat Biologics, Inc. and Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) dated June 26, 2009 (UM03-31, UM05-39)
10.7*	Second Amendment to License Agreement between Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) and University of Miami dated August 11, 2009 (UM03-31, UM05-39)
10.8*	Payment Agreement between Pelican Therapeutics, Inc. (f/k/a Heat Biologics II, Inc.) dated December 19, 2012 (UMI176)
10.9*	CPRIT Grant
99.1	Press release, dated May 1, 2017

* Certain information in this exhibit has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request submitted to the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

SIGNATURES

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: May 3, 2017

HEAT BIOLOGICS, INC.

By: /s/ Jeffrey Wolf
Name: Jeffrey Wolf
Title: Chairman, President and Chief Executive Officer

LICENSE AGREEMENT

This License Agreement (the "Agreement") is entered into and made effective the 11th day of July, 2008 (the "Effective Date") between UNIVERSITY OF MIAMI and its School of Medicine, whose principal place of business is at 1600 N.W. 10th Avenue, Miami, Florida 33136 (hereinafter referred to as "LICENSOR") and HEAT BIOLOGICS II, INC., a Delaware corporation, whose principal place of business is at Atlantic Center, 119 Washington Avenue, Suite 401, Miami Beach, FL 33139 (hereinafter referred to as "LICENSEE").

WITNESSETH

WHEREAS, LICENSOR is the sole owner of the technology and product identified as the Podack Antibody Technology (UM03-31, UM05-39);

WHEREAS, LICENSOR is the sole owner of the patent rights relating to the Podack Antibody Technology (UM03-31, UM05-39);

WHEREAS LICENSOR wishes to exclusively license to LICENSEE the Podack Antibody Technology (UM03-31, UM05-39) and patent rights related thereto; and

WHEREAS, LICENSEE desires to acquire an exclusive license from LICENSOR to the Podack Antibody Technology (UM03-31, UM05-39) and patent rights related thereto for the purpose of commercially marketing the Podack Antibody Technology (UM03-31, UM05-39).

NOW THEREFORE, for these and other valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS:

1.1 "Affiliate" shall mean any corporation or other business entity controlled by, controlling or under common control with LICENSEE. For this purpose, "control" shall mean direct or indirect beneficial ownership of at least a fifty percent (50%) of the voting stock of, or at least a fifty percent (50%) interest in the income of such corporation or other business entity, or such other relationship as in fact, constitutes actual control.

1.2 "Sublicensee" as used in this Agreement shall mean any third party to whom LICENSEE has granted a license to make, have made, use and/or sell the Product under the Patent Rights, provided said third party has agreed in writing with LICENSEE to accept the conditions and restrictions agreed to by LICENSEE in this Agreement.

1.3 "Patent Rights" shall mean the following United States Patent applications: U.S. patent application serial number 10/923,373 entitled 'COMPOSITIONS AND METHODS FOR TREATING INFLAMMATORY LUNG DISEASE' and filed on August 24, 2004; US Provisional Patent Applications series numbers 60/496,555 and 60/496,625 both filed on August 20, 2003; US Patent Application serial number 11/512,412 entitled "IMMUNOMODULATING TUMOR NECROSIS FACTOR FOR RECEPTOR 25 (TNFR25) AGONISTS, ANTAGONISTS AND IMMUNOTOXINS" and filed on August 30, 2006; US Provisional Patent Application serial number 60/712,084 filed on August 30, 2005; all United States Patents and foreign patents and patent applications claiming the priority dates of these U.S. applications; all divisionals, continuations of the foregoing; and those claims in the continuations-in-part of the numbers 10/923,373; 60/496,555; 60/496,625; 11/512,412; or 60/712,084 to meet the requirements of 35 U.S.C. 112 1; and any re-examinations or reissues of the foregoing

1.4 "Licensed Product" shall mean any product or part thereof which:

- (a) is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights;
- (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights; or
- (c) incorporates or comprises the Licensed Materials.

1.5 "Licensed Process" shall mean any process practiced in a country in which said process is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or pending claim contained in the Patent Rights.

1.6 "Net Sales" shall mean the sum of all amounts invoiced on account of sale or use of Licensed Products and Licensed Processes by LICENSEE and its Affiliates or any Sublicensees to

non-affiliated third party purchasers or users of Licensed Products or Licensed Processes, less (a) discounts to purchasers in amounts customary in the trade, (b) amounts for transportation or shipping charges to purchasers, (c) credits for returns, allowances or trades, and (d) taxes and duties levied on the sale or use of Licensed Products, whether absorbed by Licensee or paid by the purchaser.

1.7 "Territory" shall mean worldwide.

1.8 "Field of Use" shall mean all human healthcare and research applications.

1.9 "Licensed Materials" shall mean LICENSOR's biological materials in the possession of Dr. Eckhard Podack's laboratory at the Effective Date that are covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights.

1.10 "LICENSEE Materials" shall mean any biological materials (e.g., humanized monoclonal antibodies) that LICENSEE makes or has made using Licensed Materials or sequence information from any polynucleotides or polypeptides contained in the Licensed Materials.

2. GRANT:

2.1 LICENSOR hereby grants to LICENSEE an exclusive license, subject to any rights of the U.S. government specified in section 4 below, in the Territory for the Field of Use, with the right to sublicense, under the Patent Rights, to make, have made for its own use and sale, use and sell Licensed Products and Licensed Processes.

2.2 LICENSOR also hereby grants to LICENSEE an exclusive license to make, use, and/or sell the Licensed Materials in the Territory for the Field of Use. At LICENSEE's request, LICENSOR shall provide LICENSEE with a reasonable amount of Licensed Materials so that LICENSEE may reproduce such Licensed Materials for the purpose of making, selling, or using Licensed Products or Licensed Processes.

2.3 LICENSOR reserves to itself the non-transferable right to make and use Licensed Materials, Licensed Products and/or Licensed Processes solely for its internal, non-commercial: scientific research, not-for-profit clinical research, and educational purposes. Except to the extent required by law, LICENSOR shall not transfer the Licensed Materials for the purpose of making the Licensed Materials to any third party without first obtaining, in a Material Transfer

Agreement, the written agreement of that third party to not use or further distribute such materials for commercial purposes. LICENSOR shall notify LICENSEE in writing of any third party request for such materials and provide LICENSEE at least ten (10) days to object to such request on the basis that such transfer would interfere with the objectives of this Agreement.

2.4 LICENSEE hereby grants to LICENSOR the non-transferable right to make and use LICENSEE Materials solely for its internal, non-commercial scientific research, not-for-profit clinical research, and educational purposes. At LICENSOR's request, LICENSEE shall provide LICENSOR with a reasonable amount of LICENSEE Materials solely for the aforesaid purpose. Without the express written consent of LICENSEE, LICENSOR shall not transfer to a third party any LICENSEE Materials or derivatives thereof or any non-public sequence information from any polynucleotides or polypeptides contained in the foregoing.

3. TERM:

The license granted by this Agreement shall be exclusive in the licensed Field of Use for a term commencing as of the Effective Date of this Agreement and continue until the expiration, on a country by country basis, of all of the Patent Rights.

4. UNITED STATES LAWS:

4.1 Licensee understands that the Licensed Subject Matter may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any agreement and any applicable law or regulation. If there is a conflict between an agreement, applicable law or regulation and this Agreement, the terms of the Government agreement, applicable law or regulation shall prevail.

Specifically, This Agreement is subject to all of the terms and conditions of Title 35 United States Code sections 200 through 204, including an obligation that Licensed Product(s) sold or produced in the United States be "manufactured substantially in the United States," and LICENSEE agrees to take all reasonable action necessary on its part as licensee to enable LICENSOR to satisfy its obligation thereunder, relating to Invention(s).

4.2 It is understood that LICENSOR is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. LICENSOR neither represents that a license shall not be required nor that, if required, it shall be issued.

5. PATENT PROTECTION AND INFRINGEMENT:

5.1 LICENSOR, during the term of this Agreement, is responsible for the filing and the prosecution of all patents and applications where LICENSEE shall reimburse LICENSOR for all payments within thirty (30) days of invoice. LICENSOR shall keep LICENSEE fully apprised on the status of all Patent Rights and shall provide LICENSEE the opportunity to make comments and suggestions on all decisions relating to the prosecution of the Patent Rights (e.g., office actions). LICENSOR shall in good faith consider incorporating such comments and suggestions unless such incorporation would be contrary to the purposes of this Agreement.

5.2 LICENSEE shall promptly notify LICENSOR in writing of any claim of Patent Rights infringement which may be asserted against LICENSEE or LICENSOR, its Affiliates and any sublicensees because of the manufacture, use, promotion and sale of Products.

5.3 LICENSEE shall pay to LICENSOR a license issue fee in the amount of [****] and past patent fees in an amount of [****] within one (1) year of the Effective Date, which sum, among other things, shall be considered full consideration for the preparation, filing, prosecution.

5.4 LICENSEE will defend, indemnify and hold harmless LICENSOR, its trustees, officers, directors, employees and its Affiliates against any and all judgments and damages arising from any and all third party claims of Patent Rights infringement which may be asserted against LICENSOR, and Affiliates because of the manufacture, use, promotion and sale of Licensed Products. LICENSEE will bear all costs and expenses incurred in connection with the defense of any such claims or as a result of any settlement made or judgment rendered on the basis of such claims. LICENSOR

shall have no further liability to LICENSEE for any loss or damages LICENSEE may incur as a result of the invalidity of LICENSOR'S Patent Rights. LICENSOR will have the right, but not the obligation to retain counsel at its expense in connection with any such claim. LICENSOR at its option, shall have the right, within thirty days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.

5.5 Upon learning of any infringement of Patent Rights by third parties in any country, LICENSEE and LICENSOR will promptly inform each other, as the case may be, in writing of that fact and will supply the other with any available evidence pertaining to the infringement. LICENSEE at its own expense, shall have the option to take whatever steps are necessary to stop the infringement at its expense and recover damages therefore. If requested by LICENSEE, LICENSOR will join in any legal actions enforcing or defending the Patent Rights against third parties deemed necessary or advisable by LICENSEE to prevent or seek damages, or both, from the infringement of the Patent Rights provided that LICENSEE funds all costs associated with such actions, using counsel mutually acceptable to LICENSEE and LICENSOR, and indemnifies and holds LICENSOR harmless with respect to any claims or damages made against or sustained by LICENSOR in connection with such involvement. In the event that LICENSOR and LICENSEE mutually bring suit, costs and expenses shall be borne by LICENSEE, and any recovery shall be shared by the parties as if such infringing sales were Net Sales. In any event, no settlement, consent, judgment or other voluntary final disposition of the suit may be entered into without the consent of LICENSOR, which shall not be unreasonably withheld. In the event LICENSEE does not take steps to stop the infringement, LICENSOR shall have the right to bring suit at its own expense. In such event, financial recoveries will be entirely retained by LICENSOR.

5.6 LICENSOR shall have no responsibility with respect to LICENSEE'S own trademarks and trade name, and LICENSEE in respect to the use thereof will defend, indemnify and hold harmless LICENSOR against any and all third party claims.

6. INDEMNIFICATION:

6.1 LICENSEE agrees to release, indemnify and hold harmless the LICENSOR, its trustees, officers, faculty, employees, Affiliates, agents and students against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through

the appellate levels) which may be brought against LICENSOR, its trustees, officers, faculty, employees, Affiliates, agents and/or students as a result of or arising out of any willful misconduct or negligent act or omission of LICENSEE, its agents, or employees, or arising out of use, production, manufacture, sale, lease, consumption or advertisement by LICENSEE or any third party, including any Sublicensee of any Licensed Product, Licensed Patent, Licensed Process, or Licensed Materials covered by this Agreement.

6.2 LICENSOR agrees to release and hold harmless the LICENSEE, its directors, officers, employees, Affiliates, Sublicensees, and agents against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through the appellate levels) which may be brought against LICENSEE, its directors, officers, employees, Affiliates, Sublicensees, and/or agents as a result of or arising out of any willful misconduct, or negligent act or omission of LICENSOR; or, except where caused by LICENSEE's negligence or willful misconduct, arising out of use, sale, lease, consumption or advertisement by LICENSOR of any LICENSEE Materials covered by this Agreement.

6.3 This Agreement to reimburse and indemnify under the circumstances set forth above shall continue after the termination of this Agreement.

7. REPRESENTATIONS/WARRANTIES:

7.1 LICENSOR hereby represents and warrants to LICENSEE that LICENSOR owns the Patent Rights and Licensed Materials and has not assigned any rights therein or given any license or other rights thereto to any party other than LICENSEE.

7.2 LICENSOR hereby represents and warrants that, although it has not conducted any investigation, it has no knowledge of any patents or patent applications, other than the Patents Rights, that contain a claim that would be infringed by the sale or use of a Licensed Product, Licensed Process, or Licensed Materials.

7.3 EXCEPT AS PROVIDED ABOVE, LICENSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL SUCH WARRANTIES, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF ANY INVENTION(S) OR PRODUCT, WHETHER TANGIBLE OR INTANGIBLE, LICENSED UNDER

THIS AGREEMENT; OR THE MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE INVENTION OR PRODUCT; OR THAT THE USE OF THE LICENSED PRODUCT WILL NOT INFRINGE ANY PATENT, COPYRIGHTS, TRADEMARKS, OR OTHER RIGHTS. LICENSOR SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, OR OTHER DAMAGES SUFFERED BY ANY LICENSEE OR ANY THIRD PARTIES RESULTING FROM THE USE, PRODUCTION, MANUFACTURE, SALE, LEASE, CONSUMPTION, OR ADVERTISEMENT OF THE PRODUCT.

7.4 The provisions of this Section shall continue beyond the termination of this Agreement.

8. ROYALTIES:

8.1 In consideration of the license herein granted, LICENSEE shall pay royalties to LICENSOR as follows:

(a) As specified in section 5.3, LICENSEE agrees to pay to LICENSOR a license issue fee of [****] total, [****] of the license issue fee shall be paid to LICENSOR within thirty (30) days of the Effective Date, and the remaining [****] of the license issue fee shall be paid to LICENSOR within one (1) year of the Effective Date.

(b) LICENSEE agrees to pay LICENSOR minimum royalty payments, as follows:

<u>Payment</u>	<u>Year</u>
[****]	2012
[****]	2013
[****]	2014
[****]	2015 and every year thereafter on the same date, for the life of this Agreement.

The minimum royalty shall be paid for each year in which this Agreement is in effect. The minimum royalty payment shall be due on or before May 31 of the calendar year. Any minimum royalty paid in a calendar year will be credited

against the earned royalties for that calendar year. It is understood that the minimum royalties will be applied to earned royalties on a calendar year basis, and that sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due LICENSOR for other than the same calendar year in which the royalties were earned.

- (c) LICENSEE agrees to pay to LICENSOR as earned royalties a royalty calculated as a percentage of LICENSEE's Net Sales of Licensed Products which, if not for this Agreement, would infringe the Patent Rights, in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by LICENSEE, or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of [****] of Net Sales.
- (d) For a sublicense, LICENSEE shall pay to LICENSOR an amount equal to [****] of what LICENSEE would have been required to pay to LICENSOR had LICENSEE sold the amount of Licensed Products sold by the Sublicensee. In addition, if LICENSEE receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee nor represent payment of costs to LICENSEE for a development program which LICENSEE is obligated to perform under such sublicense, then LICENSEE shall pay LICENSOR [****] of such payments.

- (e) In addition to all other payments required under this Agreement, LICENSEE agrees to pay LICENSOR milestone payments, as follows:

<u>Payment</u>	<u>Event</u>
[****]	Upon submission of an IND
[****]	Upon approval of an IND
[****]	Upon completion of a phase 1 clinical trial
[****]	By the earlier of May 31, 2022 or the approval of an NDA

- (f) In the event that licenses from third parties are required by LICENSEE in order to make, have made, use, sell, offer to sell or import any particular Licensed Product or Licensed Process, then the earned royalty which LICENSEE is obligated to pay LICENSOR under this Agreement shall be reduced by [****] for each one dollar (\$1.00) in royalties which Licensee is obligated to pay to third parties under such licenses, further provided, however, that the royalties payable to LICENSOR under this Section shall not be reduced to less than [****] of the applicable Net Sales.

8.2 All payments shall be made hereunder in U.S. dollars; provided however, that if the proceeds of the sales upon which such royalty payments are

based are received by the LICENSEE in a foreign currency or other form that is not convertible or exportable in dollars, and the LICENSEE does not have ongoing business operations or bank accounts in the country in which the currency is not convertible or exportable, the LICENSEE shall pay such royalties in the currency of the country in which such sales were made by depositing such royalties in LICENSOR'S name in a bank designated by LICENSOR in such country. Royalties in dollars shall be computed by converting the royalty in the currency of the country in which the sales were made at the exchange rate for dollars prevailing at the close of the business day of the LICENSEE'S quarter for which royalties are being calculated as published the following day in the Wall Street Journal (or, if it

ceases to be published, a comparable publication to be agreed upon from time to time by the parties), and with respect to those countries for which rates are not published in the Wall Street Journal, the exchange rate fixed for such date by the appropriate United States governmental agency.

8.3 In the event the royalties set forth herein are higher than the maximum royalties permitted by the law or regulations of a particular country, the royalty payable for sales in such country shall be equal to the maximum permitted royalty under such law or regulation.

8.4 In the event that any taxes, withholding or otherwise, are levied by any taxing authority in connection with accrual or payment of any royalties payable to LICENSOR under this Agreement, the LICENSEE shall have the right to pay such taxes to the local tax authorities on behalf of LICENSOR and the payment to LICENSOR of the net amount due after reduction by the amount of such taxes, shall fully satisfy the LICENSEE'S royalty obligations under this Agreement.

8.5 As partial consideration for the license granted pursuant to this Agreement, LICENSEE shall issue to LICENSOR a fully paid, nonassessable number of common shares equal to [****] of the total number of LICENSEE common shares issued and outstanding. LICENSEE shall affect the issuance of such shares by concurrent execution of an appropriate Stockholders Agreement and Investor Rights Agreements, the terms of which are incorporated by reference herein.

9. DILIGENCE:

9.1 LICENSEE shall use efforts at least sufficient to meet the requirements of the Bayh-Dole Act to manufacture, market and sell the Licensed Products in the Territory, and to create a demand for the Products.

9.2 LICENSEE agrees to submit reports, upon LICENSOR's request but no more than every 6 months as to its efforts to develop markets for the Licensed Products. Such reports shall include assurance by LICENSEE of its intent to actively develop commercial embodiments of Licensed Products and a summary of its efforts in this regard.

9.3 Unless LICENSEE has introduced a Licensed Product into the commercial marketplace in one of the three major markets (European Union, Japan and the United States) or has made best efforts (for avoidance of doubt it will be presumed that LICENSEE has used best efforts if it has a Licensed Product in a phase III clinical trial) to achieve the same prior to December 31, 2020,

LICENSEE agrees that LICENSOR may terminate this Agreement by providing LICENSEE ninety (90) advanced written notice of its intent to terminate this Agreement. In the event the payment of earned royalties, once begun and if any are due, ceases for more than two (2) calendar quarters, and LICENSEE fails to cure this breach within two (2) months after being provided written notice of same, LICENSOR may terminate this Agreement.

10. REPORTS AND RECORDS:

10.1 Commencing one (1) year after the first sale, the LICENSEE shall furnish to LICENSOR a report in writing specifying during the preceding calendar quarter (a) the number or amount of Licensed Products sold hereunder by LICENSEE, and/or its Affiliates or Sublicensees, (b) the total billings for all Licensed Products sold, (c) deductions as applicable in paragraph 1.6, (d) total royalties due, (e) names and addresses of all Sublicensees. Such reports shall be due within forty-five (45) days following the last day of each calendar quarter in each year during the term of this Agreement. Each such report shall be accompanied by payment in full of the amount due LICENSOR in United States dollars calculated in accordance with Section 8.1 hereof.

10.2 For a period of three (3) years from the date of each report pursuant to Paragraph 10.1, LICENSEE, shall keep records adequate to verify each such report and accompanying payment made to LICENSOR under this Agreement, and an independent certified public accountant or accounting firm selected by LICENSOR and acceptable to LICENSEE may have access, on reasonable notice during regular business hours, not to exceed once per year, to such records to verify such reports and payments. Such accountant or accounting firm shall not disclose to LICENSOR any information other than that information relating solely to the accuracy of, or necessity for, the reports and payments made hereunder. The fees and expense of the certified public accountant or accounting firm performing such verification shall be borne by LICENSOR unless in the event that the audit reveals an underpayment of royalty by more than [*****], the cost of the audit shall be paid by LICENSEE.

11. MARKING AND STANDARDS:

11.1 Prior to the issuance of patents on the Invention(s), LICENSEE agrees to mark and have sublicensees mark Licensed Products (or their containers or labels) made, sold, or otherwise disposed of by it under the license granted in this Agreement with a proper patent notice as specified under the patent laws of the United States.

