

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-K/A
Amendment No. 1**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-30171

SANGAMO BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

501 Canal Boulevard
Richmond, California
(Address of principal executive offices)

68-0359556
(I.R.S. Employer
Identification No.)

94804
(Zip Code)

(510) 970-6000

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant based upon the closing sale price of the common stock on June 30, 2009 (the last business day of the registrant's most recently completed second fiscal quarter), as reported on the Nasdaq Global Market was \$190,195,177. For purposes of this calculation, directors and executive officers of the registrant have been deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$0.01 par value per share

Outstanding at February 1, 2010
45,003,214 shares

DOCUMENTS INCORPORATED BY REFERENCE

Document
Proxy Statement for the 2010
Annual Meeting of Stockholders

Parts Into Which Incorporated
Part III

EXPLANATORY NOTE

This Amendment No. 1 (“Amendment No. 1”) amends the Annual Report on Form 10-K of Sangamo BioSciences, Inc. (the “Company”) for the fiscal year ended December 31, 2009, originally filed with the Securities and Exchange Commission (the “SEC”) on March 5, 2010 (the “Annual Report”). The Company is filing this Amendment No. 1 solely to update Exhibits 10.3, 10.4 and 10.5 to the Annual Report (each, an “Exhibit”). The Company sought confidential treatment for portions of each Exhibit and, following correspondence with the SEC, has restored the portions of each Exhibit that were previously redacted.

Except for the foregoing, this Amendment No. 1 does not amend the Annual Report in any way and does not modify or update any disclosures contained in the Annual Report, which continues to speak as of the original date of the Annual Report. Accordingly, this Amendment No. 1 should be read in conjunction with the Annual Report and the Company’s other filings made with the SEC subsequent to the Annual Report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are included as part of this Annual Report on Form 10-K:

1. Financial Statements—See Index to Consolidated Financial Statements in Item 8 (incorporated by reference to Item 8 in the Company’s Annual Report on Form 10-K, filed March 5, 2010).
2. Financial Statement Schedules—Not Applicable.
3. Exhibits—See Index to Exhibits.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SANGAMO BIOSCIENCES, INC.

Date: April 21, 2010

By: _____ /s/ EDWARD O. LANPHIER II
Edward O. Lanphier II
President, Chief Executive Officer
and Director (Principal Executive Officer)

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1	Placement Agency Agreement, dated November 10, 2005, among Sangamo, JMP Securities LLC, Piper Jaffray & Co. and Leerink Swann & Company (incorporated by reference to Exhibit 1.1 to the Company's Form 8-K filed on November 14, 2005).
1.2	Purchase Agreement, dated June 15, 2006, between Sangamo and Piper Jaffray & Co. (incorporated by reference to Exhibit 1.1 to the Company's Form 8-K filed in June 16, 2006).
1.3	Agency Agreement between Sangamo and JMP Securities, Piper Jaffray & Co., Leerink Swann & Company and Janney Montgomery Scott LLC, dated July 16, 2007 (incorporated by reference to Exhibit 1.1 to the Company's Form 8-K filed on July 17, 2007).
1.4	Underwriting Agreement between Sangamo and Jefferies & Company, Inc., dated October 6, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on October 13, 2009).
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed April 4, 2000).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed April 4, 2000).
4.1	Form of Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed April 4, 2000).
10.1(+)	2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed February 24, 2000).
10.2	Form of Indemnification Agreement entered into between Sangamo and each of its directors and executive officers (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed February 24, 2000).
10.3	Sublicense Agreement, by and between Sangamo and Johnson & Johnson, dated May 9, 1996.
10.4	Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated May 9, 1996, as amended by the First Amendment, dated December 10, 1997.
10.5	License Agreement between Sangamo and the Johns Hopkins University, dated June 25, 1995, as amended by Amendment No. 1, dated July 16, 1998.
10.6	Triple Net Laboratory Lease, between Sangamo and Point Richmond R&D Associates II, LLC, dated May 23, 1997 (incorporated by reference to Sangamo's Registration Statement on Form S-1 (Reg. No. 333-30314), as amended).
10.7(+)	Employment Agreement, between Sangamo and Edward O. Lanphier II, dated June 1, 1997 (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1/A (Registration No. 333-30134) filed March 14, 2000).
10.8††	Second Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated December 2, 1998 (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.9	Amendment No. 2 to License Agreement between Sangamo and the Johns Hopkins University, effective as of July 26, 1999 (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.10††	Third Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated September 1, 1999 (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K, filed March 5, 2010).

- 10.11 Fourth Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, effective as of February 10, 2000 (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.12 Amendment No. 3 to License Agreement between Sangamo and the Johns Hopkins University, effective as of March 10, 2000 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.13 License Agreement by and between The Scripps Research Institute and Sangamo, dated March 14, 2000 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.14†† Fifth Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, effective as of December 15, 2000 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.15(+) 2004 Stock Incentive Plan (incorporated by reference to Appendix C of the Company's Definitive Proxy Statement on Schedule 14A filed April 29, 2004).
- 10.16 First Amendment to Triple Net Laboratory Lease, between Sangamo and Point Richmond R&D Associates II, LLC, dated March 12, 2004 (incorporated by reference to Sangamo's Annual Report on Form 10-K for the year ended December 31, 2004).
- 10.17†† Sixth Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated September 1, 2005 (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.18† Research and Commercial Option License Agreement, dated October 5, 2005, between Sangamo and Dow AgroSciences LLC (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K, filed March 16, 2006).
- 10.19† Research, Development and Commercialization Agreement dated October 24, 2006 between Sangamo and Juvenile Diabetes Research Foundation International (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K, filed March 1, 2007).
- 10.20†† Seventh Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated October 27, 2006 (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.21 First Amendment of Research and Commercial Option License Agreement between Sangamo and Dow AgroSciences LLC, dated November 7, 2006 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.22 Asset Purchase Agreement dated December 1, 2006 by and between Sangamo and Edwards Lifesciences LLC (incorporated by reference to the Company's Form 8-K filed on December 28, 2006).
- 10.23 Eighth Amendment to Patent License Agreement between Sangamo and Massachusetts Institute of Technology, dated February 1, 2007 (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.24† Research and License Agreement between Sangamo and Genentech, Inc., dated April 27, 2007 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q, filed August 9, 2007).
- 10.25†† Amendment No. 4 to License Agreement between Sangamo and the Johns Hopkins University, effective as of May 21, 2007 (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 10.26† License Agreement between Sangamo and Sigma-Aldrich Corporation, dated July 10, 2007 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q, filed November 1, 2007).
- 10.27 Common Stock Purchase Agreement between Sangamo and Sigma-Aldrich Corporation, dated July 10, 2007 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on July 10, 2007).
- 10.28 First Amendment of the License Agreement between Sigma-Aldrich Corporation and Sangamo, dated November 9, 2007 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on November 6, 2009).

