

Baxter

January 13, 1992

Mr. Christopher H. Porter, Ph.D.
President and CEO
CellPro, Incorporated
Suite 100
22322 - 20th Avenue SE
Bothell WA 98021

REGISTERED MAIL

Dear Mr. Porter:

Re: CD 34 Technology and Patents

It is our understanding that your Company is developing a therapy which may involve the use of a CD34 antibody or the use of a suspension of pluripotent lympho-hematopoietic stem cells expressing the CD34 antigen. This is to inform you that Baxter Healthcare Corporation has exclusive rights to certain patents and technology in the therapeutic field concerning a monoclonal antibody recognizing the CD34 antigen and a suspension of pluripotent lympho-hematopoietic stem cells expressing the CD34 antigen which is substantially free of mature lymphoid and myeloid cells. At this time Baxter is willing to provide a non-exclusive, non-transferable license in the therapeutic field under this technology for an upfront fee of Seven Hundred Fifty Thousand Dollars (\$750,000.00), and a Sixteen percent (16%) royalty applied to the net sales price of the antibody or to a defined portion of the net sales price of a product containing the antibody.

This license will include rights to those patents owned or licensed by Baxter claiming the CD34+ antibody, human stem cells, hybridoma producing the antibody and therapeutic use of such antibody. Baxter may also provide a single initial viable sample of the CD34+ hybridoma to CellPro.

Mr. Porter
13 January 1992
Page 2

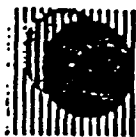
Please contact myself or Michael Schiffer, Assistant General Counsel at (714) 474-6447 by January 31 to indicate your company's desire to enter into such a licensing proposal.

Sincerely yours,



Russell Hays
Vice-President & General Manager
Immunotherapy Division

cc: T. Anderson
M. Schiffer
O. Bergheim
D. Smith
R. Hallenbeck



CellPro, Incorporated
Suite 100
22322 - 20th Avenue Southeast
Bothell, Washington 98021
206-485-7644

January 22, 1992

Mr. Russell Hays
Vice-President and General Manager
Immunotherapy Division
Baxter Healthcare Corporation
3015 S. Daimler Street
Santa Ana, CA 92705

Dear Russ:

I am in receipt of your letter to Dr. Chris Porter dated January 13, 1992, and have been requested to respond on behalf of CellPro, Incorporated. Although we believe that CellPro does not need to obtain a license to any patents described in your letter, we also believe that it is in our mutual best interests to resolve any differences of opinion on this matter expeditiously. Therefore, CellPro is willing to accept your offer on the following terms and conditions: (i) the upfront fee will be \$500,000 and will be credited to the accrual of \$500,000 of royalties, however, the credit will not reduce any particular royalty payment by more than 50%; (ii) because the antibody is not sold separately, the 16% royalty will be applied to a defined portion of the net sales price of a product containing the CD34+ antibody. Such portion shall be calculated to equal the percentage of the total costs of the product represented by the cost of producing the CD34+ antibody, but in no event shall such percentage exceed 30% of the total costs; and (iii) CellPro will be granted most favored licensee rights.

Please advise us at your earliest convenience whether the above terms are acceptable to Baxter. Assuming your acceptance, we look forward to receiving a copy of your proposed license agreement. If you have any questions, please call me at (206) 485-7644.

Sincerely,

CELLPRO INCORPORATED

By *Richard D. Murdock (tp)*

Richard D. Murdock
President

RDM/tp

cc: CellPro Incorporated Board of Directors



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Baxter

28 January 1992

Mr. Richard D. Murdock, President
CellPro, Incorporated
Suite 100
22322- 20th Avenue Southeast
Bothell, WA 98021


RE: Baxter/CellPro CD34 License Proposal

Dear Mr. Murdock:

We are in receipt of your January 22, 1992, correspondence outlining CellPro's counter proposal for the above license. We will provide our response after thoroughly evaluating your proposal.

If you have additional questions concerning this matter please contact myself or Michael Schiffer at the previously provided numbers.

Sincerely yours,


Russell Hays
Vice-President & General Manager
Immunotherapy Division

cc: T. Anderson
M. Schiffer
O. Bergheim
D. Smith
R. Hallenbeck



Handwritten marks and symbols along the left margin, including a vertical line, several small circles, and larger, more complex scribbles.

Biotach Group
Immunotherapy

Baxter Healthcare Corporation
2015 S. Duane Street
Sunnyvale, California 92705

Tel. 714-553-0300
Fax: 714-553-1952
Fax: 714-553-6591

Baxter

15 April 1992

Mr. Richard D. Murdock, President
CellPro, Incorporated
Suite 100
22322- 20th Avenue Southeast
Bothell, WA 98021

TRANSMITTED BY FACSIMILE
CONFIRMATION COPY BY FIRST CLASS MAIL

RE: Baxter/CellPro CD34 License Proposal

Dear Rick:

It was a pleasure to meet with you on 14 April to discuss resolution of the above matter. As we discussed, Baxter is not interested in pursuing CellPro's counter proposal, nor is Baxter interested in pursuing a simple licensing of its CD34 technology for an upfront payment and running royalty.

We propose the following arrangement whereby Baxter would license CellPro under the Civin and related patents covering the CD34 monoclonal antibodies and the CD34+ cell population in the field of bone marrow/peripheral blood transplantation in return for the following:

1. CellPro would grant Baxter exclusive distributor rights for its products in Europe and Japan.
2. CellPro would grant Baxter non-exclusive distribution rights in the North American Market, the United States, Canada and Mexico.
3. CellPro would pay Baxter a running royalty on products not sold by Baxter equal to the royalty Baxter is obligated to pay Becton Dickenson under its license.

Baxter would also be receptive to other cooperative endeavors and investments with CellPro in addition to the above licensing proposal.

Mr. Murdock, Pres.
15 April 1992
Page 2

We believe that the above proposal is beneficial to both
CellPro and Baxter and would like to discuss this with you at your
earliest convenience.

Sincerely yours,

Russell Hays
Russell Hays
Vice-President & General Manager
Immunotherapy Division

cc: T. Anderson
M. Schiffer
O. Bergheim
T. Glanzmann