11.2 LICENSEE further agrees to maintain satisfactory standards in respect to the nature of the Licensed Products manufactured and/or sold by LICENSEE. LICENSEE, agrees that all Licensed Products manufactured and/or sold by it shall be of a quality which is appropriate to products of the type here involved. LICENSEE agrees that similar provisions shall be included in sublicenses of all tiers.

12. ASSIGNMENT:

12.1 This Agreement is not assignable by LICENSEE or by operation of law without the prior written consent of LICENSOR at its sole discretion except that LICENSEE shall have the right to transfer or assign this Agreement to any entity which acquires all or substantially all of LICENSEE's assets provided that LICENSEE gives LICENSOR thirty (30) days advance written notice of the intended assignment and considers in good faith any of LICENSOR's concerns relating to the intended assignment. The foregoing sentence shall not be construed to require LICENSEE to obtain LICENSOR's approval of any Sublicensee.

12.2 This Agreement shall extend to and be binding upon the successors and legal representatives and permitted assigns of LICENSOR and LICENSEE.

13. NOTICE:

Any notice, payment, report or other correspondence (hereinafter collectively referred to as "correspondence") required or permitted to be given hereunder shall be mailed by certified mail or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. If mailed, any such notice shall be deemed to have been given when mailed as evidenced by the postmark at point of mailing. If delivered by hand, any such correspondence shall be deemed to have been given when received by the party to whom such correspondence is given, as evidenced by written and dated receipt of the receiving party.

All correspondence to LICENSEE shall be addressed as follows:

Mr. Jeffrey Wolf
CEO
Heat Biologics, Inc.
Atlantic Center
119 Washington Avenue, Suite 401
Miami Beach, FL 33139

All correspondence to LICENSOR shall be addressed, in duplicate, as follows:

FOR NOTICE:

Vice President
Business Affairs
327 Max Orovitz Building
1507 Levante Avenue
Coral Gables, Florida 33124-1432
Attention: Mr. Alan J. Fish

FOR NOTICE AND PAYMENT:

UM Innovation
Office of Special Programs and Resource Strategy
1150 NW 14th Street, Suite 310
Miami, FL 33136

Either party may change the address to which correspondence to it is to be addressed by notification as provided herein.

14. TERMINATION:

14.1 A party shall have the right to terminate this Agreement if the other party commits (a) a material breach of an obligation under this Agreement or (b) provides a false report, and continues in breach for more than ninety (90) days after receiving unambiguous written notice of such breach or false report; however, in the event LICENSEE breaches its obligations under Sections five (5) or eight (8) above, LICENSEE shall have thirty (30) days after receiving written notice to cure such breach, after which LICENSOR shall have the right to terminate this Agreement. Such termination shall be effective upon further written notice to the breaching party after failure by the breaching party to cure such default.

14.2 The license and rights granted in this Agreement have been granted on the basis of the special capability of LICENSEE to perform research and development work leading to the manufacture and marketing of the Products. Accordingly, LICENSEE covenants and agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto, be commenced by or against LICENSEE, and, if against LICENSEE, said proceedings shall not be dismissed with prejudice before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event LICENSEE shall be adjudged insolvent or make an assignment for the benefit of its creditors, or if a writ of attachment or execution be levied upon the license hereby created and not be released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which LICENSEE is a party with authority to exercise any of the rights or privileges granted hereunder and such receiver be so discharged within a period of forty-five (45) days after his appointment, any such event shall be deemed to constitute a breach of this Agreement by LICENSEE and, LICENSOR, at the election of LICENSOR, but not otherwise, ipso facto, and without notice or other action by LICENSOR, shall terminate this Agreement and all rights of LICENSEE hereunder and all rights of any and all persons claiming under LICENSEE.

14.3 LICENSEE shall have the right to terminate this Agreement by providing ninety (90) days written notice of its intent to terminate this Agreement to LICENSOR.

14.4 Any termination of this Agreement shall be without prejudice to LICENSOR's right to recover all amounts accruing to LICENSOR prior to such termination and cancellation. Except as otherwise provided, should this Agreement be terminated for any reason, LICENSEE shall have no

rights, express or implied, under any patent property which is the subject matter of this Agreement, nor have the right to recover any royalties paid LICENSOR hereunder. Upon termination, LICENSEE shall have the right to dispose of Licensed Products then in their possession and to complete existing contracts for such products, so long as contracts are completed within six (6) months from the date of termination, subject to the payment of royalties to LICENSOR as provided in Section 8 hereof.

15. CERTIFICATE OF INSURANCE:

15.1 At least thirty (30) days before it causes a Licensed Product to be administered to a human subject, LICENSEE shall obtain (and thereafter shall maintain) liability insurance coverage for the Product in the amount of three million dollars (\$3,000,000) and at no expense to LICENSOR, LICENSEE shall name LICENSOR as an additional insured. Within fourteen (14) days before it causes a Licensed Product to be administered to a human subject, LICENSEE shall provide a certificate of such product liability insurance to LICENSOR. LICENSEE agrees to carry and keep in force, at its expense, general liability insurance with limits not less than \$1,000,000 per person and \$3,000,000 aggregate to cover liability for damages on account of bodily or personal injury or death to any person, or damage to property of any person. Such insurance shall contain an endorsement naming the University of Miami as an additional insured with respect to this Agreement. Within fourteen (14) days of the Effective Date, LICENSEE shall provide a certificate of such general liability insurance to LICENSOR. Insurance Certificates should be sent to the University of Miami upon execution of this Agreement and on the anniversary of that date every year thereafter, Office of Technology Transfer, 1475 NW 12th Avenue, Sewell Building Room 2012, Miami, Florida 33136.

15.2 Licensee shall not cancel such insurance without thirty (30) days prior notice to Licensor. Such cancellation shall be cause for termination.

15.3 The terms of this provision shall extend beyond termination of the agreement.

16. USE OF NAME:

LICENSEE shall not use the name of the University of Miami, or any of its employees, or any adaptation thereof, in any publication, including advertising, promotional or sales literature without the prior written consent of Mr. Alan J. Fish, Vice President of Business Services, 327 Max Orovitz Bldg., 1507 Levante Avenue, Coral Gables, FL 33124-1432. LICENSOR shall notify

LICENSEE within ten (10) days of being provided notice of its decision regarding each instance of intended use of name(s) name(s). The absence of a response by LICENSOR within this ten (10) day period shall constitute implied permission for LICENSEE to use such name in that instance. Any press releases concerning this Agreement must be mutually agreed upon by the parties.

17. GOVERNING LAW:

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

18. CAPTIONS:

The captions and paragraph heading of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

19. SEVERABILITY:

Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provision shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in valid and enforceable manner, and the remainder of the Agreement shall remain binding upon the parties hereto.

20. SURVIVAL:

20.1 The provisions of Sections 5, 6 and 7 shall survive the termination or expiration of this Agreement and shall remain in full force and effect.

20.2 The provisions of this Agreement which do not survive termination or expiration hereof (as the case may be) shall, nonetheless, be controlling on, and shall be used in construing and interpreting, the rights and obligations of the parties hereto with regard to any dispute, controversy or claim which may arise under, out of, in connection with, or relating to this Agreement.

21. AMENDMENT:

No amendment or modification of the terms of this Agreement shall be binding on either party unless reduced to writing and signed by an authorized officer of the party to be bound.

22. WAIVER:

No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

23. CONFIDENTIALITY:

Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, sublicensees or agents. LICENSEE's Confidential Information includes but is not limited to the development plan, development reports and all other financial and business reports, strategies, and agreements (including sublicenses) of LICENSEE. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section shall extend for a period of five (5) years from termination or expiration of this Agreement.

24. UNIVERSITY RULES AND REGULATIONS:

LICENSEE understands and agrees that University of Miami personnel who are engaged by LICENSEE, whether as consultants, employees or otherwise, or who possess a material financial interest in LICENSEE, are subject to the University of Miami's rule regarding outside activities and financial interests, and the University of Miami's Intellectual Property Policy. Any term or condition of an agreement between LICENSEE and such University of Miami personnel which seeks to vary or override such personnel's obligations to the University of Miami may not be enforced against such personnel, or the University of Miami, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Miami.

25. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement between the parties hereto respecting the subject matter hereof, and supersedes and terminates all prior agreements respecting the subject matter hereof, whether written or oral, and may be amended only by an instrument in writing executed by both parties hereto.

26. CONTRACT FORMATION AND AUTHORITY:

LICENSOR and LICENSEE each warrant and represent that the persons signing this Agreement on its behalf have authority to execute this Agreement and that the execution of this Agreement does not violate any law, rule or regulation applicable to it or any contract or other agreement by which it is bound.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized to be effective as of the Effective Date.

[SIGNATURE PAGE FOLLOWS]

Date: July 11, 2008

HEAT BIOLOGICS II, INC.

By: /s/ Jeffrey Wolf

Jeffrey Wolf
Name
CEO
Title

Date: _____

UNIVERSITY OF MIAMI

By: /s/ Bart Chernow

Bart Chernow
Name
Vice President
Title

LICENSE AGREEMENT

This License Agreement (the "Agreement") is entered into and made effective the 12th day of December, 2010 (the "Effective Date") between UNIVERSITY OF MIAMI and its School of Medicine, whose principal place of business is at 1600 N.W. 10th Avenue, Miami, Florida 33136 (hereinafter referred to as "LICENSOR") and HEAT BIOLOGICS II, INC., a Delaware corporation, whose principal place of business is at Atlantic Center, 119 Washington Avenue, Suite 401, Miami Beach, FL 33139 (hereinafter referred to as "LICENSEE").

WITNESSETH

WHEREAS, HEAT BIOLOGICS, Inc., a Delaware Corporation ("HEAT") is the majority shareholder of the LICENSEE. With effect of July 11, 2008, HEAT and the LICENSOR have entered into a license agreement regarding the Podack Antibody Technology (UM03-31 and UM05-39) which was later assigned to the LICENSEE (hereinafter also referred to herein as the "Podack Antibody License Agreement");

WHEREAS, LICENSOR is the sole owner of the technology and product identified as the Treg Expansion (UMI176) technology;

WHEREAS, LICENSOR is the sole owner of the patent rights relating to the Treg Expansion (UMI176) technology;

WHEREAS, LICENSOR wishes to exclusively license to LICENSEE the Treg Expansion (UMI176) technology and patent rights related thereto; and

WHEREAS, LICENSEE desires to acquire an exclusive license from LICENSOR to the Treg Expansion (UMI176) technology and patent rights related thereto for the purpose of commercially marketing the Treg Expansion (UMI176) technology.

NOW THEREFORE, For these and other valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS:

1.1 "Affiliate" shall mean any corporation or other business entity controlled by, controlling or under common control with LICENSEE. For this purpose, "control" shall mean direct or indirect beneficial ownership of at least a fifty percent (50%) of the voting stock of, or at least a fifty percent (50%) interest in the income of such corporation or other business entity, or such other relationship as in fact, constitutes actual control.

1.2 "Sublicensee" as used in this Agreement shall mean any third party to whom LICENSEE has granted a license to make, have made, use and/or sell the Product under the Patent Rights, provided said third party has agreed in writing with LICENSEE to accept the conditions and restrictions agreed to by LICENSEE in this Agreement.

1.3 "Patent Rights" shall mean the following United States Patent applications: U.S. patent application serial number US 61/273,299 entitled "Method for In Vivo Expansion of T Regulatory Cells" and filed on 3 August 2009; PCT application number PCT/US10/44218 entitled "Method for In Vivo Expansion of T Regulatory Cells" and filed on 3 August 2010; all United States patents and foreign patents and patent applications based on these patent applications; all divisionals, continuations of the foregoing; and those claims in continuations-in-part of the foregoing that are described in sufficient detail in U.S. patent application serial number US 61/273,299, or PCT application number PCT/US10/44218 to meet the requirements of 35 U.S.C. 112(a); and any re-examinations or reissues of the foregoing.

1.4 "Licensed Product" shall mean any product or part thereof which:

- (a) is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights;
- (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights; or
- (c) incorporates or comprises the Licensed Materials.

1.5 "Licensed Process" shall mean any process practiced in a country in which said process is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or pending claim contained in the Patent Rights.

1.6 "Net Sales" shall mean the sum of all amounts invoiced on account of sale or use of Licensed Products and Licensed Processes by LICENSEE and its Affiliates or any Sublicensees to non-affiliated third party purchasers or users of Licensed Products or Licensed Processes, less (a) discounts to purchasers in amounts customary in the trade, (b) amounts for transportation or shipping charges to purchasers, (c) credits for returns, allowances or trades, and (d) taxes and duties levied on the sale or use of Licensed Products, whether absorbed by Licensee or paid by the purchaser.

1.7 "Territory" shall mean worldwide.

1.8 "Field of Use" shall mean all human healthcare and research applications.

1.9 The "Treg Expansion (UM1176)" technology shall mean the technology described in Patent Rights.

1.10 "Licensed Materials" shall mean LICENSOR's biological materials in the possession of Dr. Eckhard Podack's laboratory at the Effective Date that are covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights.

1.11 "LICENSEE Materials" shall mean any biological materials (e.g., humanized monoclonal antibodies) that LICENSEE makes or has made using Licensed Materials or sequence information from any polynucleotides or polypeptides contained in the Licensed Materials.

2. GRANT:

2.1 LICENSOR hereby grants to LICENSEE an exclusive license, subject to any rights of the U.S. government specified in section 4 below, in the Territory for the Field of Use, with the right to sublicense, under the Patent Rights, to make, have made for its own use and sale, use and sell Licensed Products and Licensed Processes.

2.2 LICENSOR also hereby grants to LICENSEE an exclusive license to make, use, and/or sell the Licensed Materials in the Territory for the Field of Use. At LICENSEE's request,

LICENSOR shall provide LICENSEE with a reasonable amount of Licensed Materials so that LICENSEE may reproduce such Licensed Materials for the purpose of making, selling, or using Licensed Products or Licensed Processes.

2.3 LICENSOR reserves to itself the non-transferable right to make and use Licensed Materials, Licensed Products and/or Licensed Processes solely for its internal, non-commercial: scientific research, not-for-profit clinical research, and educational purposes. Except to the extent required by law, LICENSOR shall not transfer the Licensed Materials for the purpose of making the Licensed Materials to any third party without first obtaining, in a Material Transfer Agreement, the written agreement of that third party to not use or further distribute such materials for commercial purposes. LICENSOR shall notify LICENSEE in writing of any third party request for such materials and provide LICENSEE at least ten (10) days to object to such request on the basis that such transfer would interfere with the objectives of this Agreement.

2.4 LICENSEE hereby grants to LICENSOR the non-transferable right to make and use LICENSEE Materials solely for its internal, non-commercial scientific research, not-for-profit clinical research, and educational purposes. At LICENSOR's request, LICENSEE shall provide LICENSOR with a reasonable amount of LICENSEE Materials solely for the aforesaid purpose. Without the express written consent of LICENSEE, LICENSOR shall not transfer to a third party any LICENSEE Materials or derivatives thereof or any non-public sequence information from any polynucleotides or polypeptides contained in the foregoing.

3. TERM:

The license granted by this Agreement shall be exclusive in the licensed Field of Use for a term commencing as of the Effective Date of this Agreement and continue until the expiration, on a country by country basis, of all of the Patent Rights.

4. UNITED STATES LAWS:

4.1 Licensee understands that the Licensed Subject Matter may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any agreement and any applicable law or regulation. If there

is a conflict between an agreement, applicable law or regulation and this Agreement, the terms of the Government agreement, applicable law or regulation shall prevail.

Specifically, This Agreement is subject to all of the terms and conditions of Title 35 United States Code sections 200 through 204, including an obligation that Licensed Product(s) sold or produced in the United States be “manufactured substantially in the United States,” and LICENSEE agrees to take all reasonable action necessary on its part as licensee to enable LICENSOR to satisfy its obligation thereunder, relating to Invention(s).

4.2 It is understood that LICENSOR is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. LICENSOR neither represents that a license shall not be required nor that, if required, it shall be issued.

5. PATENT PROTECTION AND INFRINGEMENT:

5.1 LICENSOR, during the term of this Agreement, is responsible for the filing and the prosecution of all patents and applications where LICENSEE shall reimburse LICENSOR for all payments within thirty (30) days of invoice. LICENSOR shall keep LICENSEE fully apprised on the status of all Patent Rights and shall provide LICENSEE the opportunity to make comments and suggestions on all decisions relating to the prosecution of the Patent Rights (e.g., office actions). LICENSOR shall in good faith consider incorporating such comments and suggestions unless such incorporation would be contrary to the purposes of this Agreement.

5.2 LICENSEE shall promptly notify LICENSOR in writing of any claim of Patent Rights infringement which may be asserted against LICENSEE or LICENSOR, its Affiliates and any sublicensees because of the manufacture, use, promotion and sale of Products.

5.3 LICENSEE shall pay to LICENSOR a license issue fee in the amount of [*****] and past patent fees in an amount of [*****] incurred as of 10/22/2010 within thirty (30) days of the Effective Date. LICENSEE shall also pay to LICENSOR all future patent fees within thirty (30) days after the LICENSEE has received the invoice from LICENSOR pertaining to such future patent fee.

5.4 LICENSEE will defend, indemnify and hold harmless LICENSOR, its trustees, officers, directors, employees and its Affiliates against any and all judgments and damages arising from any and all third party claims of Patent Rights infringement which may be asserted against LICENSOR, and Affiliates because of the manufacture, use, promotion and sale of Licensed Products except for the use of Licensed Materials, Licensed Products and/or Licensed Processes by Licensor pursuant to section 2.3 of this Agreement. LICENSEE will bear all costs and expenses incurred in connection with the defense of any such claims or as a result of any settlement made or judgment rendered on the basis of such claims. LICENSOR shall have no further liability to LICENSEE for any loss or damages LICENSEE may incur as a result of the invalidity of LICENSOR'S Patent Rights. LICENSOR will have the right, but not the obligation to retain counsel at its expense in connection with any such claim. LICENSOR at its option, shall have the right, within thirty days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.

5.5 Upon learning of any infringement of Patent Rights by third parties in any country, LICENSEE and LICENSOR will promptly inform each other, as the case may be, in writing of that fact and will supply the other with any available evidence pertaining to the infringement. LICENSEE at its own expense, shall have the option to take whatever steps are necessary to stop the infringement at its expense and recover damages therefore. If requested by LICENSEE, LICENSOR will join in any legal actions enforcing or defending the Patent Rights against third parties deemed necessary or advisable by LICENSEE to prevent or seek damages, or both, from the infringement of the Patent Rights provided that LICENSEE funds all costs associated with such actions, using counsel mutually acceptable to LICENSEE and LICENSOR, and indemnifies and holds LICENSOR harmless with respect to any claims or damages made against or sustained by LICENSOR in connection with such involvement. In the event that LICENSOR and LICENSEE mutually bring suit, costs and

expenses shall be borne by LICENSEE, and any recovery shall be shared by the parties as if such infringing sales were Net Sales. In any event, no settlement, consent, judgment or other voluntary final disposition of the suit may be entered into without the consent of LICENSOR, which shall not be unreasonably withheld. In the event LICENSEE does not take steps to stop the infringement, LICENSOR shall have the right to bring suit at its own expense. In such event, financial recoveries will be entirely retained by LICENSOR.

5.6 LICENSOR shall have no responsibility with respect to LICENSEE'S own trademarks and trade name, and LICENSEE in respect to the use thereof will defend, indemnify and hold harmless LICENSOR against any and all third party claims.

6. INDEMNIFICATION:

6.1 LICENSEE agrees to release, indemnify and hold harmless the LICENSOR, its trustees, officers, faculty, employees and students against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through the appellate levels) which may be brought against LICENSOR, its trustees, officers, faculty, employees or students as a result of or arising out of any negligent act or omission of LICENSEE, its agents, or employees, or arising out of use, production, manufacture, sale, lease, consumption or advertisement by LICENSEE or any Sublicensee of any Licensed Product, Licensed Process, or Licensed Materials covered by this Agreement.

6.2 LICENSOR agrees to release, indemnify and hold harmless the LICENSEE, its directors, officers, employees, Affiliates, Sublicensees, and agents against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through the appellate levels) which may be brought against LICENSEE, its directors, officers, employees, Affiliates, Sublicensees, and/or agents as a result of or arising out of any willful misconduct, or negligent act or omission of LICENSOR; or, except where caused by LICENSEE's negligence or willful misconduct, arising out of use, sale, lease, consumption or advertisement by LICENSOR of any LICENSEE Materials covered by this Agreement.

6.3 This Agreement to reimburse and indemnify under the circumstances set forth above shall continue after the termination of this Agreement.

7. REPRESENTATIONS/WARRANTIES:

7.1 LICENSOR hereby represents and warrants to LICENSEE that LICENSOR owns the Patent Rights and Licensed Materials and has not assigned any rights therein or given any license or other rights thereto to any party other than LICENSEE.

7.2 LICENSOR hereby represents and warrants that, although it has not conducted any investigation, it has no knowledge of any patents or patent applications, other than the Patents Rights, that contain a claim that would be infringed by the sale or use of a Licensed Product, Licensed Process, or Licensed Materials.