10.29†	Letter Agreement between Sangamo and Sigma-Aldrich Corporation, dated February 25, 2008 (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on May 9, 2008).
10.30†	Second Research and License Agreement between Sangamo and Genentech, Inc., dated February 27, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on May 9, 2008).
10.31†	License Agreement between Sangamo and Open Monoclonal Technology, Inc., dated April 2, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on August 8, 2008).
10.32††	Amendment to License Agreement by and between The Scripps Research Institute and Sangamo, dated April 29, 2008 (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.33†	Research and License Agreement between Sangamo and F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc., dated July 2, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on November 4, 2008).
10.34(+)	Plan Amendment to 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on August 7, 2008).
10.35†	Letter Agreement between Sangamo and Sigma-Aldrich Corporation, dated July 2, 2008 (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on November 4, 2008).
10.36†	License Agreement between Sangamo and Pfizer Inc., dated December 19, 2008 (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K, filed March 3, 2009).
10.37(+)	Amended and Restated Employment Agreement between Sangamo and H. Ward Wolff, dated December 31, 2008 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed March 3, 2009).
10.38(+)	First Amendment to Employment Agreement between Sangamo and Edward O. Lanphier, dated December 31, 2008 (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K, filed March 3, 2009).
10.39††	Second Amendment of Research and Commercial Option License Agreement between Sangamo and Dow AgroSciences LLC, dated February 13, 2009 (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.40	Third Amendment of Research and Commercial Option License Agreement between Sangamo and Dow AgroSciences LLC, dated February 28, 2009 (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.41†	Second Amendment of the License Agreement between Sigma-Aldrich Corporation and Sangamo, dated September 25, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on November 6, 2009).
10.42	Common Stock Purchase Agreement between Sangamo and Sigma-Aldrich Corporation, dated October 2, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on October 5, 2009).
10.43†	Third Amendment to the License Agreement between Sigma-Aldrich Corporation and Sangamo, dated October 2, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on November 6, 2009).
10.44††	First Amendment to the Research, Development and Commercialization Agreement between Sangamo and Juvenile Diabetes Research Foundation International, dated January 8, 2010 (incorporated by reference to Exhibit 10.44 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
10.45	Fourth Amendment of Research and Commercial Option License Agreement between Sangamo and Dow AgroSciences LLC, dated January 8, 2010 (incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
21.1	Subsidiaries of the Company (incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K, filed March 27, 2003).

- 23.1 Consent of Independent Registered Public Accounting Firm (incorporated by reference to Exhibit 23.1 to the Company's Annual Report on Form 10-K, filed March 5, 2010).
- 31.1 Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a) Certification of Principal Financial Officer.
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350 (incorporated by reference to Exhibit 32.1 to the Company's Annual Report on Form 10-K, filed March 5, 2010).

† Confidential treatment has been granted for certain information contained in this document pursuant to an order of the Securities and Exchange Commission. Such information has been omitted and filed separately with the Securities and Exchange Commission.

†† Confidential treatment has been requested for certain information contained in this document. Such information has been omitted and filed separately with the Securities and Exchange Commission.

(+) Indicates management contract or compensatory plan or arrangement.

SUBLICENSE AGREEMENT

AGREEMENT made effective this 9th day of May, 1996 BY AND BETWEEN:

JOHNSON & JOHNSON, a company organized under the laws of the State of New Jersey, U.S.A., and having executive offices at One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933-5501 (hereinafter called "LICENSOR")

ON THE ONE HAND,

AND:

SANGAMO BIOSCIENCES, INCORPORATED, a company organized under Delaware law, having an address at 950 Marina Village Parkway, Suite 100, Alameda, CA 94501

(hereinafter called "LICENSEE")

ON THE OTHER HAND,

WITNESSETH:

- A. WHEREAS, pursuant to Research and License Agreements dated May 1, 1982 and January 1, 1987 (hereinafter collectively the "SCRIPPS AGREEMENTS") between LICENSOR and SCRIPPS CLINIC AND RESEARCH FOUNDATION (hereinafter "SCRIPPS"), SCRIPPS granted LICENSOR an exclusive option to obtain an exclusive worldwide license (including the right to grant sublicenses) to certain technology, including certain technology in the field of Zinc Finger Protein Derivatives (hereinafter the "INVENTIONS"), and LICENSOR has exercised its option thereunder;
- B. WHEREAS, patent applications have been filed in the United States and other territories in the name of SCRIPPS for the granting of letters patent relating to the said INVENTIONS, further described in Appendix 1 hereto; and
- C. WHEREAS, LICENSOR desires that the INVENTIONS be developed and made available to the public; and
- D. WHEREAS, LICENSEE represents that it is presently engaged, or intends to be engaged in the business of research, development, manufacturing and selling products in fields related to the INVENTIONS; and
- E. WHEREAS, LICENSEE wishes to make use of the INVENTIONS for the research, development, manufacturing and selling of products and wishes to obtain certain rights to the INVENTIONS under the terms and conditions hereinafter set forth;
- F. WHEREAS, LICENSOR is willing and able to grant such rights to LICENSEE;

NOW, THEREFORE, in consideration of the premises and the performance of the covenants herein contained, IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

For the purposes of this agreement (hereinafter called the "SUBLICENSE AGREEMENT"), and solely for such purposes, the terms hereinafter set forth shall have the following respective meanings:

- (a) "AFFILIATE" or "AFFILIATES" shall mean any corporation(s) or organization(s) which CONTROLS, is(are) directly or indirectly CONTROLLED by, or under common control with LICENSEE.
- (b) "CONTROL", "CONTROL(S)" or "CONTROLLED" shall refer to direct or indirect beneficial ownership of at least fifty percent (50%) of the voting stock of a corporation or other business entity, or a fifty percent (50%) or greater interest in the income of such corporation or other business entity, or the power to direct or cause the direction of the management or policies of such corporation or other business entity or policies of such corporation or other business entity whether by ownership of voting securities by contract or otherwise, or such other relationship as, in fact, constitutes actual control.
- (c) "EFFECTIVE DATE" shall mean the date at the head of this SUBLICENSE AGREEMENT.
- (d) "FDA" shall mean the United States Food and Drug Administration.
- (e) "FIELD" shall mean the diagnoses, therapy or preventive treatment of diseases in humans or animals.
- (f) "IND" shall mean an Investigational New Drug Application filed pursuant to the requirements of the FDA as more fully defined in 21 C.F.R. Section 312.3 or its equivalent in any country of the European Economic Community.
- (g) "LICENSED PRODUCT" shall mean any product the manufacture, USE or SALE of which is covered by a VALID CLAIM of the PATENT RIGHTS or that is SOLD by LICENSEE or an AFFILIATE under conditions or circumstances which, if unlicensed, would amount to infringement or contributory infringement or inducement of infringement of the PATENT RIGHTS.
- (h) "NDA" shall mean a New Drug Application filed with the United States Food and Drug Administration under 21 USC 355(b)(FDCA Section 505(b)) or its equivalent filed with the Health Regulatory Authorities in other countries or jurisdictions.
- (i) "NET SALES VALUE" shall mean that sum determined by deducting from the gross amount billed and collected by the SELLER (LICENSEE, SUBLICENSEE or AFFILIATE) in an arms length transaction to customers that are not AFFILIATES of the SELLER; transportation charges or allowances, including freight pickup allowances, and packaging costs, if any; trade, quantity or cash discounts, service allowances and independent broker's or agent's commissions,

if any, allowed or paid; credits or allowances for the LICENSED PRODUCT, if any, given or made on account of price adjustments, returns, bad debts, off-invoice promotional discounts, rebates, chargebacks, any and all federal, state or local government rebates or discounts whether in existence now or enacted at any time during the term of this SUBLICENSE AGREEMENT, volume reimbursements, the gross amount billed and collected for rejected LICENSED PRODUCT or LICENSED PRODUCT subject to recall or destruction (voluntarily made or requested or made by an appropriate government agency, sub-division or department); and any tax, excise or other governmental charge upon or measured by the production, sale, transportation, delivery or use of the LICENSED PRODUCT; in each case determined in accordance with generally accepted accounting practices.

- (j) "PATENT RIGHTS" shall mean the patents and patent applications identified in Appendix 1 hereof, and in respect of such letters patent, and patent applications, all corresponding national patents and patent applications, European Patent Convention applications or applications under similar administrative international conventions, patent applications in the listed or designated countries, together with any divisional, continuation, continuation-in-part, substitution, reissue, extension, supplementary protection certificate or other application based thereon.
- (k) "SELLER" shall mean one who SELLS.
- (l) "SOLD", "SALE", "SALES", "SELL", "SELLING", and "SELLS" shall refer to the act of selling or disposing of for value.
- (m) "SUBLICENSEE" shall mean a third party other than an AFFILIATE to whom LICENSEE has extended a further sublicense in accordance with Article 2(b) hereunder.
- (n) "USE", "USES" and "USED" shall refer to the act of using for any commercial purposes whatsoever.
- (o) "VALID CLAIM" shall mean a claim of an unexpired patent within the PATENT RIGHTS which has matured into an issued patent or a claim being prosecuted in a pending application within the PATENT RIGHTS. In each case a claim shall be presumed to be valid unless and until it has been held to be invalid by a final judgement of a court of competent jurisdiction from which no appeal can be or is taken. For the purposes of royalty determination and payment under Article 4 hereof, any claim being prosecuted in a pending patent application, including applications involved in interference or opposition proceedings, shall be deemed to be the equivalent of a valid claim of an issued, unexpired patent.