7.3 EXCEPT AS PROVIDED ABOVE, LICENSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL SUCH WARRANTIES, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF ANY INVENTION(S) OR PRODUCT, WHETHER TANGIBLE OR INTANGIBLE, LICENSED UNDER THIS AGREEMENT; OR THE MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE INVENTION OR PRODUCT; OR THAT THE USE OF THE LICENSED PRODUCT WILL NOT INFRINGE ANY PATENT, COPYRIGHTS, TRADEMARKS, OR OTHER RIGHTS. OTHER THAN FOR BREACH OF THE ABOVE WARRANTIES, OR ITS OWN NEGLIGENT ACTS OR OMISSIONS, LICENSOR SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, OR OTHER DAMAGES SUFFERED BY ANY LICENSEE OR ANY THIRD PARTIES RESULTING FROM THE USE, PRODUCTION, MANUFACTURE, SALE, LEASE, CONSUMPTION, OR ADVERTISEMENT OF THE PRODUCT.

7.4 EXCEPT EXPLICITLY PROVIDED FOR HEREIN, LICENSEE DOES NOT MAKE ANY OTHER REPRESENTATIONS OR GIVE ANY OTHER EXPLICIT OR IMPLICIT WARRANTIES. TO THE FULLEST EXTENT PERMITTED BY LAW LICENSEE HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS AND WARRANTIES.

7.5 The provisions of this Section shall continue beyond the termination of this Agreement.

8. ROYALTIES:

8.1 In consideration of the license herein granted, LICENSEE shall pay royalties to LICENSOR as follows:

(a) LICENSEE agrees to pay to LICENSOR a license issue fee of [****] and past patent fees in an amount of [****] as of October 22, 2010 within thirty (30) days of the Effective Date.

(b) LICENSEE agrees to pay LICENSOR minimum royalty payments, as follows:

<u>Payment</u>	<u>Year</u>
[****]	2012
[****]	2013
[****]	2014
[****]	2015 and every year thereafter on the same date, for the life of this Agreement.

The minimum royalty shall be paid for each year in which this Agreement is in effect. The minimum royalty payment shall be due on or before December 31 of the calendar year. Any minimum royalty paid in a calendar year will be credited against the earned royalties for that calendar year. It is understood that the minimum royalties will be applied to earned royalties on a calendar year basis, and that sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due LICENSOR for other than the same calendar year in which the royalties were earned.

(c) LICENSEE agrees to pay to LICENSOR as earned royalties a royalty calculated as a percentage of LICENSEE's Net Sales of Licensed Products which, if not for this Agreement, would infringe the Patent Rights, in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier

of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by LICENSEE, or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of [****] of Net Sales.

- (d) For a sublicense, LICENSEE shall pay to LICENSOR an amount equal to [****] of what LICENSEE would have been required to pay to LICENSOR had LICENSEE sold the amount of Licensed Products sold by the Sublicensee. In addition, if LICENSEE receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee nor represent payment of costs to LICENSEE for a development program which LICENSEE is obligated to perform under such sublicense,, then LICENSEE shall pay LICENSOR [****] of such payments.
- (e) In addition to all other payments required under this Agreement, LICENSEE agrees to pay LICENSOR milestone payments, as follows:

<u>Payment</u>	<u>Event</u>
[****]	Upon submission of an IND
[****]	Upon approval of an IND
[****]	Upon completion of a phase 1 clinical trial
[****]	By the earlier of May 31, 2022 or the approval of an NDA

- (f) In the event that licenses from third parties are required by LICENSEE in order to make, have made, use, sell, offer to sell or import any particular Licensed Product or Licensed Process, then the earned royalty which LICENSEE is

obligated to pay LICENSOR under this Agreement shall be reduced by [****] for each one dollar (\$1.00) in royalties which Licensee is obligated to pay to third parties under such licenses, further provided, however, that the royalties payable to LICENSOR under this Section shall not be reduced to less than [****] of the applicable Net Sales.

- (g) In the event that LICENSEE requires more than one license from the LICENSOR to make, have made for its use, sell, offer to sell or import any particular Licensed Product or Licensed Process as defined in sections 1.5 and 1.6, respectively, of this Agreement, then the combined earned royalties shall not exceed [****] of Net Sales and any sublicense fees shall not exceed [****] of what LICENSEE would have been required to pay to LICENSOR had LICENSEE sold the amount of Licensed Products sold by the Sublicensee.

8.2 All payments shall be made hereunder in U.S. dollars; provided however, that if the proceeds of the sales upon which such royalty payments are based are received by the LICENSEE in a foreign currency or other form that is not convertible or exportable in dollars, and the LICENSEE does not have ongoing business operations or bank accounts in the country in which the currency is not convertible or exportable, the LICENSEE shall pay such royalties in the currency of the country in which such sales were made by depositing such royalties in LICENSOR'S name in a bank designated by LICENSOR in such country. Royalties in U.S. dollars shall be computed by converting the royalty in the currency of the country in which the sales were made at the exchange rate for U.S. dollars prevailing at the close of the business day of the LICENSEE'S quarter for which royalties are being calculated as published the following day in the Wall Street Journal (or, if it ceases to be published, a comparable publication to be agreed upon from time to time by the parties), and with respect to those countries for which rates are not published in the Wall Street Journal, the exchange rate fixed for such date by the appropriate United States governmental agency.

8.3 In the event the royalties set forth herein are higher than the maximum royalties permitted by the law or regulations of a particular country, the royalty payable for sales in such country shall be equal to the maximum permitted royalty under such law or regulation.

8.4 In the event that any taxes, withholding or otherwise, are levied by any taxing authority in connection with accrual or payment of any royalties payable to LICENSOR under this Agreement, the LICENSEE shall have the right to pay such taxes to the local tax authorities on behalf of LICENSOR and the payment to LICENSOR of the net amount due after reduction by the amount of such taxes, shall fully satisfy the LICENSEE'S royalty obligations under this Agreement.

9. DILIGENCE:

9.1 LICENSEE shall use efforts at least sufficient to meet the requirements of the Bayh-Dole Act to manufacture, market and sell the Licensed Products in the Territory, and to create a demand for the Products.

9.2 LICENSEE agrees to submit reports, upon LICENSOR's request but no more than every 6 months as to its efforts to develop markets for the Licensed Products. Such reports shall include assurance by LICENSEE of its intent to actively develop commercial embodiments of Licensed Products and a summary of its efforts in this regard.

9.3 Unless LICENSEE has introduced a Licensed Product into the commercial marketplace in one of the three major markets (European Union, Japan and the United States) or has made best efforts (for avoidance of doubt it will be presumed that LICENSEE has used best efforts if it has a Licensed Product in a phase III clinical trial) to achieve the same prior to December 31, 2020, LICENSEE agrees that LICENSOR may terminate this Agreement by providing LICENSEE ninety (90) advanced written notice of its intent to terminate this Agreement. In the event the payment of earned royalties, once begun and if any are due, ceases for more than two (2) calendar quarters, and LICENSEE fails to cure this breach within two (2) months after being provided written notice of same, LICENSOR may terminate this Agreement.

10. REPORTS AND RECORDS:

10.1 Commencing one (1) year after the first sale, the LICENSEE shall furnish to LICENSOR a report in writing specifying during the preceding calendar quarter (a) the number or amount of Licensed Products sold hereunder by LICENSEE, and/or its Affiliates or Sublicensees, (b) the total billings for all Licensed Products sold, (c) deductions as applicable in paragraph 1.6, (d) total royalties due, (e) names and addresses of all Sublicensees. Such reports shall be due within forty-five

(45) days following the last day of each calendar quarter in each year during the term of this Agreement. Each such report shall be accompanied by payment in full of the amount due LICENSOR in United States dollars calculated in accordance with Section 8.1 hereof.

10.2 For a period of three (3) years from the date of each report pursuant to Paragraph 10.1, LICENSEE, shall keep records adequate to verify each such report and accompanying payment made to LICENSOR under this Agreement, and an independent certified public accountant or accounting firm selected by LICENSOR and acceptable to LICENSEE may have access, on reasonable notice during regular business hours, not to exceed once per year, to such records to verify such reports and payments. Such accountant or accounting firm shall not disclose to LICENSOR any information other than that information relating solely to the accuracy of, or necessity for, the reports and payments made hereunder. The fees and expense of the certified public accountant or accounting firm performing such verification shall be borne by LICENSOR unless in the event that the audit reveals an underpayment of royalty by more than [*****] percent, the cost of the audit shall be paid by LICENSEE.

11. MARKING AND STANDARDS:

11.1 LICENSEE agrees to mark and have sublicensees mark Licensed Products (or their containers or labels) made, sold, or otherwise disposed of by it under the license granted in this Agreement with a proper patent notice as specified under the patent laws of the United States.

11.2 LICENSEE further agrees to maintain satisfactory standards in respect to the nature of the Licensed Products manufactured and/or sold by LICENSEE. LICENSEE, agrees that all Licensed Products manufactured and/or sold by it shall be of a quality which is appropriate to products of the type here involved. LICENSEE agrees that similar provisions shall be included in sublicenses of all tiers.

12. ASSIGNMENT:

12.1 This Agreement is not assignable by LICENSEE or by operation of law without the prior written consent of LICENSOR at its sole discretion except that LICENSEE shall have the right to transfer or assign this Agreement to any entity which acquires all or substantially all of LICENSEE's assets provided that LICENSEE gives LICENSOR thirty (30) days advance written

notice of the intended assignment and considers in good faith any of LICENSOR's concerns relating to the intended assignment. The foregoing sentence shall not be construed to require LICENSEE to obtain LICENSOR's approval of any Sublicensee.

12.2 This Agreement shall extend to and be binding upon the successors and legal representatives and permitted assigns of LICENSOR and LICENSEE.

13. NOTICE:

Any notice, payment, report or other correspondence (hereinafter collectively referred to as "correspondence") required or permitted to be given hereunder shall be mailed by certified mail or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. If mailed, any such notice shall be deemed to have been given when mailed as evidenced by the postmark at point of mailing. If delivered by hand, any such correspondence shall be deemed to have been given when received by the party to whom such correspondence is given, as evidenced by written and dated receipt of the receiving party.

All correspondence to LICENSEE shall be addressed as follows:

Mr. Jeffrey Wolf
CEO
Heat Biologics, Inc.
Atlantic Center
119 Washington Avenue, Suite 401
Miami Beach, FL 33139

All correspondence to LICENSOR shall be addressed, in duplicate, as follows:

FOR NOTICE:

Assistant Vice President
Treasurer
327 Max Orovitz Building
1507 Levante Avenue
Coral Gables, Florida 33124-1432
Attention: Mr. Humberto Speziani

FOR NOTICE AND PAYMENT:

Office of Technology Transfer
P.O. Box 016960 (M811)
Miami, FL 33101

Either party may change the address to which correspondence to it is to be addressed by notification as provided herein.

14. TERMINATION:

14.1 A party shall have the right to terminate this Agreement if the other party commits (a) a material breach of an obligation under this Agreement or (b) provides a false report, and continues in breach for more than ninety (90) days after receiving unambiguous written notice of such breach or false report; however, in the event LICENSEE breaches its obligations under Sections five (5) or eight (8) above, LICENSEE shall have thirty (30) days after receiving written notice to cure such breach, after which LICENSOR shall have the right to terminate this Agreement. Such termination shall be effective upon further written notice to the breaching party after failure by the breaching party to cure such default.

14.2 The license and rights granted in this Agreement have been granted on the basis of the special capability of LICENSEE to perform research and development work leading to the manufacture and marketing of the Products. Accordingly, LICENSEE covenants and agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto, be commenced by or against LICENSEE, and, if against LICENSEE, said proceedings shall not be dismissed with prejudice before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event LICENSEE shall be adjudged insolvent or make an assignment for the benefit of its creditors, or if a writ of attachment or execution be levied upon the license hereby created and not be released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which LICENSEE is a party with authority to exercise any of the rights or privileges granted hereunder and such receiver be so discharged within a period of forty-five (45) days after his appointment, any such event shall be deemed to constitute a breach of this Agreement by LICENSEE and, LICENSOR, at the election of LICENSOR, but not otherwise, ipso facto, and without

notice or other action by LICENSOR, shall terminate this Agreement and all rights of LICENSEE hereunder and all rights of any and all persons claiming under LICENSEE.

14.3 LICENSEE shall have the right to terminate this Agreement by providing ninety (90) days written notice of its intent to terminate this Agreement to LICENSOR.

14.4 Any termination of this Agreement shall be without prejudice to LICENSOR's right to recover all amounts accruing to LICENSOR prior to such termination and cancellation. Except as otherwise provided, should this Agreement be terminated for any reason, LICENSEE shall have no rights, express or implied, under any patent property which is the subject matter of this Agreement, nor have the right to recover any royalties paid LICENSOR hereunder. Upon termination, LICENSEE shall have the right to dispose of Licensed Products then in their possession and to complete existing contracts for such products, so long as contracts are completed within six (6) months from the date of termination, subject to the payment of royalties to LICENSOR as provided in Section 8 hereof.

15. CERTIFICATE OF INSURANCE:

15.1 At least thirty (30) days before it causes a Licensed Product to be administered to a human subject, LICENSEE shall obtain (and thereafter shall maintain) liability insurance coverage for the Product in the amount of three million dollars (\$3,000,000) and at no expense to LICENSOR, LICENSEE shall name LICENSOR as an additional insured. Within fourteen (14) days before it causes a Licensed Product to be administered to a human subject, LICENSEE shall provide a certificate of such product liability insurance to LICENSOR. LICENSEE agrees to carry and keep in force, at its expense, general liability insurance with limits not less than \$1,000,000 per person and \$3,000,000 aggregate to cover liability for damages on account of bodily or personal injury or death to any person, or damage to property of any person. Such insurance shall contain an endorsement naming the University of Miami as an additional insured with respect to this Agreement. Within fourteen (14) days of the Effective Date, LICENSEE shall provide a certificate of such general liability insurance to LICENSOR. Insurance Certificates should be sent to the University of Miami upon execution of this Agreement and on the anniversary of that date every year thereafter, Office of Technology Transfer, 1475 NW 12th Avenue, Sewell Building Room 2012, Miami, Florida 33136.

15.2 Licensee shall not cancel such insurance without thirty (30) days prior notice to Licensor. Such cancellation shall be cause for termination.

15.3 The terms of this provision shall extend beyond termination of the agreement.

16. USE OF NAME:

LICENSEE shall not use the name of the University of Miami, or any of its employees, or any adaptation thereof, in any publication, including advertising, promotional or sales literature without the prior written consent of Mr. Humberto Speziani, Assistant Vice President, 327 Max Orovitz Bldg., 1507 Levante Avenue, Coral Gables, FL 33124-1432. LICENSOR shall notify LICENSEE within ten (10) days of being provided notice of its decision regarding each instance of intended use of name(s) name(s). The absence of a response by LICENSOR within this ten (10) day period shall constitute implied permission for LICENSEE to use such name in that instance. Any press releases concerning this Agreement must be mutually agreed upon by the parties.

17. GOVERNING LAW:

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. Any dispute arising out of this Agreement shall be heard in a court of competent jurisdiction located in Miami-Dade County, Florida.

18. CAPTIONS:

The captions and paragraph heading of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

19. SEVERABILITY:

Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provision shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in valid and enforceable manner, and the remainder of the Agreement shall remain binding upon the parties hereto.

20. SURVIVAL:

20.1 The provisions of Sections 5, 6 and 7 shall survive the termination or expiration of this Agreement and shall remain in full force and effect.

20.2 The provisions of this Agreement which do not survive termination or expiration hereof (as the case may be) shall, nonetheless, be controlling on, and shall be used in construing and interpreting, the rights and obligations of the parties hereto with regard to any dispute, controversy or claim which may arise under, out of, in connection with, or relating to this Agreement.

21. AMENDMENT:

No amendment or modification of the terms of this Agreement shall be binding on either party unless reduced to writing and signed by an authorized officer of the party to be bound.

22. WAIVER:

No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

23. CONFIDENTIALITY:

Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, sublicensees or agents. LICENSEE's Confidential Information includes but is not limited to the development plan, development reports and all other financial and business reports, strategies, and agreements (including sublicenses) of LICENSEE. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality

provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section shall extend for a period of five (5) years from termination or expiration of this Agreement.

24. UNIVERSITY RULES AND REGULATIONS:

LICENSEE understands and agrees that University of Miami personnel who are engaged by LICENSEE, whether as consultants, employees or otherwise, or who possess a material financial interest in LICENSEE, are subject to the University of Miami's rule regarding outside activities and financial interests, and the University of Miami's Intellectual Property Policy. Any term or condition of an agreement between LICENSEE and such University of Miami personnel which seeks to vary or override such personnel's obligations to the University of Miami may not be enforced against such personnel, or the University of Miami, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Miami.

25. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement between the parties hereto respecting the subject matter hereof, and supersedes and terminates all prior agreements respecting the subject matter hereof, whether written or oral, and may be amended only by an instrument in writing executed by both parties hereto.

26. CONTRACT FORMATION AND AUTHORITY:

LICENSOR and LICENSEE each warrant and represent that the persons signing this Agreement on its behalf have authority to execute this Agreement and that the execution of this Agreement does not violate any law, rule or regulation applicable to it or any contract or other agreement by which it is bound.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized to be effective as of the Effective Date.

[SIGNATURE PAGE FOLLOWS]

Date: 12/08/10

HEAT BIOLOGICS II, INC.

By: /s/ Jeffrey Wolf

Jeffrey Wolf

Name

CEO

Title

Date: 12/07/10

UNIVERSITY OF MIAMI

By: /s/ Humberto Speziani

Humberto Speziani

Name

Assistant Vice President

Title

LICENSE AGREEMENT

This License Agreement (the "Agreement") is entered into and made effective the 19th day of November, 2013 (the "Effective Date") between UNIVERSITY OF MIAMI and its School of Medicine, whose principal place of business is at 1951 NW 7th Avenue, Suite 110, Miami, Florida 33136 (hereinafter referred to as "MIAMI") and **Pelican Therapeutics, Inc.**, a Delaware corporation, whose principal place of business is at 100 Europa Drive, Suite 420, Chapel Hill, NC 27517 (hereinafter referred to as "COMPANY").

WITNESSETH

WHEREAS, MIAMI is the sole owner of the technology and product identified as the Stimulation of TNFRSF25 with TL1A-Ig Fusion Proteins Technology (UMM-143 and UMN-106);

WHEREAS, MIAMI is the sole owner of the patent rights relating to the Stimulation of TNFRSF25 with TL1A-Ig Fusion Proteins Technology (UMM-143 and UMN-106);

WHEREAS, COMPANY has obtained from MIAMI the patent rights to Treg Expansion (UMI-176) which is related to UMM-143 and UMN-106;

WHEREAS, MIAMI wishes to exclusively license to COMPANY the Stimulation of TNFRSF25 with TL1A-Ig Fusion Proteins Technology (UMM-143 and UMN-106 and patent rights related thereto; and

WHEREAS, COMPANY desires to acquire an exclusive license from MIAMI to the Stimulation of TNFRSF25 with TL1A-Ig Fusion Proteins Technology (UMM-143 and UMN-106) and patent rights related thereto for the purpose of commercially marketing the Stimulation of TNFRSF25 with TL1A-Ig Fusion Proteins Technology (UMM-143 and UMN-106).

NOW THEREFORE, for these and other valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS:

1.1 "Affiliate" shall mean any corporation or other business entity controlled by, controlling or under common control with COMPANY. For this purpose, "control" shall mean direct or indirect beneficial ownership of at least a fifty percent (50%) of the voting stock of, or at least a fifty percent (50%) interest in the income of such corporation or other business entity, or such other relationship as in fact, constitutes actual control.

1.2 "Sublicensee" as used in this Agreement shall mean any third party to whom COMPANY has granted a license to make, have made, use and/or sell the Product under the Patent Rights, provided said third party has agreed in writing with COMPANY to accept the conditions and restrictions agreed to by COMPANY in this Agreement.

1.3 "Patent Rights" shall mean the following United States Patent applications: **UMM-143**: US Provisional Patent Applications serial number 61/750,672 titled "CLONING, EXPRESSION, AND FUNCTIONAL CHARACTERIZATION OF TL1A-Ig" and filed on January 9, 2013 ; US Provisional Patent Applications serial number 61/753,634 titled "CLONING, EXPRESSION, AND FUNCTIONAL CHARACTERIZATION OF TL1A-Ig" and filed on January 17, 2013; **UMN-106**: US Provisional Patent Application serial number 61/842,127 titled "Cloning, Expression and Functional Characterization of TL1A-Ig" and all United States patents and foreign patents and patent applications claiming the priority date of the US Provisional Patent Applications; all divisionals, continuations of the foregoing; and those claims in continuations-in-part of the foregoing that are described in sufficient detail in US Provisional Patent Application serial numbers 61/750,672 and/or US Provisional Patent Applications serial number 61/753,634 and/or US Provisional Patent Application serial number 61/842,127 to meet the requirements of 35 U.S.C. 112¶1; and any re-examinations or reissues of the foregoing.

1.4 "Licensed Product" shall mean any product or part thereof which:

- (a) is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights; or

(b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights.

1.5 "Licensed Process" shall mean any process practiced in a country in which said process is covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or pending claim contained in the Patent Rights.

1.6 "Net Sales" shall mean the sum of all amounts invoiced on account of sale or use of Licensed Products and Licensed Processes by COMPANY and its Affiliates or any Sublicensees to non-affiliated third party purchasers or users of Licensed Products or Licensed Processes, less (a) discounts to purchasers in amounts customary in the trade, (b) amounts for transportation or shipping charges to purchasers, (c) credits for returns, allowances or trades, and (d) taxes and duties levied on the sale or use of Licensed Products, whether absorbed by COMPANY or paid by the purchaser.

1.7 "Territory" shall mean **worldwide**.

1.8 "Field of Use" shall mean **all human healthcare and research applications**.

1.9 "Licensed Materials" shall mean MIAMI's biological materials in the possession of Dr. Eckhard Podack's laboratory at the Effective Date that are covered in whole or in part by an issued, unexpired, and not adjudicated unenforceable claim or a pending claim contained in the Patent Rights.

1.10 "COMPANY Materials" shall mean any biological materials (e.g., humanized monoclonal antibodies) that COMPANY makes or has made using Licensed Materials or sequence information from any polynucleotides or polypeptides contained in the Licensed Materials.

2. GRANT:

2.1 MIAMI hereby grants to COMPANY an exclusive license, subject to any rights of the U.S. government specified in section 4 below, in the Territory for the Field of Use, with the right to sublicense, under the Patent Rights, to make, have made for its own use and sale, use and sell Licensed Products and Licensed Processes.

2.2 MIAMI also hereby grants to COMPANY an exclusive license to make, use, and/or sell the Licensed Materials in the Territory for the Field of Use. At COMPANY's request, MIAMI shall provide COMPANY with a reasonable amount of Licensed Materials so that COMPANY may reproduce such Licensed Materials for the purpose of making, selling, or using Licensed Products or Licensed Processes.

2.3 MIAMI reserves to itself the non-transferable right to make and use Licensed Materials, Licensed Products and/or Licensed Processes solely for its internal, non-commercial, scientific research, not-for-profit clinical research, and educational purposes. Except to the extent required by law, MIAMI shall not transfer the Licensed Materials to any third party without first obtaining, in a Material Transfer Agreement, the written agreement of that third party to not use or further distribute such materials for commercial purposes. MIAMI shall notify COMPANY in writing of any third party request for such materials and provide COMPANY at least ten (10) days to object to such request on the basis that such transfer would interfere with the objectives of this Agreement.

2.4 COMPANY hereby grants to MIAMI the non-transferable right to make and use COMPANY Materials solely for its internal, non-commercial scientific research, not-for-profit clinical research, and educational purposes. At MIAMI's request, COMPANY shall provide MIAMI with a reasonable amount of COMPANY Materials solely for the aforesaid purpose. Without the express written consent of COMPANY, MIAMI shall not transfer to a third party any COMPANY Materials or derivatives thereof or any non-public sequence information from any polynucleotides or polypeptides contained in the foregoing.

3. TERM:

The license granted by this Agreement shall be exclusive in the licensed Field of Use for a term commencing as of the effective date of this Agreement and continue until the expiration, on a country by country basis, of all of the Patent Rights.

4. UNITED STATES LAWS:

4.1 COMPANY understands that the Licensed Subject Matter may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any agreement and any applicable law or regulation. If there is a conflict between an agreement, applicable law or regulation and this Agreement, the terms of the Government agreement, applicable law or regulation shall prevail. Specifically, This Agreement is subject to all of the terms and conditions of Title 35 United States Code sections 200 through 204, including an obligation that Licensed Product(s) sold or produced in the United States be "manufactured substantially in the United States," and COMPANY agrees to take all reasonable action necessary on its part as COMPANY to enable MIAMI to satisfy its obligation thereunder, relating to Invention(s).

4.2 It is understood that MIAMI is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by COMPANY that COMPANY shall not export data or commodities to certain foreign countries without prior approval of such agency. MIAMI neither represents that a license shall not be required nor that, if required, it shall be issued.

5. PATENT PROTECTION AND INFRINGEMENT:

5.1 COMPANY, during the term of this Agreement, is responsible for the filing and the prosecution and paying of all patents and applications. COMPANY shall keep MIAMI fully apprised on the status of all Patent Rights and shall provide MIAMI the opportunity to make comments and suggestions on all decisions relating to the prosecution of the Patent Rights (e.g., office actions). COMPANY shall in good faith consider incorporating such comments and suggestions unless such incorporation would be contrary to the purposes of this Agreement. Where there is disagreement, MIAMI's comments and opinion shall prevail.

5.2 COMPANY shall promptly notify MIAMI in writing of any claim of Patent Rights infringement which may be asserted against COMPANY or MIAMI, its Affiliates and any sublicensees because of the manufacture, use, promotion and sale of Products.

5.3 COMPANY shall reimburse MIAMI for all past patent fees ([*****] as of October 23, 2013) within thirty (30) days of the Effective Date, relating to the preparation, filing, prosecution, issuance, and maintenance of the Licensed Patents incurred prior to the Effective Date.

5.4 COMPANY will defend, indemnify and hold harmless MIAMI, its Trustees, officers, directors, employees and its Affiliates against any and all judgments and damages arising from any and all third party claims of Patent Rights infringement which may be asserted against MIAMI, and Affiliates because of the manufacture, use, promotion and sale of Licensed Products. COMPANY will bear all costs and expenses incurred in connection with the defense of any such claims or as a result of any settlement made or judgment rendered on the basis of such claims. MIAMI shall have no further liability to COMPANY for any loss or damages COMPANY may incur as a result of the invalidity of MIAMI'S Patent Rights. MIAMI will have the right, but not the obligation to retain counsel at its expense in connection with any such claim. MIAMI at its option, shall have the right, within thirty days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.

5.5 Upon learning of any infringement of Patent Rights by third parties in any country, COMPANY and MIAMI will promptly inform each other, as the case may be, in

writing of that fact and will supply the other with any available evidence pertaining to the infringement. COMPANY at its own expense, shall have the option to take whatever steps are necessary to stop the infringement at its expense and recover damages therefore. If requested by COMPANY, MIAMI will join in any legal actions enforcing or defending the Patent Rights against third parties deemed necessary or advisable by COMPANY to prevent or seek damages, or both, from the infringement of the Patent Rights provided that COMPANY funds all costs associated with such actions, using counsel mutually acceptable to COMPANY and MIAMI, and indemnifies and holds MIAMI harmless with respect to any claims or damages made against or sustained by MIAMI in connection with such involvement. In the event that MIAMI and COMPANY mutually bring suit, costs and expenses shall be borne by COMPANY, and any recovery shall be shared by the parties as if such infringing sales were Net Sales. In any event, no settlement, consent, judgment or other voluntary final disposition of the suit may be entered into without the consent of MIAMI, which shall not be unreasonably withheld. In the event COMPANY does not take steps to stop the infringement, MIAMI shall have the right to bring suit at its own expense. In such event, financial recoveries will be entirely retained by MIAMI.

5.6 MIAMI shall have no responsibility with respect to COMPANY's own trademarks and tradename, and COMPANY in respect to the use thereof will defend, indemnify and hold harmless MIAMI against any and all third party claims.

6. INDEMNIFICATION:

6.1 COMPANY agrees to release, indemnify and hold harmless the MIAMI, its trustees, officers, faculty, employees, Affiliates, agents and students against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through the appellate levels) which may be brought against MIAMI, its trustees, officers, faculty, employees, Affiliates, agents and/or students as a result of or arising out of any willful misconduct or negligent act or omission of COMPANY, its agents, or employees, or arising out of use, production, manufacture, sale, lease, consumption or advertisement by COMPANY or any third party, including any Sublicensees of any Licensed Product, Licensed Patent, Licensed Process, or Licensed Materials covered by this Agreement.

6.2 MIAMI agrees to release and hold harmless the COMPANY, its directors, officers, employees, Affiliates, Sublicensees, and agents against any and all losses, expenses, claims, actions, lawsuits and judgments thereon (including reasonable attorney's fees through the appellate levels) which may be brought against COMPANY, its directors, officers, employees, Affiliates, Sublicensees, and/or agents as a result of or arising out of any willful misconduct, or negligent act or omission of MIAMI; or, except where caused by COMPANY's negligence or willful misconduct, arising out of use, sale, lease, consumption or advertisement by MIAMI of any COMPANY Materials covered by this Agreement.

6.3 This Agreement to reimburse and indemnify under the circumstances set forth above shall continue after the termination of this Agreement.

7. NO REPRESENTATIONS/WARRANTIES:

7.1 MIAMI hereby represents and warrants to COMPANY that MIAMI owns the Patent Rights and Licensed Materials and has not assigned any rights therein or given any license or other rights thereto to any party other than COMPANY.

7.2 MIAMI hereby represents and warrants that, although it has not conducted any investigation, it has no knowledge of any patents or patent applications, other than the Patents Rights, that contain a claim that would be infringed by the sale or use of a Licensed Product, Licensed Process, or Licensed Materials.

7.3 EXCEPT AS PROVIDED ABOVE, MIAMI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL SUCH WARRANTIES, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF ANY INVENTION(S) OR PRODUCT, WHETHER TANGIBLE OR INTANGIBLE, LICENSED UNDER THIS AGREEMENT; OR THE MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE INVENTION OR PRODUCT; OR THAT THE USE OF THE LICENSED PRODUCT WILL NOT INFRINGE ANY PATENT, COPYRIGHTS, TRADEMARKS, OR OTHER RIGHTS. MIAMI SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, OR OTHER DAMAGES SUFFERED BY ANY COMPANY OR ANY THIRD PARTIES RESULTING

FROM THE USE, PRODUCTION, MANUFACTURE, SALE, LEASE, CONSUMPTION, OR ADVERTISEMENT OF THE PRODUCT.

7.4 The provisions of this Section shall continue beyond the termination of this Agreement.

8. ROYALTIES:

8.1 In consideration of the license herein granted, COMPANY shall pay royalties to MIAMI as follows:

(a) COMPANY agrees to pay to MIAMI a license issue fee of \$35,000, of which [****] is due within 30 days of signing this Agreement. Further, COMPANY agrees to pay MIAMI the remaining license issue fee of [****] in the following manner: [****] by December 1, 2013 and [****] by April 1, 2014.

(b) In the event that COMPANY terminates its license to UMI-176 (see the recitals), COMPANY agrees to pay MIAMI minimum royalty payments, as follows:

<u>Payment</u>	<u>Year</u>
[****]	2014
[****]	2015 and every year thereafter on the same date, for the life of this Agreement.

The minimum royalty shall be paid for each year after the UMI-176 license has been terminated. No minimum royalty shall be due under this Agreement for any year in which the UMI-176 license is in force. The minimum royalty payment shall be due on or before May 31 of the calendar year. Any minimum royalty paid in a calendar year will be credited against the earned royalties for that calendar year. It is understood that the minimum royalties will be applied to earned royalties on a calendar year basis, and that sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during

a prior or subsequent calendar year shall have no effect on the annual minimum royalty due MIAMI for other than the same calendar year in which the royalties were earned.

- (c) COMPANY agrees to pay to MIAMI as earned royalties a royalty calculated as a percentage of COMPANY's Net Sales of Licensed Products which, if not for this Agreement, would infringe the Patent Rights, in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by COMPANY, or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of [****] of Net Sales.
- (d) For a sublicense, COMPANY shall pay to MIAMI an amount equal to [****] of what COMPANY would have been required to pay to MIAMI had COMPANY sold the amount of Licensed Products sold by the Sublicensees. In addition, if COMPANY receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensees nor represent payment of costs to COMPANY for a development program which COMPANY is obligated to perform under such sublicense, then COMPANY shall pay MIAMI [****] of such payments.
- (e) In addition to all other payments required under this Agreement, in the event that COMPANY terminates its license to UMI-176, COMPANY agrees to pay MIAMI milestone payments, as follows:

<u>Payment</u>	<u>Event</u>
[****]	Upon submission of an IND for a Licensed Product

[****] Upon approval of an IND for a Licensed Product
[****] Upon completion of a phase 1 clinical trial for a Licensed Product
[****] By the earlier of May 31, 2022 or the approval of an NDA for a Licensed Product

- (f) In the event that licenses from third parties are required by COMPANY in order to make, have made, use, sell, offer to sell or import any particular Licensed Product or Licensed Process, then the earned royalty which COMPANY is obligated to pay MIAMI under this Agreement shall be reduced by [****] for each one dollar (\$1.00) in royalties which COMPANY is obligated to pay to third parties under such licenses, further provided, however, that the royalties payable to MIAMI under this Section shall not be reduced to less than [****] of the applicable Net Sales.
- (g) In the event that COMPANY requires more than one license from the MIAMI to make, have made for its use, sell, offer to sell or import any particular Licensed Product or Licensed Process as defined in sections 1.4 and 1.5, respectively, of this Agreement, then the combined earned royalties shall not exceed [****] of Net Sales and any sublicense fees shall not exceed [****] of what COMPANY would have been required to pay to MIAMI had COMPANY sold the amount of Licensed Products sold by the Sublicensees.

8.2 All payments shall be made hereunder in U.S. dollars; provided however, that if the proceeds of the sales upon which such royalty payments are based are received by the COMPANY in a foreign currency or other form that is not convertible or exportable in dollars, and the COMPANY does not have ongoing business operations or bank accounts in the country in which the currency is not convertible or exportable, the COMPANY shall pay such royalties

in the currency of the country in which such sales were made by depositing such royalties in MIAMI'S name in a bank designated by MIAMI in such country. Royalties in dollars shall be computed by converting the royalty in the currency of the country in which the sales were made at the exchange rate for dollars prevailing at the close of the business day of the COMPANY'S quarter for which royalties are being calculated as published the following day in the Wall Street Journal (or, if it ceases to be published, a comparable publication to be agreed upon from time to time by the parties), and with respect to those countries for which rates are not published in the Wall Street Journal, the exchange rate fixed for such date by the appropriate United States governmental agency.

8.3 In the event the royalties set forth herein are higher than the maximum royalties permitted by the law or regulations of a particular country, the royalty payable for sales in such country shall be equal to the maximum permitted royalty under such law or regulation.

8.4 In the event that any taxes, withholding or otherwise, are levied by any taxing authority in connection with accrual or payment of any royalties payable to MIAMI under this Agreement, the COMPANY shall have the right to pay such taxes to the local tax authorities on behalf of MIAMI and the payment to MIAMI of the net amount due after reduction by the amount of such taxes, shall fully satisfy the COMPANY'S royalty obligations under this Agreement.

9. DILIGENCE:

9.1 COMPANY shall use efforts at least sufficient to meet the requirements of the Bayh-Dole Act to manufacture, market and sell the Licensed Products in the Territory, and to create a demand for the Products.

9.2 COMPANY agrees to submit reports, upon MIAMI's request but no more than every 6 months as to its efforts to develop markets for the Licensed Products. Such reports shall include assurance by COMPANY of its intent to actively develop commercial embodiments of Licensed Products and a summary of its efforts in this regard.

9.3 Unless COMPANY has introduced a Licensed Product into the commercial marketplace in one of the three major markets (European Union, Japan and the

United States) or has made best efforts (for avoidance of doubt it will be presumed that COMPANY has used best efforts if it has a Licensed Product in a phase III clinical trial) to achieve the same prior to December 31, 2022 COMPANY agrees that MIAMI may terminate this Agreement by providing COMPANY ninety (90) advanced written notice of its intent to terminate this Agreement. In the event the payment of earned royalties, once begun and if any are due, ceases for more than two (2) calendar quarters, and COMPANY fails to cure this breach within two (2) months after being provided written notice of same, MIAMI may terminate this Agreement.

10. REPORTS AND RECORDS:

10.1 During the term of this Agreement and before the COMPANY launches sale of Licensed Products, COMPANY shall provide semi-annual report due June 30, and December 31 of each calendar year detailing COMPANY's research and development activities and efforts. Further, after commencing the first sale, the COMPANY shall furnish to MIAMI reports on a quarterly specifying during the preceding calendar quarter (a) the number or amount of Licensed Products sold hereunder by COMPANY, and/or its Affiliates or Sublicensees, (b) the total billings for all Licensed Products sold, (c) deductions as applicable in paragraph 1.6, (d) total royalties due, (e) names and addresses of all Sublicensees. Such reports shall be due within forty-five (45) days following the last day of each calendar quarter in each year during the term of this Agreement. Each such report shall be accompanied by payment in full of the amount due MIAMI in United States dollars calculated in accordance with Section 8.1 hereof.

10.2 For a period of three (3) years from the date of each report pursuant to Paragraph 10.1, COMPANY, shall keep records adequate to verify each such report and accompanying payment made to MIAMI under this Agreement, and an independent certified public accountant or accounting firm selected by MIAMI and acceptable to COMPANY may have access, on reasonable notice during regular business hours, not to exceed once per year, to such records to verify such reports and payments. Such accountant or accounting firm shall not disclose to MIAMI any information other than that information relating solely to the accuracy of, or necessity for, the reports and payments made hereunder. The fees and expense of the certified public accountant or accounting firm performing such verification shall be borne by MIAMI

unless in the event that the audit reveals an underpayment of royalty by more than [*****], the cost of the audit shall be paid by COMPANY.

11. MARKING AND STANDARDS:

11.1 Prior to the issuance of patents on the Invention(s), COMPANY agrees to mark and have sublicensees mark Licensed Products (or their containers or labels) made, sold, or otherwise disposed of by it under the license granted in this Agreement with a proper patent notice as specified under the patent laws of the United States.

11.2 COMPANY further agrees to maintain satisfactory standards in respect to the nature of the Licensed Products manufactured and/or sold by COMPANY. COMPANY, agrees that all Licensed Products manufactured and/or sold by it shall be of a quality which is appropriate to products of the type here involved. COMPANY agrees that similar provisions shall be included in sublicenses of all tiers.

12. ASSIGNMENT:

12.1 This Agreement is not assignable by COMPANY or by operation of law without the prior written consent of MIAMI at its sole discretion except that COMPANY shall have the right to transfer or assign this Agreement to any entity which acquires all or substantially all of COMPANY's assets provided that COMPANY gives MIAMI thirty (30) days advance written notice of the intended assignment and considers in good faith any of MIAMI's concerns relating to the intended assignment. The foregoing sentence shall not be construed to require COMPANY to obtain MIAMI's approval of any Sublicensees.

12.2 This Agreement shall extend to and be binding upon the successors and legal representatives and permitted assigns of MIAMI and COMPANY.

13. NOTICE:

Any notice, payment, report or other correspondence (hereinafter collectively referred to as "correspondence") required or permitted to be given hereunder shall be mailed by certified mail or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. If mailed, any such notice shall be deemed to have been given when mailed as evidenced by the postmark at point of mailing. If delivered by hand, any such

correspondence shall be deemed to have been given when received by the party to whom such correspondence is given, as evidenced by written and dated receipt of the receiving party.

All correspondence to COMPANY shall be addressed as follows:

CEO
Pelican Therapeutics, Inc.
100 Europa Drive, Suite 420
Chapel Hill, NC 27517

All correspondence to MIAMI shall be addressed, in duplicate, as follows:

FOR NOTICE:

Vice President
Business Affairs
327 Max Orovitz Building
1507 Levante Avenue
Coral Gables, Florida 33124-1432

FOR NOTICE AND PAYMENT:

Office of Technology Transfer
University of Miami
1951 NW 7th Avenue, Suite 110
Miami, FL 33136

Either party may change the address to which correspondence to it is to be addressed by notification as provided herein.

14. TERMINATION:

14.1 A party shall have the right to terminate this Agreement if the other party commits (a) a material breach of an obligation under this Agreement or (b) provides a false report, and continues in breach for more than ninety (90) days after receiving unambiguous written notice of such breach or false report; however, in the event COMPANY breaches its obligations under Sections five (5) or eight (8) above, COMPANY shall have thirty (30) days after receiving written notice to cure such breach, after which MIAMI shall have the right to terminate this Agreement. Such termination shall be effective upon further written notice to the breaching party after failure by the breaching party to cure such default.

14.2 The license and rights granted in this Agreement have been granted on the basis of the special capability of COMPANY to perform research and development work leading to the manufacture and marketing of the Products. Accordingly, COMPANY covenants and agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto, be commenced by or against COMPANY, and, if against COMPANY, said proceedings shall not be dismissed with prejudice before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event COMPANY shall be adjudged insolvent or make an assignment for the benefit of its creditors, or if a writ of attachment or execution be levied upon the license hereby created and not be released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which COMPANY is a party with authority to exercise any of the rights or privileges granted hereunder and such receiver be so discharged within a period of forty-five (45) days after his appointment, any such event shall be deemed to constitute a breach of this Agreement by COMPANY and, MIAMI, at the election of MIAMI, but not otherwise, ipso facto, and without notice or other action by MIAMI, shall terminate this Agreement and all rights of COMPANY hereunder and all rights of any and all persons claiming under COMPANY.