2. LICENSE

- (a) LICENSOR hereby grants to LICENSEE, and LICENSEE hereby accepts from LICENSOR, upon the terms and conditions herein specified, a worldwide exclusive sublicense under the PATENT RIGHTS to make, to have made, to USE and to SELL LICENSED PRODUCTS in the FIELD.

- (b) LICENSEE acknowledges and agrees that the exclusive rights granted pursuant to this Agreement shall be subject to:
- (i) SCRIPPS' rights pursuant to the SCRIPPS AGREEMENT to use the LICENSED PATENTS for educational and research purposes; and
 - (ii) the rights of the United States Government pursuant to 35 U.S.C. 202 et seq. and 37 C.F.R. 401.1 et seq. which may have arisen or resulted from federal funding of SCRIPPS research relating to the LICENSED PATENTS, including the non-exclusive right of the United States Government to practice the inventions covered by the LICENSED PATENTS. Subject to the foregoing, J&J intends to grant to LICENSEE the maximum rights allowable under 35 U.S.C. Sec. 202 et seq. and 37 C.F.R. 401.1 et seq.
- (c) Each party hereunder represents and warrants that it will make good faith efforts to comply in all respects with the applicable provisions of any applicable law, regulation, or requirement by any Government relating to the LICENSED PATENTS. Each party agrees that it will make good faith efforts to ensure that all necessary steps are taken to comply with the requirements of 35 U.S.C. 202 et seq. and 37 C.F.R. 401.1 et seq. to retain the maximum rights under the LICENSED PATENTS allowable by law. LICENSEE agrees that it will provide SCRIPPS with the necessary reports and information required for SCRIPPS to comply with 35 U.S.C. Sec. 202 et seq. and 37 C.F.R. 401.1 et seq., including periodic reports on utilization or efforts at utilization of the inventions covered by the LICENSED PATENTS.
- (d) The sublicenses granted hereunder shall include the right to grant further sub-licenses to AFFILIATES or third party SUBLICENSEES, provided that LICENSEE agrees to be responsible for the performance hereunder by its AFFILIATES and SUBLICENSEES to which the license and rights shall have been extended.
- (e) For the purposes of reporting and making payments of earned royalties under this SUBLICENSE AGREEMENT, the manufacture, SALE or USE of LICENSED PRODUCTS by any AFFILIATE or SUBLICENSEE to which the license and rights shall have been extended shall be considered the manufacture, SALE or USE of such LICENSED PRODUCT by LICENSEE and any such AFFILIATE or SUBLICENSEE may make the pertinent reports and royalty payments specified in Article 4 hereof directly to LICENSOR on behalf of LICENSEE; otherwise, such reports and payments on account of SALES or USE of LICENSED PRODUCTS by each AFFILIATE or SUBLICENSEE shall be made by LICENSEE; and, in any event, the SALES and USES of LICENSED PRODUCT by each such AFFILIATE or SUBLICENSEE shall be separately shown in the reports to LICENSOR if such information is readily available to LICENSEE.

- (f) The LICENSEE shall be responsible to the LICENSOR for the enforcement of the terms of the sub-license and for inspecting the accounts and records kept by the SUBLICENSEE. The LICENSEE shall at the request of the LICENSOR appoint a qualified person jointly with the LICENSOR to inspect the records of the SUBLICENSEE on behalf of both and both shall be entitled to a full report thereon.
- (g) No other, further or different license or right and, except as expressly provided in Article 2 hereof, is hereby granted or implied.

3. LICENSE FEES

- (a) In consideration of the Licenses granted hereunder, LICENSEE shall pay to LICENSOR License Fees of FORTY THOUSAND DOLLARS (\$40,000) at times and amounts as follows:
 - (i) Ten Thousand Dollars (\$10,000) within ten days of execution of this LICENSE AGREEMENT by both parties;
 - (ii) Ten Thousand Dollars (\$10,000) per year for three years, due on each of the first three anniversary dates of the EFFECTIVE DATE.

The obligation to pay the foregoing License Fees shall be a non-cancelable commitment by LICENSEE and such payments shall be due and payable at the times specified regardless of whether this LICENSE AGREEMENT is still in effect.

- (b) In addition, LICENSEE shall pay LICENSOR the following Milestone License Fees at times and amounts as follows as long as this LICENSE AGREEMENT is still in effect:
 - (i) Twenty Five Thousand Dollars (\$25,000) upon the filing of the first IND for a LICENSED PRODUCT, due thirty (30) calendar days after said event; and
 - (ii) One Hundred Thousand Dollars (\$100,000) upon the approval of the first NDA for a LICENSED PRODUCT, due thirty (30) calendar days after said event.

4. ROYALTIES, RECORDS AND REPORTS

- (a) For the rights and privileges granted under this SUBLICENSE AGREEMENT, LICENSEE shall pay to LICENSOR earned royalties equal to One percent (1%) of the NET SALES VALUE of LICENSED PRODUCT sold by LICENSEE, AFFILIATES or SUBLICENSEES.

- (b) Earned royalty shall be paid in the manner provided herein, to the end of the term or terms of the last to expire of the issued patents within the PATENT RIGHTS, or until this SUBLICENSE AGREEMENT is terminated as hereinafter provided. Earned royalty shall be paid in respect of pending patent applications within the PATENT RIGHTS during such time as the application is actively being prosecuted and has not been abandoned or finally rejected and appellate procedures are unsuccessfully exhausted or the time for perfecting any further appeals has expired.
- (c) Earned royalty shall be paid pursuant to Article 4(a) hereof on all LICENSED PRODUCTS SOLD under this SUBLICENSE AGREEMENT; however, earned royalty shall be payable hereunder as to a given LICENSED PRODUCT only when a license or an immunity granted under Article 2 hereof is utilized in the manufacture or SALE thereof, and the earned royalty payable on a given LICENSED PRODUCT made hereunder shall not become due and owing until such LICENSED PRODUCT is SOLD.

Any LICENSED PRODUCT made under a license granted pursuant to this SUBLICENSE AGREEMENT prior to the termination or expiration of the applicable PATENT RIGHTS and not SOLD prior to the termination or expiration of such PATENT RIGHTS shall be subject to the payment of royalties hereunder when SOLD, even though such SALE occurs after the termination or expiration of all pertinent licenses or rights granted hereunder.

The earned royalty for any particular LICENSED PRODUCT shall be due upon the first bona fide arm's length SALE thereof by LICENSEE, AFFILIATE or SUBLICENSEE, and any subsequent SALE of such LICENSED PRODUCT by other than LICENSEE, AFFILIATE, or SUBLICENSEE shall be royalty free.