14.3 COMPANY shall have the right to terminate this Agreement by providing ninety (90) days written notice of its intent to terminate this Agreement to MIAMI.

14.4 Any termination of this Agreement shall be without prejudice to MIAMI's right to recover all amounts accruing to MIAMI prior to such termination and cancellation. Except as otherwise provided, should this Agreement be terminated for any reason, COMPANY shall have no rights, express or implied, under any patent property which is the subject matter of this Agreement, nor have the right to recover any royalties paid MIAMI hereunder. Upon termination, COMPANY shall have the right to dispose of Licensed Products then in their possession and to complete existing contracts for such products, so long as contracts are completed within six (6) months from the date of termination, subject to the payment of royalties to MIAMI as provided in Section 8 hereof.

15. CERTIFICATE OF INSURANCE:

15.1 At least thirty (30) days before it causes a Licensed Product to be administered to a human subject, COMPANY shall obtain (and thereafter shall maintain) and provide proof of liability insurance coverage for the Product in the amount of three million dollars (\$3,000,000) and at no expense to MIAMI, COMPANY shall name MIAMI as an additional insured. Within fourteen (14) days before it causes a Licensed Product to be administered to a human subject, COMPANY shall provide a certificate of such product liability insurance to MIAMI. COMPANY agrees to carry and keep in force, at its expense, general liability insurance with limits not less than \$1,000,000 per person and \$3,000,000 aggregate to cover liability for damages on account of bodily or personal injury or death to any person, or damage to property of any person. Such insurance shall contain an endorsement naming the University of Miami as an additional insured with respect to this Agreement. Within fourteen (14) days of the Effective Date, COMPANY shall provide a certificate of such general liability insurance to MIAMI. Insurance Certificates should be sent to the University of Miami upon execution of this Agreement and on the anniversary of that date every year thereafter, Office of Technology Transfer, 1951 NW 7th Avenue, Suite 110, Miami, Florida 33136.

15.2 COMPANY shall not cancel such insurance without thirty (30) days prior notice to MIAMI. Such cancellation shall be cause for termination.

15.3 The terms of this provision shall extend beyond termination of the agreement.

16. USE OF NAME:

COMPANY shall not use the name of the University of Miami, or any of its employees, or any adaptation thereof, in any publication, including advertising, promotional or sales literature without the prior written consent of Mr. Humberto Speziani, Vice President of Business Services, 327 Max Orovitz Bldg., 1507 Levante Avenue, Coral Gables, FL 33124-1432. MIAMI shall notify COMPANY within ten (10) days of being provided notice of its decision regarding each instance of intended use of name(s) name(s). The absence of a response by MIAMI within this ten (10) day period shall constitute implied permission for COMPANY to

use such name in that instance. Any press releases concerning this Agreement must be mutually agreed upon by the parties.

17. GOVERNING LAW:

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

18. CAPTIONS:

The captions and paragraph heading of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

19. SEVERABILITY:

Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provision shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in valid and enforceable manner, and the remainder of the Agreement shall remain binding upon the parties hereto.

20. SURVIVAL:

20.1 The provisions of Sections 5, 6 and 7 shall survive the termination or expiration of this Agreement and shall remain in full force and effect.

20.2 The provisions of this Agreement which do not survive termination or expiration hereof (as the case may be) shall, nonetheless, be controlling on, and shall be used in construing and interpreting, the rights and obligations of the parties hereto with regard to any dispute, controversy or claim which may arise under, out of, in connection with, or relating to this Agreement.

21. AMENDMENT:

No amendment or modification of the terms of this Agreement shall be binding on either party unless reduced to writing and signed by an authorized officer of the party to be bound.

22. WAIVER:

No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

23. CONFIDENTIALITY:

Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, subCOMPANYs or agents. COMPANY's Confidential Information includes but is not limited to the development plan, development reports and all other financial and business reports, strategies, and agreements (including sublicenses) of COMPANY. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under

this Section shall extend for a period of five (5) years from termination or expiration of this Agreement.

24. UNIVERSITY RULES AND REGULATIONS:

COMPANY understands and agrees that University of Miami personnel who are engaged by COMPANY, whether as consultants, employees or otherwise, or who possess a material financial interest in COMPANY, are subject to the University of Miami's rule regarding outside activities and financial interests, and the University of Miami's Intellectual Property Policy. Any term or condition of an agreement between COMPANY and such University of Miami personnel which seeks to vary or override such personnel's obligations to the University of Miami may not be enforced against such personnel, or the University of Miami, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Miami.

25. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement between the parties hereto respecting the subject matter hereof, and supersedes and terminates all prior agreements respecting the subject matter hereof, whether written or oral, and may be amended only by an instrument in writing executed by both parties hereto.

26. CONTRACT FORMATION AND AUTHORITY:

MIAMI and COMPANY each warrant and represent that the persons signing this Agreement on its behalf have authority to execute this Agreement and that the execution of this Agreement does not violate any law, rule or regulation applicable to it or any contract or other agreement by which it is bound.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized to be effective as of the Effective Date.

[SIGNATURE PAGE FOLLOWS]

Date: 11/19/13

PELICAN THERAPEUTICS, INC.

By: /s/ Josiah Hornblower

Josiah Hornblower
Name
President, Pelican Therapeutics,
Inc.
Title

Date: 11/11/13

UNIVERSITY OF MIAMI

By: /s/ Norma Sue Kenyon

Norma Sue Kenyon
Name
Vice Provost for Innovation
Title

AMENDMENT TO LICENSE AGREEMENT
(UM03-31, UMO5-39)

Amendment to the License Agreement (the "Amendment") dated the 11th day of July, 2008 (the "Effective Date"), by and between the University of Miami and its School of Medicine ("LICENSOR"), and HEAT BIOLOGICS, INC. a Delaware corporation ("LICENSEE"), under the direction of Dr. Eckhard Podack, to wit: LICENSE AGREEMENT relating to the technology and product identified as the Podack Antibody Technology (**UM03-31, UMO5-39**) and hereinafter referred to as "License Agreement",

WHEREAS, LICENSOR and LICENSEE entered into that certain Stockholders Agreement dated the 11th day of July, 2008, granting to the LICENSOR certain rights to participate in future stock offerings by the LICENSEE (hereinafter referred to as the "Stockholders Agreement"); and

WHEREAS, LICENSOR is the owner and holder of [****] of all issued and outstanding common stock of LICENSEE in each class and series on a fully-diluted basis pursuant to the terms and conditions of the License Agreement; together with the University of Miami Investor Rights Agreement effective July 11, 2008, and the Common Stock Subscription Agreement dated July 1, 2008; and

WHEREAS, LICENSEE has license issue fee obligations to LICENSOR, as set forth in sections 5.3 and 8.1(a) of the License Agreement in the total amount of [****] dollars, which are due and payable as follows:

- a) [****] dollars obligation past due and outstanding, to wit: Payable within thirty (30) days of the Effective Date, on or before August 11, 2008.
- b) [****] dollars paid within one (1) year of the Effective Date; and

WHEREAS, LICENSEE has past due and outstanding patent fees and costs obligations to LICENSOR in the amount of [****] dollars pursuant to section 5.1 of the License Agreement; and

WHEREAS, LICENSEE has past due and outstanding license issue fees obligations together with past due and outstanding patent fees and costs obligations to LICENSOR pursuant to the License Agreement in the total amount of [****] dollars; and

WHEREAS, LICENSEE has requested an extension of the payment dates for past due and future license issue fees together with past due patent fees and costs, and LICENSOR desires to extend the foregoing payment dates.

NOW THEREFORE, for the mutual promises and other good and valuable consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

LICENSOR agrees to extend the payment dates of the foregoing past due and future license issue fees together with past due patent fees and costs owed by LICENSEE pursuant to the License Agreement, under the following terms and conditions:

1. LICENSOR shall extend the payment deadline of all past due and future license issue fees and past due patent fees and costs under the License Agreement in the total amount of [****] dollars to August 11, 2009 (the "Extension Date")
-

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

2. LICENSOR shall be issued [****] fully-dilutable common shares of the total number of LICENSEE common shares issued and outstanding, which stock issuance shall be evidenced as follows:

Section 8.5 of the License Agreement is hereby amended and restated in its entirety to read as follows:

As partial consideration for the license granted pursuant to this Agreement, LICENSEE shall issue to LICENSOR a fully paid, nonassessable number of common shares equal to [****] of the total number of LICENSEE issued and outstanding common shares in each class and series on a fully-diluted basis, at all times until and including the later of such time that LICENSEE has received more than [****] in cash proceeds after the Effective Date of this Agreement from equity investments by parties unaffiliated with LICENSEE as of the Effective Date of this Agreement (“Qualified Investment”). For the avoidance of doubt, such anti-dilution protection for the foregoing shares shall continue to apply through the duration of, and until immediately after, the Qualified Investment pursuant to this Agreement and any Amendments thereto, whichever is later. Furthermore, LICENSEE shall issue to LICENSOR fully-dilutable common shares equal to [****] of the total number of LICENSEE common shares in each class and series issued and outstanding. LICENSEE shall affect the issuance of the foregoing fully-diluted shares by concurrent execution of an appropriate Stockholders Agreement, Investor Rights Agreements, and Common Stock Subscription Agreement, together with appropriate Amendments thereto evidencing the foregoing issuance of such fully-dilutable common shares to LICENSOR, the terms of which are incorporated by reference herein.

3. LICENSEE shall pay LICENSOR, as additional consideration for the payment Extension Date granted by LICENSOR under this Amendment, the sum of [****] dollars, to be due and payable on or before such Extension Date.
 4. LICENSOR hereby reserves the right, at its sole and absolute discretion, to impose additional penalties at law or in equity, for the nonpayment by the LICENSEE of any and all license issue fees together with patent fees and costs due and payable by the Extension Date.
 5. LICENSOR and LICENSEE mutually agree and confirm that the following sections of the License Agreement remain in full force and effect, and agree to be bound by the terms and conditions specified therein: section 6, entitled INDEMNIFICATION, section 21, entitled AMENDMENT, and section 25, entitled ENTIRE AGREEMENT. LICENSOR and LICENSEE further mutually agree and confirm that in all other respects the License Agreement shall remain in full force and effect in accordance with all other terms and conditions specified therein, and agree to be bound by the terms and conditions set forth therein.
-

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

This Amendment is entered into and made effective as of the last signature date set forth below.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth below.

LICENSOR:

UNIVERSITY OF MIAMI

By: /s/ Bart Chernow
Bart Chernow, M.D.
Director of UM Innovation
Vice Provost of Technology Advancement

Date: April 20, 2009

LICENSEE:

HEAT BIOLOGICS, INC.

By: /s/ Jeffrey Wolf
Jeffrey Wolf
President

Date: April 20, 2009

ASSIGNMENT AND ASSUMPTION AGREEMENT
(UMC-131, UMF:-1391)

ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Agreement**”), dated as of June 26, 2009, by and among HEAT BIOLOGICS, INC., a Delaware corporation (“HEAT BIOLOGICS”), HEAT BIOLOGICS II, INC., a Delaware corporation (“HEAT II”) and for the limited purpose set forth on the signature page hereto, the University of Miami, a Florida not-for-profit corporation (“UNIVERSITY”).

WITNESSETH:

WHEREAS, HEAT BIOLOGICS and UNIVERSITY are parties to a License Agreement effective as of July 11, 2008, (the “**License Agreement**”) and Amendment thereto dated April 29, 2009, (the “**License Amendment**”), (collectively referred to as “License Agreements”), relating to the technology and product currently identified as the Podack Antibody Technology (**UMC-131, UME-139**); and

WHEREAS, UNIVERSITY and HEAT BIOLOGICS entered into that certain Stockholders Agreement dated the 11th day of July, 2008, together with the University of Miami Investor Rights Agreement effective July 11, 2008, and the Common Stock Subscription Agreement dated July 1, 2008, granting to UNIVERSITY certain stock ownership rights together with rights to participate in future stock offerings by HEAT BIOLOGICS (hereinafter collectively referred to as the “Stock Agreements”); and

WHEREAS, UNIVERSITY is the owner and holder of [****] of all issued and outstanding common stock of HEAT BIOLOGICS in each class and series on a fully-diluted basis, together with fully-dilutable common shares equal to [****] of the total number of HEAT BIOLOGICS common shares in each class and series issued and outstanding, pursuant to the terms and conditions of the License Agreement and License Amendment; and

WHEREAS, HEAT BIOLOGICS has license issue fee obligations to UNIVERSITY, as set forth in sections 5.3 and 8.1 (a) of the License Agreement in the total amount of [****] dollars, which are due and payable as follows:

- a) [****] dollars obligation past due and outstanding, to wit:
Payable within thirty (30) days or the Effective Date, all or before August 11, 2008.
- b) [****] dollars paid within one (1) year of the Effective Date; and

WHEREAS, HEAT BIOLOGICS has past due and outstanding patent fees and costs obligations to UNIVERSITY in the amount of [****] dollars pursuant to section 5.1 of the License Agreement; and

WHEREAS, HEAT BIOLOGICS has past due and outstanding license issue fees obligations together with past due and outstanding patent fees and costs obligations to UNIVERSITY pursuant to the License Agreement in the total amount of [****] dollars; and

WHEREAS, HEAT BIOLOGICS requested, and UNIVERSITY granted all extension of the payment dates for past due and outstanding license issue fees together with past due and outstanding patent fees and costs, and as additional consideration shall pay UNIVERSITY the sum of [****] dollars, to be due and payable on or before such payment extension date granted by UNIVERSITY; and

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

WHEREAS, HEAT II, is a corporation duly formed under the laws of the State of Delaware on the 23rd day of April, 2009, and is an active corporation and in good standing; and

WHEREAS, pursuant to the License Agreements, HEAT BIOLOGICS desires to assign to HEAT II all of its rights and obligations under the License Agreements, and HEAT II desires to accept such assignment.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations hereinafter set forth, the Parties hereto, intending to be legally bound, hereby agree as follows:

1) **Recitals**. The Parties mutually agrees that the above recitals are true and correct, and are hereby incorporated by reference to this Agreement.

2) **Assignment and Assumption**.

(a) Effective immediately upon execution of this Agreement by all of the parties hereto, HEAT BIOLOGICS sells, transfers, assigns, conveys, grants and sets over to HEAT II, its successors and assigns forever, all of HEAT BIOLOGICS' rights, title and interest as of such date in and to all and any of HEAT BIOLOGICS' rights and obligations under, pursuant to and arising out of the License Agreements, as fully and entirely as the same would have been held and enjoyed by HEAT II as if this assignment had not been made, and

(b) HEAT II accepts, assumes, takes over and succeeds to all of HEAT BIOLOGICS' rights, title and interest as of such date in and to all and any of the HEAT BIOLOGICS' rights and obligations under, pursuant to and arising out of the License Agreements, and HEAT II covenants and agrees to discharge, perform and comply with, and to be bound by, all the terms, conditions, provisions, obligations, covenants and duties of HEAT BIOLOGICS in connection with all and any of HEAT BIOLOGICS' rights and obligations under, pursuant to and arising out of the License Agreements, as the same may be amended from time to time, (in each case, whether or not any of it relates to the period before or after the date hereof), as if HEAT II were an original party thereto.

3) **Successors**. This Agreement shall be fully binding upon and enforceable with respect to the parties, and their respective representatives, successors, partners, executors, and assigns.

4) **Authority**. Each of the parties hereto represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

5) **Governing Law**. This Agreement shall be governed by and construed in accordance with the law of the State of Florida, without regard to the conflicts of law rules of such state. In any action or proceeding arising out of or relating to this Agreement (an "Action"), each of the parties hereby irrevocably submits to the exclusive jurisdiction of any federal or state court sitting in Miami-Dade County, Florida, and further agrees that any Action shall be heard and determined in such Florida federal court or in such state court. Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any Action in Miami-Dade County, Florida.

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

6) **Severability.** The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable.

7) **Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

HEAT BIOLOGICS, INC.,
a Delaware corporation

By: /s/ Jeffrey Wolf
Name: Jeffrey Wolf
Title: President

HEAT BIOLOGICS II, INC.,
a Delaware corporation

By: /s/ Jeffrey Wolf
Name: Jeffrey Wolf
Title: President

In accordance with Paragraph 12. of the License Agreement, entitled Assignment, UNIVERSITY hereby consents to the assignment and assumption provided for by this Agreement:

Accepted and Agreed as of the date first set forth above:

UNIVERSITY OF MIAMI

By: /s/ Bart Chernow, M.D.
Name: Bart Chernow, M.D.
Title: Director of UM Innovation
Vice Provost of Technology Advancement

SECOND AMENDMENT TO LICENSE AGREEMENT
(UMC-131, UME-139)

Second Amendment to the License Agreement (“Amendment 2”) dated the 11th day of July, 2008 (the “Effective Date”), together with that certain Amendment thereto dated April 29, 2009 (“Amendment 1”), by and between the University of Miami and its School of Medicine (“LICENSOR”), and HEAT BIOLOGICS II, INC., a Delaware corporation (“LICENSEE”), under the direction of Dr. Eckhard Podack, to wit: LICENSE AGREEMENT relating to the technology and product identified as the Podack Antibody Technology (UMC-131, UME-139) and hereinafter referred to as “License Agreement”.

WHEREAS, LICENSEE has past due and outstanding license issue fee obligations to LICENSOR, as set forth in sections 5.3 and 8.1(a) of the License Agreement in the total amount of [****] dollars, which were due and payable as follows:

- a) [****] dollars obligation past due and outstanding, to wit: Payable within thirty (30) days of the Effective Date, on or before August 11, 2008.
- b) [****] dollars past due and outstanding, to wit: Payable within one (1) year of the Effective Date; and

WHEREAS, LICENSEE has past due and outstanding patent fees and costs obligations to LICENSOR in the amount of [****] dollars pursuant to section 5.1 of the License Agreement; and

WHEREAS, LICENSEE has a past due and outstanding consideration payment to LICENSOR in the amount of [****] dollars, for the payment extension granted by LICENSOR in Amendment 1; and

WHEREAS, LICENSEE has past due and outstanding license issue fee obligations together with past due and outstanding patent fees and costs obligations to LICENSOR pursuant to the License Agreement, and a past due and outstanding consideration payment to LICENSOR pursuant to Amendment 1, in the total amount of [****] dollars; and

WHEREAS, LICENSEE has requested an extension of the payment dates for past due license issue fees, past due patent fees and costs, together with the past due consideration payment, and LICENSOR desires to extend the foregoing payment dates.

NOW THEREFORE, for the mutual promises and other good and valuable consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

LICENSOR agrees to extend the payment dates of the foregoing past due license issue fees together with past due patent fees and costs owed by LICENSEE pursuant to the License Agreement, together with the past due consideration owed by LICENSEE pursuant to Amendment 1, under the following terms and conditions:

1. LICENSOR shall extend the payment deadline of all past due license issue fees and past due patent fees and costs under the License Agreement, in the total amount of [****] dollars to February 11, 2010 (the “Extension Date”).
2. LICENSEE shall pay LICENSOR as additional consideration for the payment Extension Date granted by LICENSOR under this Agreement 2, the sum of [****] dollars to be due and payable

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

upon the execution of this Amendment 2. Furthermore, LICENSEE shall pay LICENSOR the past due and outstanding consideration payment to LICENSOR in the amount of [****] dollars, for the payment extension granted by LICENSOR in Amendment 1, on or before September 11, 2009. LICENSOR and LICENSEE further mutually agree that in the event LICENSEE does not meet the foregoing past due payment obligation, LICENSOR shall have the option in LICENSOR's sole and absolute discretion, to declare this Amendment 2 null and void.

3. LICENSOR hereby reserves the right, at its sole and absolute discretion, to impose additional penalties at law or in equity, for the nonpayment by the LICENSEE of any and all license issue fees, patent fees and costs, together with past due consideration payments due and payable by the Extension Date.
4. LICENSOR and LICENSEE mutually agree and confirm that the following sections of the License Agreement remain in full force and effect, and agree to be bound by the terms and conditions specified therein: section 6. entitled INDEMNIFICATION, section 21. entitled AMENDMENT, and section 25. entitled ENTIRE AGREEMENT. LICENSOR and LICENSEE further mutually agree and confirm that in all other respects the License Agreement shall remain in full force and effect in accordance with all other terms and conditions specified therein, and agree to be bound by the terms and conditions set forth therein.
5. LICENSOR and LICENSEE mutually agree and confirm that paragraphs 3. and 4. shall survive any nullification of this Amendment 2 by LICENSOR.

This Amendment 2 is entered into and made effective as of the last signature date set forth below.

IN WITNESS WHEREOF, the parties have executed this Amendment 2, as of the date set forth below.

LICENSOR:

UNIVERSITY OF MIAMI

By: /s/ Bart Chernow, M.D.
Bart Chernow, M.D.
Vice Provost of Technology
Advancement

LICENSEE:

HEAT BIOLOGICS II, INC.