- (d) Notwithstanding the provisions of Article 4(b) hereof, in the case of transfers or SALES of any LICENSED PRODUCT between LICENSEE and an AFFILIATE, between AFFILIATES, or between LICENSEE or AFFILIATE and SUBLICENSEES, one and only one royalty shall be payable thereon and such royalty shall become payable upon the final SALE thereof to a third party other than LICENSEE, AFFILIATE or SUBLICENSEE.
- (e) LICENSEE shall keep full, true and accurate books of account containing all particulars which may be necessary for the purpose of showing the amount payable to LICENSOR by way of royalty as aforesaid or by way of any other provision hereunder. Said books of account shall be kept at LICENSEE's principal place of business. Said books and the supporting data shall be maintained and kept open at all reasonable times, for three (3) years following the end of the calendar year to which they pertain (and access shall not be denied thereafter, if reasonably available), to the inspection of an independent certified public accountant retained by LICENSOR and reasonably acceptable to LICENSEE for the purpose of verifying LICENSEE's royalty statements, or LICENSEE's compliance in other respects with this SUBLICENSE

AGREEMENT. Names of customers and other confidential information shall not be disclosed to LICENSOR by such independent accountant. Such accountant shall be retained at LICENSOR's sole expense, unless during any such inspection a deficiency in payments to LICENSOR of one percent (1%) or more is determined to exist in which event LICENSEE shall within thirty (30) days reimburse LICENSOR for the full expense of retaining such accountant, including but not limited to professional and administrative fees, travel and subsistence costs.

- (f) LICENSEE, within sixty (60) days after the first day of January, April, July and October of each year (the "Reporting Date"), shall deliver to LICENSOR a true and accurate report, giving such particulars of the LICENSED PRODUCTS SOLD by LICENSEE, AFFILIATES and SUBLICENSEES during the preceding three (3) months ("Accounting Period") under this SUBLICENSE AGREEMENT as are pertinent to an accounting for royalty under this SUBLICENSE AGREEMENT. These shall include at least the following, separately stated as to the LICENSED PRODUCTS:
- (i) the quantity of LICENSED PRODUCTS invoiced by LICENSEE, AFFILIATES and SUBLICENSEES during those three (3) months and the billings therefor;
 - (ii) the allowable deductions therefrom;
 - (iii) the calculation of royalties thereon;

Simultaneously with the delivery of each such report, LICENSEE shall pay to LICENSOR the royalty and any other payments due under this SUBLICENSE AGREEMENT for the period covered by such report. If no royalties are due, it shall be so reported. Royalties shall be paid to LICENSOR in United States Dollars at LICENSOR's office specified for the purposes of giving notice in Article 14(b) hereof.

- (g) All amounts payable hereunder by LICENSEE to LICENSOR shall be payable in United States Dollars. In the event any LICENSED PRODUCT shall be SOLD by LICENSEE, SUBLICENSEE or an AFFILIATE for currency other than United States Dollars, the earned royalty payable as to such LICENSED PRODUCT under Article 4(a) hereof shall first be determined in the currency for which the LICENSED PRODUCT was SOLD and then converted into its equivalent in United States Dollars at the official rate of exchange of the currency of the country from which royalties are payable as quoted by the Wall Street Journal, New York Edition, for the last business day prior to the Reporting Date for which the royalty payment is made.
- (h) 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 SUBLICENSE AGREEMENT, LICENSEE or its

AFFILIATES and/or SUBLICENSEES shall have the right to pay such taxes to the local tax authorities on behalf of LICENSOR (or, in the case of SUBLICENSEE SALES, on behalf of LICENSEE), and the payment to LICENSOR of the net amount due after reduction by the amount of such taxes, together with evidence of payment of such taxes, shall fully satisfy LICENSEE's royalty obligations under this SUBLICENSE AGREEMENT. LICENSEE agrees to make a good faith effort to obtain a refund of any such taxes for LICENSOR if LICENSOR informs LICENSEE that it believes such taxes have been improperly levied.

- (i) In the event that any payment required under this SUBLICENSE AGREEMENT shall be overdue, LICENSEE shall pay interest thereon at an annual rate of TWO percent (2%) over the United States Clearing Bank Base Lending Rate computed from the date when the payment became due; provided that if such rate shall be in excess of that allowed by applicable law, then the highest rate allowable shall apply. Payment shall be deemed to have been made when received by LICENSOR.

5. CONFIDENTIALITY

Disclosures of confidential and proprietary information hereunder by either party to the other shall be made in writing (or promptly confirmed in writing if made in another form), and shall be clearly marked "Confidential". Such confidential information shall be safeguarded by the recipient, shall not be disclosed to third parties and shall be made available only to recipient's employees or independent contractors who agree in writing to equivalent conditions and who have a need to know the information for the purposes specified under this Agreement. All confidential information shall remain the property of and be returned to the disclosing party within thirty (30) days of receipt of a written request by the disclosing party, or within thirty (30) days of termination of this Agreement. These mutual obligations of confidentiality shall apply for a period of 3 (three) years after the termination of this Agreement, but such obligations shall not apply to any information that:

- (i) is or hereafter becomes generally available to the public other than by reason of any default with respect to a confidentiality obligation under this Agreement; or
- (ii) was already known to the recipient as evidenced by prior written documents in its possession; or
- (iii) is disclosed to the recipient by a third party who is not in default of any confidentiality obligation to the disclosing party hereunder; or
- (iv) is developed by or on behalf of the receiving party, without reliance on confidential information received hereunder; or
- (v) is provided to third parties under appropriate terms and conditions including confidentiality provisions equivalent to those in this Agreement for consulting, manufacturing development, manufacturing, external testing and marketing trials with respect to the products covered by this Agreement; or

- (vi) is used with the consent of the disclosing party (which consent shall not be reasonably withheld) in applications for patents or copyrights under the terms of this Agreement; or
- (vii) has been approved in writing for publication by each of the parties;
- (viii) or is required to be disclosed in compliance with applicable laws or regulations in connection with the manufacture or sale of products covered by this Agreement; or
- (ix) is otherwise required to be disclosed in compliance with applicable laws or regulations or order by a court or other regulatory body having competent jurisdiction; or
- (x) is product-related information which is reasonably required to be disclosed in connection with marketing of products covered by this Agreement.

6. DEVELOPMENT and COMMERCIALIZATION

- (a) LICENSEE agrees to diligently attempt to exploit the LICENSED PATENTS and will diligently exert efforts to create a demand for the LICENSED PRODUCTS in at least those countries where PATENT RIGHTS exist. Within sixty (60) days after the end of each semi-annual period (June 30 and December 31) prior to first commercial sale of LICENSED PRODUCT, LICENSEE shall submit a summary report to LICENSOR reporting the progress it, or its SUBLICENSEES, have made towards commercialization in the preceding semi-annual period. This report will include a summary of the work done in the development of LICENSED PRODUCTS. Non-performance of this Article 7 shall be a breach or default under this SUBLICENSE AGREEMENT, entitling the LICENSOR, in addition to other remedies LICENSOR may have, to terminate this SUBLICENSE AGREEMENT under Article 7(c) hereunder.
- (b) Promptly following Health Regulatory Approval to market LICENSED PRODUCTS in such countries where approval is sought, LICENSEE agrees to use diligent efforts to promote and sell LICENSED PRODUCTS at a level which is consistent with those marketing efforts normally used for similar products in the pharmaceutical industry.

7. TERMINATION

- (a) LICENSEE may terminate this LICENSE AGREEMENT at any time upon sixty (60) days written notice to LICENSOR, but such termination shall not relieve LICENSEE of its obligation to pay the license fees due under Article 3(a) hereunder.

- (b) If LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in the hands of a Receiver, Assignee, or Trustee, whether by the voluntary act of LICENSEE or otherwise, this SUBLICENSE AGREEMENT shall immediately terminate.
- (c) Upon any breach of or default under this SUBLICENSE AGREEMENT by LICENSEE, LICENSOR may terminate this SUBLICENSE AGREEMENT by forty-five (45) days written notice to LICENSEE. Said notice shall become effective at the end of said period, unless during said period LICENSEE shall cure such breach or default.
- (d) Upon termination of this SUBLICENSE AGREEMENT for any reason, other than by expiry of the PATENT RIGHTS, all rights granted hereunder shall revert to LICENSOR for the benefit of LICENSOR.
- (e) LICENSEE's obligations to report to LICENSOR and to pay royalties to LICENSOR as to any LICENSED PRODUCT made or USED under a license or an immunity granted pursuant to this SUBLICENSE AGREEMENT prior to termination or expiration of this SUBLICENSE AGREEMENT shall survive such termination or expiration and any termination of this SUBLICENSE AGREEMENT shall be subject to this Article 7(d).
- (f) Upon any termination of this SUBLICENSE AGREEMENT its provisions shall continue in force and effect to the extent necessary to effectuate any provision which by its terms clearly shall continue beyond such termination.
- (g) Upon termination of this SUBLICENSE AGREEMENT other than by expiry of the PATENT RIGHTS, LICENSEE shall have no right under the PATENT RIGHTS to make, have made, USE or SELL LICENSED PRODUCTS.