By: /s/ Jeffrey Wolf
Jeffrey Wolf
President

Date: August 11, 2009

Date: August 11, 2009

PAYMENT AGREEMENT

This agreement (the "Agreement") is made 19th day of December, 2012 (the "Effective Date"), by and between the University of Miami and its School of Medicine ("UNIVERSITY"), and Pelican Therapeutics, Inc. a Delaware corporation ("PELICAN") formerly known as Heat Biologics II, Inc. ("HEAT II").

WHEREAS, UNIVERSITY and HEAT II entered into certain license agreements and respective amendments thereto (collectively, the "HEAT II License Agreements"), to wit:

- a) The license agreement effective as of July 18, 2008, and Amendments thereto relating to the technology and product identified as the Podack Antibody Technology with an alpha-numeric reference of (UMC-131), hereinafter referred to as ("UMC-131"), which License Agreement and Amendment thereto was assigned by UNIVERSITY to HEAT II pursuant to that certain Assignment and Assumption Agreement dated June 26, 2009;
- b) The license agreement effective as of July 18, 2008 and Amendments thereto, relating to the technology and product identified as the Podack Antibody Technology, with an alpha-numeric reference of (UME-139), hereinafter referred to as ("UME-139"), which License Agreement and Amendment thereto was assigned by UNIVERSITY to HEAT II pursuant to that certain Assignment and Assumption Agreement dated June 26, 2009; and
- c) The license agreement effective as of December 12, 2010 relating to the technology and product identified as the Treg Expansion Technology, with an alpha-numeric reference of (UMI-176), hereinafter referred to as ("UMI-176"); and

WHEREAS, HEAT II was renamed Pelican Therapeutics, Inc. in 2012;

WHEREAS, PELICAN has certain past due and outstanding license fees together with past due and outstanding patent expenses and fee obligations to UNIVERSITY, as set forth in the HEAT II License Agreements, estimated in the total amount of [****] dollars as of August 1, 2012 (any costs incurred subsequently will be added to the amount of [****], hereinafter collectively referred to as "PELICAN OBLIGATIONS"); and

WHEREAS, PELICAN requested an extension of the payment dates for the PELICAN OBLIGATIONS, and UNIVERSITY desires to extend the foregoing payment dates.

WHEREAS, PELICAN is a subsidiary of Heat Biologics, Inc. (the "Parent Company"), and is currently in the process of raising additional capital in a Series A financing.

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

NOW THEREFORE, for the mutual promises and other good and valuable consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

UNIVERSITY agrees to extend the payment dates of the foregoing past due license fees together with past due patent fees and costs owed by PELICAN pursuant to the License Agreement, under the following terms and conditions:

1) **Recitals.** The Parties mutually agree that the above recitals are true and correct, and are hereby incorporated by reference to this Agreement.

2) **Extension of Payment Due Dates.** UNIVERSITY agrees to extend the payment dates of the PELICAN OBLIGATIONS owed by PELICAN pursuant to the HEAT II License Agreements, under the following terms and conditions:

- a) UNIVERSITY shall extend the payment date of the PELICAN OBLIGATIONS, until the earlier of the Parent Company's closing its Series B financing round or June 1, 2013 (the "Due Date").
- b) As consideration for the payment extension granted by UNIVERSITY under this Agreement, PELICAN (i) shall pay UNIVERSITY, an additional payment in equal to [****] annual interest of the outstanding balance on or before the Due Date; or, at UNIVERSITY's option, a note which is convertible into a number of shares of the Parent company's preferred stock equivalent to the cash value of the Additional Payment as determined by the common share price at the closing of PELICAN's Series A financing or, if the series A financing is closed before June 1, 2013, the cash value of the Additional Payment as determined by PELICAN's preferred share price at the then current round of financing as of June 1, 2013; (ii) and shall be directly responsible for paying all third party invoices for all future patent costs and fees arising from the Heat II License Agreements.
- c) UNIVERSITY hereby reserves the right, at its sole and absolute discretion, to pursue any and all remedies at law or in equity, for the nonpayment of any and all PELICAN OBLIGATIONS by PELICAN, due and payable in accordance with this Agreement.
- d) UNIVERSITY and PELICAN mutually agree and confirm that in all other respects the HEAT II License Agreements shall remain in full force and effect in accordance with all other terms and conditions specified therein, including but not limited to any and all other existing and/or future fees, expenses, and payment obligations, and further agree to be bound by the terms and conditions set forth in such HEAT II License Agreements.

3) **Successors.** This Agreement shall be fully binding upon and enforceable with respect to the parties, and their respective representatives, successors, partners, executors, and assigns.

4) **Authority.** Each of the parties hereto represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

5) **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of Florida, without regard to the conflicts of law rules of such state. In any action or proceeding arising out of or relating to this Agreement (an "Action"), each of the parties hereby irrevocably submits to the exclusive jurisdiction of any federal or state court sitting In Miami-Dade County, Florida, and further agrees that any Action shall be heard and determined in such Florida federal court or in such state court. Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any Action in Miami-Dade County, Florida.

6) Severability. The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

UNIVERSITY OF MIAMI

By: /s/ Norma Sue Kenyon
Norma Sue Kenyon
Vice Provost for Innovation

Date: 12-20-12

PELICAN THERAPEUTICS, INC.

By: /s/ Jeffrey Wolf

Date: December 19, 2012



DP160012
Josiah Hornblower

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

STATE OF TEXAS
COUNTY OF TRAVIS

This **CANCER RESEARCH GRANT CONTRACT** ("**Contract**") is by and between the Cancer Prevention and Research Institute of Texas ("**CPRIT**"), hereinafter referred to as the "**INSTITUTE**", acting through its Chief Executive Officer, and **Pelican Therapeutics**, hereinafter referred to as the "**RECIPIENT**", acting through its authorized signing official.

RECITALS

WHEREAS, pursuant to TEX. HEALTH & SAFETY CODE, Ch. 102, the INSTITUTE may make grants to public and private persons in this state for research into the causes and cures for all types of cancer in humans; facilities for use in research into the causes and cures for cancer; research to develop therapies, protocols, medical pharmaceuticals, or procedures for the cure or substantial mitigation of all types of cancer; and cancer prevention and control programs.

WHEREAS, Article III, Section 67 of the Texas Constitution expressly authorizes the State of Texas to sell general obligation bonds on behalf of the INSTITUTE and for the INSTITUTE to use the proceeds from the sale of the bonds for the purposes of cancer research and prevention programs in this state.

WHEREAS, the INSTITUTE issued a request for applications for RFA P-16-NEWCO-1: New Company Product Development Awards on or about August 2015.

WHEREAS, pursuant to TEX. HEALTH & SAFETY CODE § 102.251, and after a review by the INSTITUTE's scientific research and prevention program committees, the INSTITUTE has approved a Grant (defined below) to be awarded to the RECIPIENT.

WHEREAS, to ensure that the Grant provided to the RECIPIENT pursuant to this Contract is utilized in a manner consistent with Tex. Const. Article III, Section 67 and other laws, and in exchange for receiving such Grant, the RECIPIENT agrees to comply with certain conditions and deliver certain performance.

WHEREAS, the RECIPIENT and the INSTITUTE desire to set forth herein the provisions relating to the awarding of such monies and the disbursement thereof to the RECIPIENT.

IN CONSIDERATION of the Grant and the premises, covenants, agreements, and provisions contained in this Contract, the parties agree to the following terms and conditions:

Article I DEFINITIONS

The following terms shall have the following meaning throughout this Contract and any Attachments and amendments. Other terms may be defined elsewhere in this Contract.

- (1) **Collaborator** - any entity other than the RECIPIENT having one or more personnel participating in the Project and (a) designated as a collaborator in the application submitted by the RECIPIENT requesting the Grant funds awarded by the INSTITUTE, or (b) otherwise approved in writing as a collaborator by the INSTITUTE.
- (2) **Contractor** - any person or entity, other than a Collaborator or the RECIPIENT (or their respective personnel), who is contracted by the RECIPIENT to perform activities for the Project.
- (3) **Equipment** - an article of tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
- (4) **Grant** - the funding assistance authorized by TEX. HEALTH & SAFETY CODE, Ch. 102 in the amount specified in Section 2.01 and awarded by the INSTITUTE to the RECIPIENT to carry out the Project pursuant to the terms and conditions of this Contract.
- (5) **Indirect Costs** - the expenses of doing business that are not readily identified with a particular grant, contract, project, function or activity, but are necessary for the general operation of the organization or the performance of the organization's activities.
- (6) **Institute-Funded Activity** - all aspects of work conducted on or as part of the Project.
- (7) **Non-Profit Organization** - a university or other institution of higher education or an organization of the type described in 501(c)(3) of the Internal Revenue Code of 1986, as amended (26 U.S.C. 501 (c)(3)) and exempt from taxation under 501 (a) of the Internal Revenue Code (26 U.S.C. 501 (a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.
- (8) **Principal Investigator/Program Director** - the individual designated by the RECIPIENT to direct the Project who is principally responsible and accountable to the RECIPIENT and the INSTITUTE for the proper conduct of the Project. References herein to "Principal Investigator/Program Director" include Co-Principal Investigators or Co-Program Directors as well. The Principal Investigator/Program Director and Co-Principal Investigators or Co-Program Directors are set forth on Attachment A.
- (9) **Project** - the activities specified or generally described in the Scope of Work or otherwise in this Contract (including without limitation any of the Attachments to the Contract) that are approved by the INSTITUTE for funding, regardless of whether the INSTITUTE funding constitutes all or only a portion of the financial support necessary to carry them out.
- (10) **Recipient Personnel** - The RECIPIENT's Principal Investigator/Program Director and RECIPIENT's employees and consultants working on the Project.

Article II GRANT AWARD

Section 2.01 Award of Monies. In accordance with the provisions of this Contract and any applicable agency administrative rules, the INSTITUTE shall disburse the proceeds of the Grant to the RECIPIENT in an amount not to exceed \$ **15,245,222** to be used solely for the Project. This award is subject to compliance with the Scope of Work and demonstration of progress towards achievement of the milestones set forth in Section 2.02. This Grant is not intended to be a loan of money.

Section 2.02 Scope of Work and Milestones. The RECIPIENT shall perform the Project in accordance with this Agreement and as outlined in Application **DP160012** submitted by the RECIPIENT and approved by the INSTITUTE. The RECIPIENT shall conduct the Project within the State of Texas with Texas-based employees, Contractors and/or Collaborators unless otherwise specified in the Scope of Work or the Approved Budget. The INSTITUTE and the RECIPIENT hereby adopt the terms of Attachment A in their entirety, incorporate them as if fully set forth herein, and agree that the Project description, goals, timeline and milestones included as Attachment A accurately reflect the Scope of Work of the Project to be undertaken by the RECIPIENT (the “**Scope of Work**”) and the milestones expected to be achieved. RECIPIENT and the INSTITUTE mutually agree that the outcome of scientific research is unpredictable and cannot be guaranteed. The RECIPIENT shall use commercially reasonable efforts to complete the goals of the Project pursuant to the timeline reflected in Attachment A and shall timely notify the INSTITUTE if circumstances occur that materially and adversely affect completion thereof. Modifications, if any, to the Scope of Work must be agreed to in writing by both parties as set forth in Section 2.06 “Amendments and Modifications” herein. Material changes to the Scope of Work include, but are not limited to, changes in key personnel involved with the Project, the site of the Project, and the milestones expected to be achieved.

Section 2.03 Contract Term. The Contract shall be effective as of **June 01, 2016** (the “**Effective Date**”) and terminate on **May 31, 2019** or in accordance with the Contract termination provisions set forth in Article VIII herein, whichever shall occur first (the “**Termination Date**”). Unless otherwise approved by the INSTITUTE as evidenced by written communication from the INSTITUTE to the RECIPIENT and appended to the Contract, Grant funds distributed pursuant to the Contract shall be expended no earlier than the Effective Date or subsequent to the Termination Date. If, as of the Termination Date, the RECIPIENT has not used Grant money awarded by the INSTITUTE for permissible services, expenses, or costs related to the Project and has not received approval from the INSTITUTE for a no cost extension to the contract term pursuant to Section 3.11 “Carry Forward of Unspent Funds and No Cost Extension” herein, then the RECIPIENT shall not be entitled to retain such unused Grant funds from the INSTITUTE. Certain obligations as set forth in Section 9.09 of this Contract shall extend beyond the Termination Date.

Section 2.04 Contract Documentation. The Contract between the INSTITUTE and the RECIPIENT shall consist of this final, executed Contract, including the following Attachments to the Contract, all of which are hereby incorporated by reference:

- (a) Attachment A - Project Description, Goals and Timeline

- (b) Attachment B -Approved Budget, including changes approved by the INSTITUTE subsequent to execution of the Contract.
- (c) Attachment C - Assurances and Certifications
- (d) Attachment D - Intellectual Property and Revenue Sharing
- (e) Attachment E - Reporting Requirements
- (f) Attachment F -Approved Amendments to Contract, excluding budget amendments reflected in Attachment B.

Section 2.05 Entire Agreement. All agreements, covenants, representations, certifications and understandings between the parties hereto concerning this Contract have been merged into this written Contract. No prior contemporaneous representation, agreement or understanding, express or implied, oral or otherwise, of the parties or their agents that may have related to the subject matter hereof in any way shall be valid or enforceable unless embodied in this Contract.

Section 2.06 Amendments and Modifications. Requested amendments and modifications to the Contract must be submitted in writing to the INSTITUTE for review and approval (such approval shall not be unreasonably withheld.) Amendments and modifications (including alterations, additions, deletions, assignments and extensions) to the terms of this Contract shall be made solely in writing and shall be executed by both parties. The approved amendment shall be reflected in Attachment A if it is change to the Scope of Work, or as part of Attachment B if it is a budget amendment, or as part of Attachment F for all other changes.

Section 2.07 Relationship of the Parties The RECIPIENT shall be responsible for the conduct of the Project that is the subject of this Contract and shall direct the activities and at all times be responsible for the performance of Recipient Personnel, Collaborators, Contractors and other agents. The INSTITUTE does not assume responsibility for the conduct of the Project or any Institute-Funded Activity that is the subject of this Contract. The INSTITUTE and the RECIPIENT shall perform their respective obligations under this Contract as independent contractors and not as agents, employees, partners, joint venturers, or representatives of the other party. Neither party is permitted to make representations or commitments that bind the other party.

Section 2.08 Subcontracting. Any and all subcontracts entered into by the RECIPIENT in relation to the performance of activities under the Project shall be in writing and shall be subject to the requirements of this Contract. Without in any way limiting the foregoing, the RECIPIENT shall enter into and maintain a written agreement with each such permitted Contractor with terms and conditions sufficient to ensure the RECIPIENT fully complies with the terms of this Contract, including without limitation the terms set forth in Attachments C, D, and E. The RECIPIENT agrees that it shall be responsible to the INSTITUTE for the performance of and payment to any Contractor. Any reimbursements made by the RECIPIENT to a Contractor shall be made in accordance with the applicable provisions of TEX. GOV'T. CODE, Ch. 2251.

Section 2.09 Transfer or Assignment by the Recipient. This Contract is not transferable or otherwise assignable by the RECIPIENT, whether by operation of law or otherwise, without the prior written consent of the INSTITUTE, except as provided in this Section 2.09. Any such attempted transfer or assignment without the prior written consent of the INSTITUTE (except as provided in this Section 2.09) shall be null, void and of no effect. For purposes of this section, an assignment or transfer of this Contract by the RECIPIENT in connection with a merger, transfer or sale of all or substantially all of the RECIPIENT's assets or business related to this Contract or a consolidation, change of control or similar transaction involving the RECIPIENT shall not be deemed to constitute a transfer or assignment, so long as such action does not impair or otherwise negatively impact the revenue sharing terms in Attachment D. Nothing herein shall be interpreted as superseding the requirement that the Project be undertaken in Texas with Texas-based employees.

If the Principal Investigator leaves the employment of the RECIPIENT or is replaced by the RECIPIENT for any reason during the course of the Grant with someone who is not already designated a co-Principal Investigator in the Application, the RECIPIENT shall notify the INSTITUTE prior to replacing the Principal Investigator. Written approval by the INSTITUTE is required for the replacement of the Principal Investigator with someone who is not already a co-Principal Investigator in the Application, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.10 Representations and Certifications. The RECIPIENT represents and certifies to the best of its knowledge and belief to the INSTITUTE as follows:

- (a) It has legal authority to enter into, execute, and deliver this Contract, and all documents referred to herein, and it has taken all actions necessary to its execution and delivery of such documents;
- (b) It will comply with all of the terms, conditions, provisions, covenants, requirements, and certifications in this Contract, applicable statutory provisions, agency administrative rules, and all other documents incorporated herein by reference;
- (c) It has made no material false statement or misstatement of fact in connection with this Contract and its receipt of the Grant, and all of the information it previously submitted to the INSTITUTE or that it is required under this Contract to submit to the INSTITUTE relating to the Grant or the disbursement of any of the Grant is and will be true and correct at the time such statement is made;
- (d) It is in compliance in all material respects with provisions of its charter and of the laws of the State of Texas, and of the laws of the jurisdiction in which it was formed, and (i) there are no actions, suits, or proceedings pending, or threatened, before any judicial body or governmental authority against or affecting its ability to enter into this Contract, or any document referred to herein, or to perform any of the material acts required of it in such documents and (ii) it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into this Contract,

or any document referred to herein, or to perform any of the material acts required of it in such documents;

- (e) Neither the execution and delivery of this Contract or any document referred to herein, nor compliance with any of the terms, conditions, requirements, or provisions contained in this Contract or any documents referred to herein, is prevented by, is a breach of, or will result in a breach of, any term, condition, or provision of any agreement or document to which it is now a party or by which it is bound; and
- (f) It shall furnish such satisfactory evidence regarding the representations and certifications described herein as may be required and requested by the INSTITUTE from time to time.

Section 2.11 Reliance upon Representations. By awarding the Grant and executing this Contract, the INSTITUTE is relying, and will continue to rely throughout the term of this Contract, upon the truthfulness, accuracy, and completeness of the RECIPIENT's written assurances, certifications and representations. Moreover, the INSTITUTE would not have entered into this Contract with the RECIPIENT but for such written assurances, certifications and representations. The RECIPIENT acknowledges that the INSTITUTE is relying upon such assurances, certifications and representations and acknowledges their materiality and significance.

Section 2.12 Contingent upon Availability of Grant Funds. This Contract is contingent upon funding being available for the term of the Contract and the RECIPIENT shall have no right of action against the INSTITUTE in the event that the INSTITUTE is unable to perform its obligations under this Contract as a result of the suspension, termination, withdrawal, or failure of funding to the INSTITUTE or lack of sufficient funding of the INSTITUTE for this Contract. If funds become unavailable to the INSTITUTE during the term of the Contract, Section 8.01(c) shall apply. For the sake of clarity, and except as otherwise provided by this Contract, if this Contract is not funded, then both parties are relieved of all of their obligations under this Contract. The INSTITUTE acknowledges and agrees that the Project is a multiyear project subject to Tex. Health & Safety Code, Ch. 102, Section 102.257.

Section 2.13 Confidentiality of Documents and Information. In connection with work contemplated for the Project or pursuant to complying with various provisions of this Contract, the RECIPIENT may disclose its confidential business, financial, technical, scientific information and other information to the INSTITUTE ("Confidential Information"). To assist the INSTITUTE in identifying such information, the RECIPIENT shall mark or designate the information as "confidential," provided however that the failure to so designate does not operate as a waiver to protections provided by applicable law or this Contract. The INSTITUTE shall use no less than reasonable care to protect the confidentiality of the Confidential Information to the fullest extent permissible under the Texas Public Information Act, Texas Government Code, Chapter 552 (the "**TPIA**"), and, except as otherwise provided in the TPIA to prevent the disclosure of the Confidential Information to third parties for a period of time equal to three (3) years from the termination of the contract, unless the INSTITUTE and the RECIPIENT agree in

writing to extend such time period, provided that this obligation shall not apply to information that:

- (a) was in the public domain at the time of disclosure or later became part of the public domain through no act or omission of the INSTITUTE in breach of this Contract;
- (b) was lawfully disclosed to the INSTITUTE by a third party having the right to disclose it without an obligation of confidentiality;
- (c) was already lawfully known to the INSTITUTE without an obligation of confidentiality at the time of disclosure;
- (d) was independently developed by the INSTITUTE without using or referring to the RECIPIENT's Confidential Information; or
- (e) is required by law or regulation to be disclosed.

The INSTITUTE shall hold the Confidential Information in confidence, shall not use such Confidential Information except as provided by the terms of this Contract, and shall not disclose such Confidential Information to third parties without the prior written approval of the RECIPIENT or as otherwise allowed by the terms of the Contract. Subject in all respects to the terms of this Contract and the TPIA, the INSTITUTE has the right to use and disclose the Confidential Information reasonably in connection with the exercise of its rights under the Contract.