8. ASSIGNMENT

This Agreement or any interest herein shall not be assigned or transferred, in whole or in part, by either party hereto without the prior written consent of the other party hereto. However, without securing such prior written consent, either party may assign this Agreement to an AFFILIATE or a successor of all or substantially all of its business to which this Agreement relates (except a successor under a reorganization pursuant to 11 U.S.C. Sec. 365) provided, that no such assignment shall be binding and valid until and unless the assignee shall have assumed in a writing, delivered to the non-assigning party, all of the duties and obligations of the assignor, and, provided, further, that the assignor shall remain liable and responsible to the non-assigning party hereto for the performance and observance of all such duties and obligations.

9. INFRINGEMENT

- (a) LICENSOR agrees to enforce its patents within the PATENT RIGHTS from infringement and sue infringers when in its sole judgement such action may be reasonably necessary, proper and justified.

- (b) Notwithstanding the provisions of Article 9(a) above, provided LICENSEE shall have supplied LICENSOR with evidence comprising a prima facie case of infringement of the PATENT RIGHTS by a third party hereto SELLING significant quantities of products in competition with LICENSEE's, an AFFILIATE's, or SUBLICENSEE's SALE of LICENSED PRODUCTS hereunder, LICENSEE shall be entitled to notify LICENSOR in writing requesting LICENSOR to take steps to enforce the PATENT RIGHTS and LICENSOR shall within three (3) months of the receipt of such written request either:
- (i) cause said infringement to terminate (including termination for whatever cause); or
 - (ii) initiate legal proceedings against the infringer; or
 - (iii) grant LICENSEE the right, at LICENSEE's sole expense, to bring suit against the infringer for infringement of the PATENT RIGHTS.
- (c) In no event shall LICENSEE be entitled to invoke Article 9(b) above with respect to more than one alleged infringer in any one country listed with the PATENT RIGHTS at any given time even though there be more than one such infringer in such country and the provisions of Article 9(b) hereof shall not come into effect or continue in effect as to such country while LICENSOR is carrying on any such legal proceeding therein.
- (d) In the event either party hereto shall initiate or carry on legal proceedings to enforce the PATENT RIGHTS against an alleged infringer, as provided herein, the other party hereto shall fully co-operate with the party initiating or carrying on such proceedings.
- (e) In the event LICENSOR shall institute suit or other legal proceedings to enforce the PATENT RIGHTS, it shall have sole control of such suit.
- (f) In the event LICENSEE shall institute suite or other legal proceedings under Article 9(b) above to enforce the PATENT RIGHTS, LICENSOR shall be entitled to be represented by counsel of its choosing, at its sole expense, and LICENSEE shall be entitled to retain for it as damages, an amount corresponding to its actual out-of-pocket legal expenses paid to third parties for conducting such suit or other legal proceedings and shall pay to LICENSOR TWENTY-FIVE PERCENT (25%) of the balance of such recovery. LICENSEE shall not discontinue or settle any such proceedings brought by it without obtaining the concurrence of LICENSOR and giving LICENSOR a timely opportunity to continue such proceedings in its own name, under its sole control, and at its sole expense. In the event LICENSOR does not concur in such settlement, it must continue such proceeding in its own name, under its sole control and expense within three (3) months of being given notice by LICENSEE of its desire to settle or LICENSEE shall be entitled to settle without LICENSOR's concurrence.

10. STATUS OF THE PATENT RIGHTS

- (a) Pursuant to the SCRIPPS AGREEMENT, SCRIPPS agreed, with the advice of LICENSOR, to diligently prepare, file and prosecute the patent applications filed within the PATENT RIGHTS and LICENSOR agreed to reimburse SCRIPPS for the reasonable expenses associated therewith. Upon execution of this SUBLICENSE AGREEMENT, LICENSEE agrees to assume LICENSOR's obligation to reimburse SCRIPPS for patent expenses under the SCRIPPS AGREEMENT for patent expenses incurred after the EFFECTIVE DATE. LICENSOR shall instruct SCRIPPS to forward invoices for such patent expenses directly to LICENSEE and LICENSEE agrees to promptly pay such expenses. LICENSOR agrees to assure that SCRIPPS performs its obligations to maintain and prosecute the PATENT RIGHTS under the SCRIPPS AGREEMENT and LICENSOR agrees to enforce its rights vis-a-vis SCRIPPS in this regard on LICENSEE's behalf if necessary. LICENSOR does not however represent or warrant that any patent within the PATENT RIGHTS will be obtained or that any such patent so obtained will be valid and enforceable.
- (b) LICENSEE shall also be responsible for expenses associated with maintaining the patents obtained on the patent applications referred to in Article 10(a) hereof.
- (c) Upon request by LICENSEE, LICENSOR will advise, or ensure that SCRIPPS advises, LICENSEE of the status of all patent applications and patents within the PATENT RIGHTS.
- (d) Should LICENSEE elect not to continue paying the expenses for the maintenance or prosecution of any patent or patent application under the PATENT RIGHTS, it shall give LICENSOR thirty (30) days written notice thereof and LICENSOR may thereafter assume payment of such expenses at its own cost. In the event LICENSEE ceases to pay the expenses of prosecution or maintenance of any particular patent application or patent, then LICENSEE shall cease to have license rights with respect to such patent application or patent and LICENSOR shall be free to license such rights to a third party.

11. NON-USE OF NAMES

- (a) LICENSEE shall not use the name of any inventor of the PATENT RIGHTS, or of any institution with which he has been or is connected, or of LICENSOR, or any adaptation of any of them, in any advertising, promotional or sales literature, without prior written consent obtained from LICENSOR in each case. LICENSEE shall require its AFFILIATES to comply with this Article 11 to the same extent that it applies to LICENSEE.
- (b) LICENSOR shall not use the name of LICENSEE or its AFFILIATES or any adaptation thereof, in any advertising, promotional or sales literature or in any press release without prior written consent of LICENSEE in each case.

12. WARRANTIES AND REPRESENTATIONS

- (a) LICENSOR warrants that it has exclusive rights by agreement, assignment or license to the PATENT RIGHTS, except with respect to the United States Government, and that it has full power and authority to execute, deliver and perform this SUBLICENSE AGREEMENT and the obligations hereunder.
- (b) Each party hereby warrants that the execution, delivery and performance of this SUBLICENSE AGREEMENT has been duly approved and authorized by all necessary corporate actions of both parties; do not require any shareholder approval which has not been obtained or the approval and consent of any trustee or the holders of any indebtedness of either party; do not contravene any law, regulation, rules or order binding on either Party, and do not contravene the provisions of or constitute a default under any indenture, mortgage contract or other agreement or instrument to which either party is a signatory.
- (c) Nothing in this SUBLICENSE AGREEMENT shall be construed as a representation or a warranty by LICENSOR as to the validity or scope of any patent within the PATENT RIGHTS or that any process practiced or anything made, USED or SOLD under any license or immunity granted under this SUBLICENSE AGREEMENT is or will be free from infringement of patents of third parties.

13. INDEMNITY

LICENSEE agrees to indemnify and hold harmless INVENTORS, SCRIPPS, LICENSOR, its AFFILIATES and their respective officers, directors, employees and agents from and against any and all claims, damages and liabilities, including reasonable attorney's fees and expenses, asserted by third parties, both government and private, arising from LICENSEE's and AFFILIATES' manufacture, USE or SALE of LICENSED PRODUCTS or the USE thereof by others including ultimate consumers. LICENSEE hereby agrees to maintain in full force and effect general liability and product liability insurance with a commercial insurance carrier, which policy shall have individual and aggregate limits appropriate to the conduct of LICENSEE's business covering the sale and distribution of LICENSED PRODUCTS. LICENSOR shall be named as an additional insured in such insurance policy. LICENSEE shall provide a certificate of insurance to LICENSOR evidencing such insurance policy and providing that such insurance will not be cancelled, modified or subject to non-renewal without thirty (30) days' written notice to LICENSOR. This insurance will remain in effect until three (3) years from termination of this Agreement.

14. GENERAL

- (a) This SUBLICENSE AGREEMENT, including the Appendix hereto attached, constitutes the entire agreement and understanding between the parties as to the PATENT RIGHTS. All prior negotiations, representations, agreements, contracts, offers and earlier understandings of whatsoever kind, whether written or oral between LICENSOR and LICENSEE in respect of the PATENT RIGHTS, are superseded by, merged into, extinguished by and completely expressed by this SUBLICENSE AGREEMENT.

No aspect, part or wording of this SUBLICENSE AGREEMENT may be modified except by mutual agreement between the LICENSOR and LICENSEE taking the form of an instrument in writing signed and dated by duly authorized representatives of both LICENSOR and LICENSEE.

- (b) Any notice required or permitted to be given by this SUBLICENSE AGREEMENT shall be given by post-paid, first class, registered or certified mail addressed to:

General Counsel
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08903-5501

and

Chairman
R.W. Johnson Pharmaceutical Research Institute
Route 202
Raritan, New Jersey 08869

or

SANGAMO BIOSCIENCES, INCORPORATED
950 MARINA VILLAGE PARKWAY
SUITE 100
ALAMEDA, CA 94501

Such addresses may be altered by notice so given. If no time limit is specified for a notice required or permitted to be given by this SUBLICENSE AGREEMENT, the time limit therefor shall be ten (10) full business days, not including the day of mailing. Notice shall be considered made as of the date of deposit with the United States Post Office.

- (c) This SUBLICENSE AGREEMENT and its effect are subject to and shall be construed and enforced in accordance with the laws of the State of New Jersey, United States, except as to any issue which depends upon the validity, scope or enforceability of any patent within the PATENT RIGHTS, which issue shall be determined in accordance with the applicable patent laws of the country of such patent.
- (d) Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, including any dispute relating to patent validity or infringement arising under this agreement, shall be settled by arbitration. Such arbitration shall be conducted at New York, New York, in accordance with the rules then

pertaining to the American Arbitration Association with a panel of three (3) arbitrators. One arbitrator shall be appointed by LICENSOR; one shall be appointed by LICENSEE; and the third shall be appointed by the American Arbitration Association. The law of the State of New York shall apply to the arbitration proceedings. The arbitrators shall have the authority to grant specific performance. The judgment and award of the arbitrators shall be final and binding and may be entered in any court having jurisdiction thereof, or application may be made to such court for judicial acceptance of any award or an order of enforcement, as the case may be. Each party shall bear its own costs and expenses, including attorney's fees and fees and expenses of the arbitrator it selects, and shall share equally the fees and expenses of the arbitrator selected by the American Arbitration Association.

- (e) Nothing in this SUBLICENSE AGREEMENT shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this SUBLICENSE AGREEMENT or concerning the legal right of the parties to contract and any statute, law, ordinance or treaty, the latter shall prevail, but in such event the affected provisions of this SUBLICENSE AGREEMENT shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements.
- (f) LICENSEE shall take all reasonable and necessary steps to register this SUBLICENSE AGREEMENT in any country where such is required to permit the transfer of funds and/or payment of royalties to LICENSOR hereunder or is otherwise required by the government or law of such country to effectuate or carry out this SUBLICENSE AGREEMENT. Notwithstanding anything contained herein, but subject to Article 13(e) hereof, LICENSEE shall not be relieved of any of its obligations under this SUBLICENSE AGREEMENT by any failure to register this SUBLICENSE AGREEMENT in any country, and, specifically, LICENSEE shall not be relieved of its obligation to make any payment due to LICENSOR hereunder at LICENSOR's address specified in Article 14(b) hereof, where such payment is blocked due to any failure to register this SUBLICENSE AGREEMENT.
- (g) As used in this SUBLICENSE AGREEMENT, singular includes the plural and plural includes the singular, wherever so required by the context. The headings appearing at the beginning of the numbered Articles hereof have been inserted for convenience only and do not constitute a part of this SUBLICENSE AGREEMENT.
- (h) Nothing herein shall be deemed to create an agency, joint venture or partnership between the parties hereto.
- (i) Notwithstanding any other provisions of this SUBLICENSE AGREEMENT, neither of the parties hereto shall be liable in damages or have the right to terminate this SUBLICENSE AGREEMENT for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its

control including, but not limited to acts of God, governmental restrictions, wars, or insurrections, strikes, floods, work stoppages and/or lack of materials; provided, however, that the party suffering such delay or default shall notify the other party in writing of the reasons for the delay or default. If such reasons for delay or default continuously exist for six (6) months, this SUBLICENSE AGREEMENT may be terminated by either party.

15. EFFECTIVE DATE AND TERM

This SUBLICENSE AGREEMENT shall become effective on the day and year first above written and shall, unless terminated earlier by one of the parties in accord with its terms, expire concurrently with the expiration, invalidation or lapsing of all issued patents within the PATENT RIGHTS and/or the abandonment of all pending patent applications within the PATENT RIGHTS.

16. GOVERNMENT RIGHTS

- (a) LICENSEE acknowledges and agrees that its respective rights and obligations pursuant to this SUBLICENSE AGREEMENT shall be subject to SCRIPPS' rights and SCRIPPS' obligations and the rights of the United States Government, if any, which arose or resulted from SCRIPPS' receipt of research support from the United States Government.
- (b) LICENSEE shall comply in all respects with the applicable provisions of any applicable law, requirement, regulation or determination by any Government relating to the PATENT RIGHTS and shall provide LICENSOR with any information or report required to comply with any such law, requirement, regulation or determination.
- (c) Any inconsistency between this SUBLICENSE AGREEMENT and the pertinent provisions of any law, requirement, regulation or determination by a Government shall be resolved by conforming this SUBLICENSE AGREEMENT to such provisions of any such law, requirement, regulation or determination.
- (d) Any agreement or arrangement relating to the PATENT RIGHTS between LICENSEE and any third party hereto shall be made expressly subject to the terms and conditions of this Article 16 and LICENSEE shall require such other party to comply therewith to the same extent that LICENSEE is required to comply.
- (e) Any license or other right granted or to be granted pursuant to this SUBLICENSE AGREEMENT shall be subject to any and all applicable governmental laws and regulations relating to compulsory licensing.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and duly executed this SUBLICENSE AGREEMENT on the date(s) indicated below, to be effective the day and year first above written.

For and on Behalf of LICENSOR, JOHNSON & JOHNSON

By: /s/ RONALD G. GELBMAN
Name: Ronald G. Gelbman
Title: Worldwide Chairman Pharmaceuticals
& Diagnostics Group

Date: April 15, 1996

For and on Behalf of LICENSEE, SANGAMO BIOSCIENCES, INCORPORATED

By: /s/ EDWARD LANPHIER
Name: Edward Lanphier
Title: President

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

and

SANGAMO BIOSCIENCES, INC.

PATENT LICENSE AGREEMENT

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MASSACHUSETTS INSTITUTE OF TECHNOLOGY

and

SANGAMO BIOSCIENCES, INC.