In the event that the INSTITUTE is requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand or other similar process by a court of competent jurisdiction or by any administrative, legislative, regulatory or self-regulatory authority or entity) to disclose any Confidential Information, the INSTITUTE shall provide the RECIPIENT with prompt written notice of any such request or requirement so that the RECIPIENT may seek a protective order or other appropriate remedy. If, in the absence of a protective order or other remedy, the INSTITUTE is nonetheless legally compelled to make any such disclosure of Confidential Information to any person, the INSTITUTE may, without liability hereunder, disclose only that portion of the Confidential Information that is legally required to be disclosed, provided that the INSTITUTE will use reasonable efforts to assist the RECIPIENT, at the RECIPIENT's expense, in obtaining an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information. To the extent that such Confidential Information does not become part of the public domain by virtue of such disclosure, it shall remain Confidential Information hereunder.

Article III **DISBURSEMENT OF GRANT AWARD PROCEEDS**

Section 3.01 Payment of Grant Award Proceeds. The INSTITUTE will advance Grant award proceeds upon request by the RECIPIENT, consistent with the amounts and schedule as provided in Attachment B. If the RECIPIENT does not request or the Oversight

Committee does not authorize advancement of funds for some or the entire Grant award proceeds, disbursement of Grant award proceeds for services performed and allowable expenses and costs incurred pursuant to the Scope of Work will be on a reimbursement basis. To the extent that completion of certain milestones is associated with a specific tranche of funding as reflected in the Scope of Work, those milestones shall be accomplished before funding may be provided for next tranche of funding. The INSTITUTE reserves the right to terminate the Contract should a key milestone not be met.

Section 3.02 Requests for Reimbursement and Quarterly Financial Status Reports. If the RECIPIENT does not receive an advance disbursement of Grant proceeds, the RECIPIENT's requests for reimbursement shall be made on INSTITUTE Form 269a (Financial Status Report). If the RECIPIENT has elected to receive an advance disbursement of Grant proceeds, RECIPIENT shall submit INSTITUTE Form 269a (Financial Status Report) to document all costs and allowable expenses paid with Grant proceeds. The RECIPIENT shall submit the INSTITUTE Form 269a quarterly to the INSTITUTE within 90 days following the end of the quarter covered by the bill. A final INSTITUTE Form 269a shall be submitted by RECIPIENT not later than 90 days after the Termination Date. An extension of time for submission deadlines specified herein must be expressly authorized in writing by the INSTITUTE.

Section 3.03 Actual Costs and Allowable Expenses. Because the Approved budget for the Project(s) as set forth in Attachment B is only an estimate, the parties agree that the RECIPIENT's billings under this Contract will reflect the actual costs and expenses incurred in performing the Project(s), regardless of the Approved Budget, up to the total contracted amount specified in Section 2.01 "Award of Monies." The RECIPIENT shall use Grant proceeds only for allowable expenses consistent with state law and agency administrative rules. Allowable expenses for the Project(s) shall be only as outlined in the Approved Budget and any modifications to same.

Section 3.04 Travel Expenses. Reimbursement for travel expenditures shall be in accordance with the Approved Budget. Prior written approval from the INSTITUTE must be obtained before travel that exceeds the amount included in the Approved Budget commences. Failure to obtain such prior written approval shall result in such excess travel costs constituting expenses that may not be taken into account for the purposes of calculating expenditure of Grant funds under this Contract.

Section 3.05 Budget Modifications. The total Approved Budget and the assignment of costs may be adjusted based on implementation of the Scope of Work, spending patterns, and unexpended funds, but only by an amendment to the Approved Budget. In no event shall an amendment to the Approved Budget result in payments in excess of the aggregate amount specified in Section 2.01 "Award of Monies" or in approved supplemental funding for the Project, if any. The RECIPIENT may make transfers between or among lines within budget categories without prior written approval provided that:

- (a) The total dollar amount of all changes of any single line item within budget categories (individually and in the aggregate) is less than 10% of the total Approved Budget;

- (b) The transfer will not increase or decrease the total Approved Budget;
- (c) The transfer will not materially change the nature, performance level, or Scope of Work of the Project; and
- (d) The RECIPIENT submits a revised copy of the Approved Budget including a narrative justification of the changes prior to incurring costs in the new category.

All other budget changes or transfers require the INSTITUTE's express prior written approval. Transfer of funds between categories in the Project's Approved Budget may be allowed if requests are in writing, fit within the Scope of Work and the total Approved Budget, are beneficial to the achievement of the objectives of the Project, and appear to be an efficient, effective use of the INSTITUTE's funds.

Section 3.06 Withholding Payment. The INSTITUTE may withhold Grant award proceeds from RECIPIENT if required Financial Status Reports (Form 269a) are not on file for previous quarters or for the final period, if material program requirements are not met and remain uncured after a reasonable time period to cure, if the RECIPIENT is in breach of any material term of this Contract, or in accordance with provisions of this Contract as well as applicable state or federal laws, regulations or administrative rules, and the breach remains uncured after a reasonable time period to cure. The INSTITUTE shall have the right to withhold all or part of any future payments to the RECIPIENT to offset any prior advance payments made to the RECIPIENT for ineligible expenditures that have not been refunded to the INSTITUTE by the RECIPIENT.

Section 3.07 Grant Funds as Supplement to Budget. The RECIPIENT shall use the Grant proceeds awarded pursuant to this Contract to supplement its overall budget. These funds will in no event supplant existing funds currently available to the RECIPIENT that have been previously budgeted and set aside for the Project. The RECIPIENT will not bill the INSTITUTE for any costs under this Contract that also have been billed or should have been billed to any other funding source.

Section 3.08 Buy Texas. The RECIPIENT shall apply good faith efforts to purchase goods and services from suppliers in Texas to the extent reasonably possible, to achieve a goal of more than 50 percent of such purchases from suppliers in Texas.

Section 3.09 Historically Underutilized Businesses. The RECIPIENT shall use reasonable efforts to purchase materials, supplies or services from a Historically Underutilized Business (HUB). The Texas Procurement and Support Services website will assist in finding HUB vendors (<http://www.window.state.tx.us/procurement>.) The RECIPIENT shall complete a HUB report with each annual report submitted to the INSTITUTE in accordance with Attachment E.

Section 3.10 Limitation on Use of Grant Award Proceeds to Pay Indirect Costs. The RECIPIENT shall not spend more than five percent of the Grant award proceeds for Indirect Costs.

Section 3.11 Carry Forward of Unspent Funds and No Cost Extension. RECIPIENT may request to carry forward unspent funds into the budget for the next year. Carryover of unspent funds must be specifically approved by the INSTITUTE. The INSTITUTE may approve a no cost extension for the Contract for a period not to exceed six (6) months after the Termination Date if additional time beyond the Termination date is required to ensure adequate completion of the approved project. The Contract must be in good fiscal and programmatic standing. All terms and conditions of the Contract shall continue during any extension period and if such extension is approved, notwithstanding Section 2.03, all references to the “Termination Date” shall be deemed to mean the date of expiration of such extension period.

Article IV AUDITS AND INSPECTIONS

Section 4.01 Record Keeping. The RECIPIENT, each Collaborator whose costs are funded in all or in part by the Grant shall maintain or cause to be maintained books, records, documents and other evidence (electronic or otherwise) pertaining in any way to its performance under and compliance with the terms and conditions of this Contract (“**Records**”). The RECIPIENT, each Collaborator and each Contractor shall use, or shall cause the entity which is maintaining such Records to use generally accepted accounting principles in the maintenance of such Records, and shall retain or require to be retained all of such Records for a period of three (3) years from the Termination Date of the Contract.

Section 4.02 Audits. Upon request and with reasonable notice, the RECIPIENT, each Collaborator and each Contractor whose costs are charged to the Project shall allow, or shall cause the entity which is maintaining such items to allow, the INSTITUTE, or auditors working on behalf of the INSTITUTE, including the State Auditor and/or the Comptroller of Public Accounts for the State of Texas, to review, inspect, audit, copy or abstract all of its Records during regular working hours. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract constitutes acceptance of the authority of the INSTITUTE, or auditors working on behalf of the INSTITUTE, including the State Auditor and/or the Comptroller of Public Accounts, to conduct an audit or investigation in connection with those funds for a period of three (3) years from the Termination Date of the Contract.

Notwithstanding the foregoing, any RECIPIENT expending \$500,000 or more in federal or state awards during its fiscal year shall obtain either an annual single audit or a program specific audit. A RECIPIENT expending funds from only one state program may elect to obtain a program specific audit in accordance with Office of Management and Budget (OMB) Circular A-133 or with the State of Texas Uniform Grant Management Standards (UGMS). A single audit is required if funds from more than one federal or state program are spent by the RECIPIENT. The audited time period is the RECIPIENT’s fiscal year, not the INSTITUTE funding period.

Section 4.03 Inspections. In addition to the audit rights specified in Section 4.02 “Audits”, the INSTITUTE shall have the right to conduct periodic onsite inspections within normal working hours and on a day and a time mutually agreed to by the parties, to evaluate the Institute-Funded Activity. The RECIPIENT shall fully participate and cooperate in any such evaluation efforts.

Section 4.04 On-going Obligation to Submit Requested Information. The RECIPIENT shall, submit other information related to the Grant to the INSTITUTE as may be reasonably requested from time-to-time by the INSTITUTE, by the Legislature or by any other funding or regulatory bodies covering the RECIPIENT's activities under this Contract.

Section 4.05 Duty to Resolve Deficiencies. If an audit and/or inspection under this Article IV finds there are deficiencies that should be remedied, then the RECIPIENT shall resolve and/or cure such deficiencies within a reasonable time frame specified by the INSTITUTE. Failure to do so shall constitute an Event of Default pursuant to Section 8.03 "Event of Default." Upon the RECIPIENT'S request, the parties agree to negotiate in good faith, specific extensions so that the RECIPIENT can cure such deficiencies.

Section 4.06 Repayment of Grant Proceeds for Improper Use. In no event shall RECIPIENT retain Grant funds that have not been used by the RECIPIENT for purposes for which the Grant was intended or in violation of the terms of this Contract. The RECIPIENT shall repay any portion of Grant proceeds used by the RECIPIENT for purposes for which the Grant was not intended, as determined by the final results of an audit conducted pursuant to the provisions of this Contract. Unless otherwise expressly provided for in writing and appended to this Contract, the repayment shall be made to the INSTITUTE no later than forty-five (45) days upon a written request by the INSTITUTE specifying the amount to be repaid and detailing the basis upon which such request is being made and the amount shall include interest calculated at an amount not to exceed five percent (5%) annually. The RECIPIENT may request that the INSTITUTE waive the interest, subject in all cases to the INSTITUTE'S sole discretion.

Section 4.07 Repayment of Grant Proceeds for Relocation Outside of Texas. Unless waived by a vote of the Oversight Committee, the RECIPIENT shall repay the INSTITUTE all Grant proceeds disbursed to RECIPIENT in the event that RECIPIENT relocates its principal place of business outside of the State during the Contract term or within 3 years after the final payment of the Grant funds is made by the INSTITUTE.

Article V ASSURANCES AND CERTIFICATIONS

Adoption of Attachment C. The INSTITUTE and the RECIPIENT hereby adopt the terms of Attachment C in their entirety, incorporate them as if fully set forth herein, and agree to perform and be bound by all such terms.

Article VI INTELLECTUAL PROPERTY AND REVENUE SHARING

Adoption of Attachment D. The INSTITUTE and the RECIPIENT hereby adopt the terms of Attachment D in their entirety, incorporate them as if fully set forth herein, and agree to perform and be bound by all such terms.

**Article VII
REPORTING**

Adoption of Attachment E. The INSTITUTE and the RECIPIENT hereby adopt the terms of Attachment E in their entirety, incorporate them as if fully set forth herein, and agree to perform and be bound by all such terms.

**Article VIII
EARLY TERMINATION AND EVENT OF DEFAULT**

Section 8.01 Early Termination of Contract. This Contract may be terminated prior to the Termination Date specified in Section 2.03 "Contract Term" by:

- (a) Mutual written consent of all parties to this Contract; or
- (b) The INSTITUTE for an Event of Default (defined in Section 8.03) by the RECIPIENT; or
- (c) The INSTITUTE if allocated funds should become legally unavailable during the Contract period and the INSTITUTE is unable to obtain additional funds for such purposes; or
- (d) The RECIPIENT for convenience.

Section 8.02 Repayment of Grant Proceeds upon Early Termination. The INSTITUTE may require the RECIPIENT to repay some or all of the disbursed Grant proceeds in the event of early termination under 8.01 (d) above or under Section 8.01(b) above, to the extent such Event of Default resulted from Grant funds being expended in violation of this Contract. To the extent that the INSTITUTE exercises this option, the INSTITUTE shall provide written notice to the RECIPIENT stating the amount to be repaid, applicable interest calculated not to exceed five percent (5%) annually, and the schedule for such repayment. The RECIPIENT may request that the INSTITUTE waive the interest, subject in all cases to the INSTITUTE'S sole discretion. In no event shall the RECIPIENT retain Grant funds that have not been used by the RECIPIENT for purposes for which the Grant was intended.

Section 8.03 Event of Default. The following events shall, unless expressly waived in writing by the INSTITUTE or fully cured by the RECIPIENT pursuant to the provisions herein, constitute an event of default (each, an "**Event of Default**"):

- (a) The RECIPIENT'S failure, in any material respect, to conduct the Project in accordance with the approved Scope of Work and to demonstrate progress towards achieving the milestones set forth in Section 2.02;
- (b) The RECIPIENT'S failure to conduct the Project within the State of Texas to the extent required under this Contract unless as otherwise specified in the application, Scope of Work or Approved Budget;

- (c) The RECIPIENT's failure to fully comply, in any material respect, with any provision, term, condition, covenant, representation, certification, or warranty contained in this Contract or any other document incorporated herein by reference;
- (d) The RECIPIENT's failure to comply with any applicable federal or state law, administrative rule, regulation or policy with regard to the conduct of the Project;
- (e) The RECIPIENT's material misrepresentation or false covenant, representation, certification, or warranty made by RECIPIENT herein, in the Grant application, or in any other document furnished by RECIPIENT pursuant to this Contract that was misleading at the time that it was made; or
- (f) The RECIPIENT ceases its business operations, has a receiver appointed for all or substantially all of its assets, makes a general assignment for the benefit of creditors, is declared insolvent by a court of competent jurisdiction or becomes the subject, as a debtor, of a proceeding under the federal bankruptcy code, which such proceedings are not dismissed within ninety (90) days after filing.

Section 8.04 Notice Required. If the RECIPIENT intends to terminate pursuant to Section 8.01(d) "Early Termination of Contract", it shall provide written notice to the INSTITUTE pursuant to the notice provisions of Section 9.21 "Notices" no later than thirty (30) days prior to the intended date of termination.

If the INSTITUTE intends to terminate for an Event of Default under Section 8.01(b) by the RECIPIENT, as described in Section 8.03 "Event of Default", the INSTITUTE shall provide written notice to the RECIPIENT pursuant to Section 9.21 "Notices" and shall include a reasonable description of the Event of Default and, if applicable, the steps necessary to cure such Event of Default. Upon receiving notice from the INSTITUTE, the RECIPIENT shall have thirty (30) days beginning on the day following the receipt of notice to cure the Event of Default. Upon request, the INSTITUTE may provide an extension of time to cure the Event of Default(s) beyond the thirty (30) day period specified herein so long as the RECIPIENT is using reasonable efforts to cure and is making reasonable progress in curing such Event(s) of Default. The extension shall be in writing and appended to the Contract. If the RECIPIENT is unable or fails to timely cure an Event of Default, unless expressly waived in writing by the INSTITUTE, this Contract shall immediately terminate as of the close of business on the final day of the allotted cure period without any further notice or action by the INSTITUTE required. **In addition, and notwithstanding the foregoing, the INSTITUTE and the RECIPIENT agree that certain events that cannot be cured shall, unless expressly waived in writing by the INSTITUTE, constitute a final Event of Default under this Contract and this Contract shall terminate immediately upon the INSTITUTE giving the RECIPIENT written "Notice of Event of Default and FINAL TERMINATION."**

In the event that the INSTITUTE terminates the Contract under Section 8.01(c) above because allocated funds become legally unavailable during the Contract period, the INSTITUTE shall immediately provide written notification to the RECIPIENT of such fact pursuant to Section 9.21

“Notices.” The Contract is terminated upon the RECIPIENT’s receipt of that notification, subject to Section 9.09 “Survival of Terms.”

Section 8.05 Duty to Report Event of Default. The RECIPIENT shall notify the INSTITUTE in writing pursuant to Section 9.21 “Notices”, promptly and in no event more than (30) days after it obtains knowledge of the occurrence of any Event of Default. The RECIPIENT shall include a statement setting forth reasonable details of each Event of Default and the action which the RECIPIENT proposes to take with respect thereto.

Section 8.06 Obligations/Liabilities Affected by Early Termination. The RECIPIENT shall not incur new obligations that otherwise would have been paid for using Grant funds after the receipt of notice as provided by Section 8.04 “Notice Required”, unless expressly permitted by the INSTITUTE in writing, and shall cancel as many outstanding obligations as possible. The INSTITUTE shall not owe any fee, penalty or other amount for exercising its right to terminate the Contract in accordance with Section 8.01. In no event shall the INSTITUTE be liable for any services performed, or costs or expenses incurred, after the Termination Date of the Contract. Early termination by either party shall not nullify obligations already incurred, including the RECIPIENT’s revenue sharing obligations as set forth in Attachment D, or the performance or failure to perform obligations prior to the Termination Date.

Section 8.07 Interim Remedies. Upon receipt by the RECIPIENT of a notice of Event of Default, and at any time thereafter until such Event of Default is cured to the satisfaction of the INSTITUTE or this Contract is terminated, the INSTITUTE may enforce any or all of the following remedies (such rights and remedies being in addition to and not in lieu of any rights or remedies set forth herein):

- (a) The INSTITUTE may refrain from disbursing any amount of the Grant funds not previously disbursed; provided, however, the INSTITUTE may make such a disbursement after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder;
- (b) The INSTITUTE may enforce any additional remedies it has in law or equity.

The rights and remedies herein specified are cumulative and not exclusive of any rights or remedies that the INSTITUTE would otherwise possess.

Article IX MISCELLANEOUS

Section 9.01 Uniform Grant Management Standards. Unless otherwise provided herein, the RECIPIENT agrees that the Uniform Grant Management Standards (UGMS), developed by the Governor’s Budget and Planning Office as directed under the Uniform Grant Management Act of 1981, TEX. GOVT. CODE, Ch. 783, apply as additional terms and conditions of this Contract and that the standards are adopted by reference in their entirety. If there is a conflict between the provisions of this Contract and UGMS, the provisions of this Contract will prevail unless expressly stated otherwise.

Section 9.02 Management and Disposition of Equipment. During the term of this Contract, the RECIPIENT may use Grant funds to purchase Equipment to be used for the authorized purpose of the Project, subject to the conditions set forth below. Unless otherwise provided herein, title to Equipment shall vest in the RECIPIENT upon termination of the Contract.

- (a) The INSTITUTE must authorize the acquisition in advance and in writing but an acquisition is deemed authorized if included in the Approved Budget for the Project;
- (b) Equipment purchased with Grant funds must stay within the State of Texas;
- (c) Equipment purchased with Grant funds must be materially deployed to the uses and purposes related to the Project;
- (d) In the event the RECIPIENT is indemnified, reimbursed or otherwise compensated for any loss of, destruction of, or damage to the Equipment purchased using Grant funds, it shall use the proceeds to repair or replace said Equipment;
- (e) Equipment may be exchanged (trade-in) or sold without the prior written approval of the INSTITUTE if the proceeds thereof shall be applied to the acquisition cost of replacement Equipment;
- (f) The RECIPIENT may use its own property management standards and procedures provided that it observes the terms of UGMS, A-102, in all material respects;
- (g) The title or ownership of the Equipment shall not be encumbered for purposes other than the Project nor or transferred other than to a permitted assignee of this Contract, without the prior written approval of the INSTITUTE;
- (h) If the original or replacement Equipment is no longer needed for the originally authorized purpose or for other activities supported by the INSTITUTE, the RECIPIENT shall request disposition instructions from the INSTITUTE and, upon receipt, shall fully comply therewith; and
- (i) If this Contract is terminated early pursuant to Section 8.01(b), (d), (e), or (f) above, the INSTITUTE shall determine the final disposition of Equipment purchased with Grant award money.

Section 9.03 Supplies and Other Expendable Property. The RECIPIENT shall classify as materials, supplies and other expendable property the allowable unit acquisition cost of such property under \$5,000 necessary to carry out the Project. Title to supplies and other expendable property shall vest in the RECIPIENT upon acquisition.