PATENT LICENSE AGREEMENT

This Agreement is made and entered into this 9 day of MAY, 1996, (the "EFFECTIVE DATE") by and between the MASSACHUSETTS INSTITUTE OF TECHNOLOGY, a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts and having its principal office at 77 Massachusetts Avenue, Cambridge, Massachusetts 02139, U.S.A. (hereinafter referred to as "M.I.T."), and Sangamo BioSciences, Inc. a corporation duly organized under the laws of DELAWARE and having its principal office at 950 MARINA VILLAGE PKWY, SUITE 100, ALAMEDA, CA 94501 (hereinafter referred to as "LICENSEE").

WITNESSETH

WHEREAS, M.I.T. is the owner of certain PATENT RIGHTS (as later defined herein) relating to M.I.T. Case No. 6929, "Zinc Finger Proteins With High Affinity New DNA Binding Specificities" by Carl O. Pabo and Edward J. Rebar and has the right to grant licenses under said PATENT RIGHTS, subject only to a royalty-free, nonexclusive license heretofore granted to the United States Government;

WHEREAS, M.I.T. desires to have the PATENT RIGHTS developed and commercialized to benefit the public and is willing to grant a license thereunder;

WHEREAS, LICENSEE has represented to M.I.T., to induce M.I.T. to enter into this Agreement, that LICENSEE is experienced in the development, production, manufacture, marketing and sale of products similar to the LICENSED PRODUCT(s) (as later defined herein) and/or the use of the LICENSED PROCESS(es) (as later defined herein) and that it shall commit itself to a thorough, vigorous and diligent program of exploiting the PATENT RIGHTS so that public utilization shall result therefrom; and

WHEREAS, LICENSEE desires to obtain a license under the PATENT RIGHTS upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following words and phrases shall have the the following meanings:

1.1 "LICENSEE" shall include a related company of Sangamo BioSciences, Inc. the voting stock of which is directly or indirectly at least Fifty Percent (50%) owned or controlled by Sangamo BioSciences, Inc., an organization which directly or indirectly controls more than Fifty Percent (50%) of the voting stock of Sangamo BioSciences, Inc. and an organization, the majority ownership of which is directly or indirectly common to the ownership of Sangamo BioSciences, Inc.

1.2 "PATENT RIGHTS" shall mean all of the following M.I.T. intellectual property:

a. the United States patents listed in Appendix A;

b. the United States patent applications listed in Appendix A, and divisionals, continuations and claims of continuation-in-part applications which shall be directed to subject matter specifically described in such patent applications, and the resulting patents;

c. any patents resulting from reissues or reexaminations of the United States patents described in a. and b. above;

1.3 A "LICENSED PRODUCT" shall mean any product or part thereof which:

a. is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the PATENT RIGHTS in the country in which any such product or part thereof is made, used or sold; or

b. is manufactured by using a process or is employed to practice a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the PATENT RIGHTS in the country in which any LICENSED PROCESS is used or in which such product or part thereof is used or sold.

1.4 A "LICENSED PROCESS" shall mean any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the PATENT RIGHTS.

1.5 "NET SALES" shall mean LICENSEE's and its sublicensees' billings for LICENSED PRODUCTS and LICENSED PROCESSES less the sum of the following:

a. discounts allowed in amounts customary in the trade for quantity purchases, cash payments, prompt payments, wholesalers and distributors;

b. sales, tariff duties and/or use taxes directly imposed and with reference to particular sales;

c. outbound transportation prepaid or allowed; and

d. amounts allowed or credited on returns.

No deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by LICENSEE and on its payroll, or for cost of collections. NET SALES shall occur when a LICENSED PRODUCT or LICENSED PROCESS shall be invoiced. If a LICENSED PRODUCT or LICENSED PROCESS shall be distributed or invoiced for a discounted price substantially lower than customary in the trade or distributed at no cost to affiliates or otherwise, NET SALES shall be based on the customary amount billed for such LICENSED PRODUCTS or LICENSED PROCESSES.

1.6 "TERRITORY" shall mean worldwide.

1.7 "FIELDS OF USE" shall mean commercial research and development, manufacture, and sales of LICENSED PRODUCTS or LICENSED PROCESSES which contain, use or act on restriction enzymes and integrases/recombinases.

Note: LICENSEE's rights to practice under the PATENT RIGHTS shall be in all FIELDS OF USE. The purpose of this FIELDS OF USE definition is to define the fields in which exclusivity is granted under this license under P. 2.3 below and in which LICENSEE may grant sublicenses under P. 2.6 below.

2. GRANT

2.1 M.I.T. hereby grants to LICENSEE the right and license in the TERRITORY to practice under the PATENT RIGHTS and, to the extent not prohibited by other patents, to make, have made, use, lease, sell and import LICENSED PRODUCTS and to practice the LICENSED PROCESSES, until the expiration of the last to expire of the PATENT RIGHTS, unless this Agreement shall be sooner terminated according to the terms hereof.

2.2 LICENSEE agrees that LICENSED PRODUCTS leased or sold in the United States shall be manufactured substantially in the United States.

2.3 In order to establish exclusivity in the FIELDS OF USE for LICENSEE, M.I.T. hereby agrees that it shall not grant any other license to make, have made, use, lease, sell and import LICENSED PRODUCTS or to utilize LICENSED PROCESSES subject to the royalty-free, nonexclusive license rights of the United States Government per FAR 52.227-11, in the TERRITORY for the FIELDS OF USE.

2.4 M.I.T. agrees that prior to granting a license to any third party outside the defined FIELDS OF USE, it shall notify LICENSEE of its intent to grant such a license and LICENSEE shall have sixty (60) days in which to present to M.I.T. reasons for widening LICENSEE's exclusive FIELD OF USE beyond that defined in P.1.7 above. M.I.T. shall consider granting such widening to LICENSEE, for suitable consideration, depending upon LICENSEE's scientific progress, development plans and financial resources to develop the widened FIELD OF USE. Any decision to widen the exclusive FIELD OF USE granted to LICENSEE shall be at M.I.T.'s sole discretion.

2.5 M.I.T. reserves the right to practice under the PATENT RIGHTS and to allow third parties to practice under the PATENT RIGHTS in all fields of use for noncommercial research purposes.

2.6 LICENSEE shall have the right to enter into sublicensing agreements for the rights, privileges and licenses granted hereunder only in the FIELDS OF USE. Upon any termination of this Agreement, sublicensees' rights shall also terminate, subject to Paragraph 13.6 hereof.

2.7 LICENSEE agrees to incorporate Articles 2, 5, 7, 8, 9, 10, 12, 13 and 15 of this Agreement into its sublicense agreements, so that these Articles shall be binding upon such sublicensees as if they were parties to this Agreement.

2.8 LICENSEE agrees to forward to M.I.T. a copy of any and all sublicense agreements promptly upon execution by the parties.

2.9 Nothing in this Agreement shall be construed to confer any rights upon LICENSEE by implication, estoppel or otherwise as to any technology or patent rights of M.I.T. or any other entity other than the PATENT RIGHTS, regardless of whether such patent rights shall be dominant or subordinate to any PATENT RIGHTS.

3. DILIGENCE

3.1 LICENSEE shall use its best efforts to bring one or more LICENSED PRODUCTS or LICENSED PROCESSES to market through a thorough, vigorous and diligent program for exploitation of the PATENT RIGHTS and to continue active, diligent marketing efforts for one or more LICENSED PRODUCTS or LICENSED PROCESSES throughout the life of this Agreement.

3.2 LICENSEE shall deliver to M.I.T. on or before December 31, 1996 a business plan showing the amount of money, number and kind of personnel and time budgeted and planned for each phase of development of the LICENSED PRODUCTS and LICENSED PROCESSES and shall provide similar reports to M.I.T. on or before December 31 of each year.