Section 9.04 Acknowledgement of Grant Funding and Publicity. The parties agree to the following terms and conditions regarding acknowledging Grant funding and publicity:

- (a) The parties agree to fully cooperate and coordinate with each other in connection with all press releases and publications regarding the award of the Grant, the execution of the Contract and the Institute-Funded Activities.
- (b) The RECIPIENT shall notify the INSTITUTE's Information Specialist or similar personnel at least three business days prior to any press releases, advertising, publicity, use of CPRIT logo, or other promotional activities that pertain to the Project or any Institute-Funded Activity. In the event that the INSTITUTE wishes to participate in a joint press release, the RECIPIENT shall coordinate and cooperate with the INSTITUTE's Information Specialist or similar personnel to develop a mutually agreeable joint press release.
- (c) Consistent with the goal of encouraging development of scientific breakthroughs and dissemination of knowledge, publication or presentation of scholarly materials is expected and encouraged. The RECIPIENT may publish in scholarly journals or other peer-reviewed journals (including graduate theses and dissertations) and may make presentations at scientific meetings without prior notice to or consent of the INSTITUTE, except as may otherwise be set forth in this Contract. The RECIPIENT shall promptly notify the INSTITUTE when any scholarly presentations or publications have been accepted for public disclosure and shall provide the INSTITUTE with final copies of all such accepted presentations and publications. The RECIPIENT shall acknowledge receipt of the INSTITUTE funding in all publications, presentations, press releases and other materials regarding the work associated with the Institute-Funded Activities. The RECIPIENT shall promptly submit an electronic version of all published manuscripts to PubMed Central in accordance with Section 9.05 "Public Access to Research Results."
- (d) When grant funds are used to prepare print or visual materials for educational or promotional purposes for the general public (e.g., patients), and excluding presentations and publications discussed above in subsection (c), the RECIPIENT shall provide a copy of such materials to the INSTITUTE at least ten (10) days prior to printing. The RECIPIENT shall also acknowledge receipt of the INSTITUTE funding on all such materials including, but not limited to, brochures, pamphlets, booklets, training fliers, project websites, videos and DVDs, manuals and reports, as well as on the labels and cases for audiovisual or videotape/DVD presentations.

Section 9.05 Public Access to Results of Institute-Funded Activities. The RECIPIENT shall submit an electronic version of its final peer-reviewed journal manuscripts that arise from Grant funds to the digital archive National Library of Medicine's PubMed Central upon acceptance for publication. These papers must be accessible to the public on PubMed no later than 12 months after publication. This policy is subject to the terms of Attachment D and does not supplant applicable copyright law. For clarity, this policy is not intended to require the RECIPIENT to make a disclosure at a time or in any manner that would cause the RECIPIENT to abandon, waive or disclaim any intellectual property rights that it is obligated to protect pursuant to the terms of Attachment D.

Section 9.06 Work to be Conducted in State. The RECIPIENT agrees that it will use reasonable efforts to direct that any new or expanded preclinical testing, clinical trials, commercialization or manufacturing that is part of or relating to any Institute-Funded Activities take place in the State of Texas, including the establishment of facilities to meet this purpose. If the RECIPIENT decides not to conduct such work in the State of Texas, the RECIPIENT shall provide a prior written explanation to the INSTITUTE detailing the RECIPIENT'S reasons for conducting the work outside of the State of Texas and the RECIPIENT'S efforts made to conduct the work in the State of Texas.

Section 9.07 Duty to Notify. During the term of this Contract and for a period of five (5) years thereafter, the RECIPIENT is under a continuing obligation to notify the INSTITUTE'S Chief Executive Officer at the same time it is required to notify any Federal or State entity of any unexpected adverse event or condition that materially impacts the performance or general public perception of the conduct or results of the Project and Institute-Funded Activities, including any impact to the Scope of Work included in the Contract and events or results that have a serious adverse impact on human health, safety or welfare. By way of example only, if clinical testing of the results of Institute-Funded Activities reveal an unexpected risk of developing serious health conditions or death, then the RECIPIENT shall, at the same time it notifies any Federal or State entity, promptly so notify the INSTITUTE'S Chief Executive Officer even if such results are not available until after the term of this Contract. Notice required under this section shall be made as promptly as reasonably possible and shall follow the procedures set forth in Section 9.21 "Notices."

Section 9.08 Severability. If any provision of this Contract is construed to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or enforceability shall not affect any other provisions hereof. The invalid, illegal or unenforceable provision shall be deemed stricken and deleted to the same extent and effect as if never incorporated herein. All other provisions shall continue as provided in this Contract.

Section 9.09 Survival of Terms. Termination or expiration of this Contract for any reason will not release either party from any liabilities or obligations set forth in this Contract that: (1) the Parties have expressly agreed shall survive any such termination or expiration; or (2) remain to be performed or by their nature would be intended to be applicable following any such termination or expiration. Such surviving terms include, but are not limited to, Sections 2.13, 4.01, 4.02, 4.05, 4.06, 8.02, 8.06, 9.04, 9.05, 9.06, 9.07, 9.09, 9.14, 9.15, 9.16, 9.17, 9.18, and Attachment D.

Section 9.10 Binding Effect and Assignment or Modification. This Contract and all terms, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns, including all other state agencies and any other agencies, departments, divisions, governmental entities, public corporations or other entities which shall be successors to either of the parties or which shall succeed to or become obligated to perform or become bound by any of the covenants, agreements or obligations hereunder of either of the parties hereto. Upon a permitted assignment of this Contract by RECIPIENT, all references to "the RECIPIENT" herein shall be deemed to refer to such permitted assignee.

Section 9.11 No Waiver of Contract Terms. Neither the failure by the RECIPIENT or the INSTITUTE, in any one or more instances, to insist upon the complete and total observance or performance of any term or provision hereof, nor the failure of the RECIPIENT or the INSTITUTE to exercise any right, privilege or remedy conferred hereunder or afforded by law, shall be construed as waiving any breach of such term or provision or the right to exercise such right, privilege or remedy thereafter. In addition, no delay on the part of either the RECIPIENT or the INSTITUTE, in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 9.12 No Waiver of Sovereign Immunity. No provision of this Contract is in any way intended to constitute a waiver by the INSTITUTE, the RECIPIENT (if applicable), or the State of Texas of any immunities from suit or from liability that the INSTITUTE, the RECIPIENT, or the State of Texas may have by operation of law.

Section 9.13 Force Majeure. Neither the INSTITUTE nor the RECIPIENT will be liable for any failure or delay in performing its obligations under the Contract if such failure or delay is due to any cause beyond the reasonable control of such party, including, but not limited to, unusually severe weather, strikes, natural disasters, fire, civil disturbance, epidemic, war, court order or acts of God. The existence of such causes of delay or failure will extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. Each party must inform the other in accordance with Section 9.21 "Notices" within five (5) business days, or as soon as it is practical, of the existence of a force majeure event or otherwise waive this right as a defense.

Section 9.14 Disclaimer of Damages. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS LIMITATION WILL APPLY REGARDLESS OF WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Section 9.15 Indemnification and Hold Harmless. Except as provided herein, the RECIPIENT agrees to fully indemnify and hold the INSTITUTE and the State of Texas harmless from and against any and all claims, demands, costs, expenses, liabilities, causes of action and damages of every kind and character (including reasonable attorneys fees) which may be asserted by any third party in any way related or incident to, arising out of, or in connection with (1) the RECIPIENT's negligent, intentional or wrongful performance or failure to perform under this Contract, (2) the RECIPIENT's receipt or use of Grant funds, or (3) any negligent, intentional or wrongful act or omission committed by the RECIPIENT as part of an Institute-Funded Activity or during the Project. In addition, the RECIPIENT agrees to fully indemnify and hold the INSTITUTE and the State of Texas harmless from and against any and all costs and expenses of every kind and character (including reasonable attorneys fees, costs of court and expert fees) that are incurred by the INSTITUTE or the State of Texas arising out of or related to a third party claim of the type specified in the preceding sentence. Notwithstanding the preceding, such indemnification shall not apply in the event of the sole or gross negligence of the INSTITUTE. If the RECIPIENT is a State of Texas agency or institution of higher education,

then this Section 9.15 is subject to the extent authorized by the Texas Constitution and the laws of the State of Texas.

The RECIPIENT acknowledges and agrees that this indemnification shall apply to, but is not limited to, employment matters, taxes, personal injury, and negligence.

It is understood and agreed that it is not the intent of the parties to expand or increase the liability of the State of Texas under this Article. This provision is intended to prevent the RECIPIENT, the INSTITUTE and the State of Texas from attempting or appearing to assume liability it does not have the statutory or legal power to assume.

Section 9.16 Alternative Dispute Resolution. If applicable, the dispute resolution process provided for in TEX. GOVT. CODE, Ch. 2260 shall be used, as further described herein, to resolve any claim for breach of contract made against the INSTITUTE (excluding any uncured Event of Default). The submission, processing and resolution of a party's claim are governed by the published rules adopted by the Attorney General pursuant to TEX. GOVT. CODE, Ch. 2260, as currently effective, hereafter enacted or subsequently amended.

Section 9.17 Applicable Law and Venue. This Contract shall be construed and all disputes shall be considered in accordance with the laws of the State of Texas, without regard to its principles governing the conflict of laws. Provided that the RECIPIENT first complies with procedures set forth in Section 9.16 "Alternative Dispute Resolution," exclusive venue and jurisdiction for the resolution of claims arising from or related to this Contract shall be in the federal and state courts in Travis County, Texas.

Section 9.18 Attorneys' Fees. In the event of any litigation, appeal or other legal action to enforce any provision of the Contract, the RECIPIENT shall pay all expenses of such action, including attorneys' fees and costs, if the INSTITUTE is the prevailing party. If the RECIPIENT is a State of Texas agency or institution of higher education, then this Section 9.18 is subject to the extent authorized by the Texas Constitution and the laws of the State of Texas.

Section 9.19 Counterparts. This Contract may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 9.20 Construction of Terms The headings used in this Contract are inserted only as a matter of convenience and for reference and shall not affect the construction or interpretation of this Contract. Where context so indicates, a word in the singular form shall include the plural, a word in the masculine form the feminine, and vice-versa. The word "including" and similar constructions (such as "includes", "included", "for example", "such as", and "e.g.") shall mean "including, without limitation" throughout this Contract. The words "and" and "or" are not intended to convey exclusivity or nonexclusivity except where expressly indicated or where the context so indicates in order to give effect to the intent of the parties.

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

DP160012
Josiah Hornblower

Section 9.21 Notices. All notices, requests, demands and other communications will be in writing and will be deemed given on the date received as demonstrated by (i) a courier's receipt or registered or certified mail return receipt signed by the party to whom such notice was sent, provided that such notice was sent to the Authorized Signing Official (ASO) at the address provided in the CPRIT Grants Management System, (ii) a fax confirmation page showing that such fax was successfully transmitted to the fax number provided in the CPRIT Grants Management System, or (iii) via correspondence in the CPRIT Grants Management System.

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

ATTACHMENT A

[****]

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

ATTACHMENT B

[****]

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

ATTACHMENT C

[****]

Portions herein identified by [****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

ATTACHMENT D

[****]

ATTACHMENT E

REPORTING REQUIREMENTS

This Attachment E is hereby incorporated into and made a part of that certain **CANCER RESEARCH GRANT CONTRACT** (“**Contract**”) by and between the Cancer Prevention and Research Institute of Texas (“**CPRIT**” or the “**INSTITUTE**”) and the RECIPIENT. A capitalized term used in this Attachment shall have the meaning given to term in the Contract or in the Attachments to the Contract, unless otherwise defined herein. In the event of a conflict between the provisions of this Attachment and the provisions of the Contract, this Attachment shall control.

INSTITUTE and RECIPIENT agree as follows:

ANNUAL REPORTING

Section E1.01 Annual Reports. The RECIPIENT shall submit reports annually to the INSTITUTE within 60 days of the anniversary of the Effective Date of this Contract or at such other time as may be specified herein. The reports shall be submitted by the means and in the form(s) required by the INSTITUTE and shall be signed by the Principal Investigator/Program Director and the RECIPIENT’s Authorized Signing Official. To the extent possible, the reports shall only include information that may be shared publicly. However, if it is necessary to submit information in the reports that the RECIPIENT considers confidential in order to fully comply with the terms of this Contract, then the RECIPIENT shall use reasonable efforts to mark such information as “confidential” and shall, to the extent practicable, to segregate such information within the reports to facilitate its redaction should redaction ever be necessary or appropriate.

Section E1.02 Contents of Reports. Each report shall contain a signed verification (electronic signature is acceptable) of RECIPIENT’s compliance with each of its obligations as set forth in the Contract and shall include the following for the period covered by such report, as may then be applicable:

(a) Project Data. During the term of the Contract, RECIPIENT shall include in its annual report each of the following (except that the final annual report due under this part (a) shall be due within ninety (90) days after the end of the term of the Contract):

- (1) A brief statement of the progress made to under the Scope of Work, including the progress to achieve the Project Goals and Timelines set forth in Attachment A.
 - (2) A brief statement of the Project Goals for the twelve months following submission of the report.
 - (3) New jobs created in the preceding twelve month period as a result of the Grant funds awarded to RECIPIENT.
 - (4) An inventory of the Equipment purchased for the Project using Grant funds.
 - (5) A HUB report in accordance with Section 3.08 “Historically Underutilized Businesses” of the Contract.
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(b) Commercialization Data. During the term of the Contract and continuing thereafter for so long as RECIPIENT has ongoing obligations to the INSTITUTE with respect to protection, development, commercialization and licensing of Project Results pursuant to Attachment D, RECIPIENT shall provide information about commercialization activities in a format specified by the INSTITUTE.

(c) Revenue Sharing Data. During the term of the Contract and continuing thereafter for so long as RECIPIENT has ongoing obligations to the INSTITUTE with respect to revenue sharing pursuant to Attachment D:

- (1) A statement of the identities of the funding sources, amounts and dates of funding for all funding sources for the Project.
- (3) A brief statement of the RECIPIENT's efforts to secure additional funds to support the Project.
- (4) All financial information necessary to verify the calculation of the revenue sharing amounts specified in Attachment D.

(d) Additional Data. In addition to the foregoing, RECIPIENT shall use commercially reasonable efforts to also promptly report any other information required by this Contract or otherwise reasonably requested by the INSTITUTE, the Legislature, or any other funding or regulatory bodies covering the RECIPIENT's activities under this Contract.

Section E1.03 Record Keeping and Audits. The provisions of Article IV of the Contract shall apply fully to all information reported to the INSTITUTE pursuant to this Attachment, except that the right of the State of Texas to audit and the RECIPIENT's obligation to maintain Records shall continue until four years after the date of each such report made by RECIPIENT hereunder.

Section E1.04 Confidentiality of Documents and Information. The provisions of Section 2.13 "Confidentiality of Documents and Information" of the Contract shall apply fully to all Confidential Information reported, delivered or submitted to the INSTITUTE pursuant to this Attachment E.

Grant ID: DP160012
PI/PD/CR: Josiah Hornblower
Organization: Pelican Therapeutics



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Approved Contract Documents

Title	Approved By	Approved Date
Product Development Base Contract	Jasuja, Rahul	27 Jan 2017
Attachment A - Goals and Objectives	Nelson, Lisa	12 Apr 2017
Attachment B - Verification Request of Contract Document	Jasuja, Rahul	11 Apr 2017
Attachment C Part 1 - Assurances and Certifications	Jasuja, Rahul	27 Jan 2017
Attachment C Part 2 - Matching Compliance Certification	Azeez, Ralph	17 Apr 2017
Attachment D - Intellectual Property and Revenue Sharing	Jasuja, Rahul	18 Oct 2016
Attachment E - Reporting Requirements	Jasuja, Rahul	18 Oct 2016
Chief Executive Officer Approval	Roberts, Wayne	20 Apr 2017

Heat Biologics Announces Completion of Acquisition of Pelican Therapeutics

Acquisition Brings \$15.2 Million CPRIT Grant to Fund 70-Patient Phase 1 Trial

DURHAM, NC / ACCESSWIRE / May 1, 2017 / Heat Biologics, Inc. ("Heat") (NASDAQ: HTBX), a leader in the development of immunotherapies designed to activate a patient's immune system against cancer, announced that the company has completed the acquisition of an 80% controlling interest in Pelican Therapeutics, Inc. ("Pelican"). Headquartered in Austin, Texas, Pelican is a privately held immuno-oncology company focused on developing agonists to TNFRSF25, a differentiated and potentially best-in-class T cell costimulatory receptor. Heat also announced its appointment of industry veteran and Pelican board member Rahul Jasuja, Ph.D., as new Chief Executive Officer of the Pelican subsidiary.

"We are pleased to complete the acquisition of Pelican, to expand our reach within immuno-oncology," stated Jeff Wolf, Heat's Founder and CEO. "Pelican's two product candidates strengthen our portfolio in the emerging T cell activation space. Pelican's T cell co-stimulator, PTX-25, in combination with Heat's *ImPACT/ComPACT* platform, has the potential to dramatically improve the durability of responses by stimulating the production of 'memory' CD8+ T cells. The acquisition also brings a \$15.2 million grant awarded by the Cancer Prevention and Research Institute of Texas (CPRIT) to advance multiple products through preclinical development and at least one program through a 70 patient Phase 1 clinical trial."

"Furthermore, we are pleased to welcome Dr. Jasuja as new CEO of the Pelican subsidiary. As a board member, he made significant contributions advancing the business strategy and preclinical activities and we believe he is ideally suited to lead the new Pelican subsidiary moving forward."

About Heat Biologics, Inc.

Heat Biologics, Inc. (NASDAQ: HTBX) is an immuno-oncology company developing novel therapies that are designed to activate a patient's immune system against cancer. Heat has generated highly specific T cell-stimulating therapeutic vaccine platform technologies, *ImPACT* and *ComPACT*. These technologies, in combination with other therapies, such as checkpoint inhibitors, are designed to address three distinct but synergistic mechanisms of action: robust activation of CD8+ "killer" T cells (one of the human immune system's most potent weapons against cancer); reversal of tumor-induced immune suppression; and T cell co-stimulation to further enhance patients' immune response. Currently, Heat is conducting a Phase 2 trial with HS-110 (viagenpumatulcel-L) in combination with an anti-PD-1 checkpoint inhibitor to treat patients with non-small cell lung cancer (NSCLC) and a Phase 2 trial with HS-410 (vesigenurtacel-L) in patients with non-muscle invasive bladder cancer (NMIBC).

Most recently, Heat acquired two T cell costimulators through the acquisition of Pelican Therapeutics, a subsidiary to Heat focused on developing agonists to TNFRSF25, a highly differentiated and potentially best-in-class T cell costimulatory receptor. TNFRSF25 has shown great promise due to its preferential specificity for stimulating the production of "memory" CD8+ T cells, the strongest predictive biomarker of clinical benefit from cancer immunotherapy. T cell costimulatory therapy, when combined with checkpoint inhibitors and other treatments, could significantly improve clinical responses for a broader range of patients. Pelican has conducted extensive preclinical studies and completed humanization of its lead monoclonal antibody, PTX-25.

For more information, please visit www.heatbio.com.

About Pelican Therapeutics

Pelican Therapeutics is a privately held immuno-oncology company focused on developing agonists to TNFRSF25, a differentiated and potentially best-in-class T cell costimulatory receptor. TNFRSF25 has shown great promise due to its preferential specificity for stimulating the production of "memory" CD8+ T cells, the strongest predictive biomarker of clinical benefit from cancer immunotherapy. T cell costimulatory therapy, when combined with checkpoint inhibitors and other treatments, could significantly improve clinical responses for a broader range of patients. Pelican has conducted extensive preclinical studies and completed humanization of its lead monoclonal antibody, PTX-25.

Forward Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 on our current expectations and projections about future events. In some cases, forward-looking statements can be identified by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions. These statements are based upon current beliefs, expectations and assumptions and include statements regarding the potential of Pelican's T cell costimulator, PTX-25, in combination with Heat's *ImPACT/ComPACT* platform, to dramatically improve the durability of responses by stimulating the production of 'memory' CD8+ T cells, the contribution expected from Dr. Jasuja and the potential of Heat's *ImPACT* and *ComPACT* therapies and Pelican's therapies. These statements are based on management's expectations and assumptions as of the date of this press release and are subject to a number of risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements, including the ability of Heat to successfully integrate Pelican and Dr. Jasuja, develop its product candidates and prove them safe and efficacious, as well as results that are consistent with prior results, the ability to enroll patients and complete the clinical trials on time and achieve desired results and benefits, the company's ability to obtain regulatory approvals for commercialization of product candidates or to comply with ongoing regulatory requirements, regulatory limitations relating to the company's ability to promote or commercialize its product candidates for specific indications, acceptance of its product candidates in the marketplace and the successful development, marketing or sale of products, the company's ability to maintain its license agreements, the continued maintenance and growth of its patent estate, its ability to establish and maintain collaborations, its ability to obtain or maintain the capital or grants necessary to fund its research and development activities, and its ability to retain its key scientists or management personnel and the other factors described in the company's annual report on Form 10-K for the year ended December 31, 2016 and other filings with the SEC. The information in this release is provided only as of the date of this release and the company undertakes no obligation to update any forward-looking statements contained in this release based on new information, future events, or otherwise, except as required by law.

Contact:

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