3.3 LICENSEE's failure to perform in accordance with either Paragraph 3.1 or 3.2 above shall be grounds for M.I.T. to terminate this Agreement pursuant to Paragraph 13.3 hereof.

4. ROYALTIES

4.1 For the rights, privileges and license granted hereunder, LICENSEE shall pay royalties to M.I.T. in the manner hereinafter provided to the end of the term of the PATENT RIGHTS or until this Agreement shall be terminated:

a. License Issue Fee of Fifteen Thousand Dollars (\$15,000), which said License Issue Fee shall be deemed earned and due immediately upon the EFFECTIVE DATE.

b. License Maintenance Fees of Seven Thousand Five Hundred Dollars (\$7,500) per year payable on January 1, 1997 and on January 1 of each year thereafter; provided, however, License Maintenance Fees may be credited to Running Royalties subsequently due on NET SALES for each said year, if any. License Maintenance Fees paid in excess of Running Royalties shall not be creditable to Running Royalties for future years.

c. Running Royalties in an amount equal to Two Percent (2%) of NET SALES of the LICENSED PRODUCTS and LICENSED PROCESSES used, leased or sold by and/or for LICENSEE and/or its Sublicensees.

d. A milestone payment of One Hundred and Fifty Thousand Dollars (\$150,000) upon the commencement of the first clinical trial of a LICENSED PRODUCT or LICENSED PROCESS in the FIELDS OF USE which falls under the claims of the PATENT RIGHTS.

e. A milestone payment of Fifty Thousand Dollars (\$50,000) upon the commencement of the first clinical trial of a LICENSED PRODUCT or LICENSED PROCESS outside the FIELDS OF USE which falls under the claims of the PATENT RIGHTS.

f. A milestone payment of Three Hundred Thousand Dollars (\$300,000) upon the gaining of U.S. FDA approval or marketing of a LICENSED PRODUCT or LICENSED PROCESS in the FIELDS OF USE which falls under the claims of the PATENT RIGHTS.

g. A milestone payment of One Hundred Fifty Thousand Dollars (\$150,000) upon the gaining of U.S. FDA approval or marketing of a LICENSED PRODUCT or LICENSED PROCESS outside the FIELDS OF USE which falls under the claims of the PATENT RIGHTS.

h. Fifteen Thousand Dollars (\$15,000) per sublicense granted, plus Five Thousand (\$5,000) per year sublicense maintenance fees.

4.2 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government, except as otherwise provided in Paragraph 1.5(b).

4.3 No multiple royalties shall be payable because any LICENSED PRODUCT, its manufacture, use, lease or sale are or shall be covered by more than one PATENT RIGHTS patent application or PATENT RIGHTS patent licensed under this Agreement.

4.4 Royalty payments shall be paid in United States dollars in Cambridge, Massachusetts, or at such other place as M.I.T. may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate prevailing at the Chase Manhattan Bank (N.A.) on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

5. REPORTS AND RECORDS

5.1 LICENSEE shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to M.I.T. hereunder. Said books of account shall be kept at LICENSEE's principal place of business or the principal place of business of the appropriate division of LICENSEE to which this Agreement relates. Said books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to the inspection of M.I.T. or its agents for the purpose of verifying LICENSEE's royalty statement or compliance in other respects with this Agreement. Should such inspection lead to the discovery of a greater than Ten Percent (10%) discrepancy in reporting to M.I.T.'s detriment, LICENSEE agrees to pay the full cost of such inspection.

5.2 LICENSEE shall deliver to M.I.T. true and accurate reports, giving such particulars of the business conducted by LICENSEE and its sublicensees under this Agreement as shall be pertinent to diligence under Article 3 and royalty accounting hereunder:

a. before the first commercial sale of a LICENSED PRODUCT or LICENSED PROCESS, annually, on January 31 of each year; and

b. after the first commercial sale of a LICENSED PRODUCT or LICENSED PROCESS, quarterly, within sixty (60) days after March 31, June 30, September 30 and December 31, of each year.

These reports shall include at least the following:

a. number of LICENSED PRODUCTS manufactured, leased and sold by and/or for LICENSEE and all sublicensees;

b. accounting for all LICENSED PROCESSES used or sold by and/or for LICENSEE and all sublicensees;

c. accounting for NET SALES, noting the deductions applicable as provided in Paragraph 1.5;

d. Running Royalties due under Paragraph 4.1;

e. royalties due on other payments from sublicensees under paragraph (iv);

f. total royalties due; and names and addresses of all sublicensees of LICENSEE.

5.3 With each such report submitted, LICENSEE shall pay to M.I.T. the royalties due and payable under this Agreement. If no royalties shall be due, LICENSEE shall so report.

5.4 On or before the ninetieth (90th) day following the close of LICENSEE's fiscal year, LICENSEE shall provide M.I.T. with LICENSEE's certified financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement.

5.5 The amounts due under Articles 4 and 6 shall, if overdue, bear interest until payment at a per annum rate Two Percent (2%) above the prime rate in effect at the Chase Manhattan Bank (N.A.) on the due date. The payment of such interest shall not foreclose M.I.T. from exercising any other rights it may have as a consequence of the lateness of any payment.

6. PATENT PROSECUTION

6.1 M.I.T. shall apply for, seek prompt issuance of, and maintain the PATENT RIGHTS during the term of this Agreement. The filing, prosecution and maintenance of all PATENT RIGHTS applications and patents shall be the primary responsibility of M.I.T.; provided, however, LICENSEE shall have reasonable opportunities to advise M.I.T. and shall cooperate with M.I.T. in such filing, prosecution and maintenance.

6.2 Payment of all fees and costs relating to the filing, prosecution and maintenance of the PATENT RIGHTS after the EFFECTIVE DATE shall be the responsibility of LICENSEE, whether such fees and costs were incurred before or after the EFFECTIVE DATE. LICENSEE shall pay such fees and costs to M.I.T. within thirty (30) days of invoicing; late payments shall accrue interest and shall be subject to Paragraph 5.5.

7. INFRINGEMENT

7.1 LICENSEE shall inform M.I.T. promptly in writing of any alleged infringement of the PATENT RIGHTS by a third party and of any available evidence thereof.

7.2 M.I.T. shall have the right, but shall not be obligated, to prosecute at its own expense all infringements of the PATENT RIGHTS and, in furtherance of such right, LICENSEE hereby agrees that M.I.T. may include LICENSEE as a party plaintiff in any such suit, without expense to LICENSEE. The total cost of any such infringement action commenced or defended solely by M.I.T. shall be borne by M.I.T., and M.I.T. shall keep any recovery or damages for past infringement derived therefrom.

7.3 If within six (6) months after having been notified of an alleged infringement, M.I.T. shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if M.I.T. shall notify LICENSEE at any time prior thereto of its intention not to bring suit against any alleged infringer in the TERRITORY for the FIELDS OF USE, then, and in those events only, LICENSEE shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the PATENT RIGHTS in the TERRITORY for the FIELDS OF USE, and LICENSEE may, for such purposes, use the name of M.I.T. as party plaintiff; provided, however, that such right to bring such an infringement action shall remain in effect only during the EXCLUSIVE PERIOD. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of M.I.T., which consent shall not unreasonably be withheld. LICENSEE shall indemnify M.I.T. against any order for costs that may be made against M.I.T. in such proceedings.

7.4 In the event that LICENSEE shall undertake litigation for the enforcement of the PATENT RIGHTS, or the defense of the PATENT RIGHTS under Paragraph 7.5, LICENSEE may withhold up to Fifty Percent (50%) of the payments otherwise thereafter due M.I.T. under Article 4 hereunder and apply the same toward reimbursement of up to half of LICENSEE's expenses, including reasonable attorneys' fees, in connection therewith. Any recovery of damages by LICENSEE for such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of LICENSEE relating to such suit, and next toward reimbursement of M.I.T. for any payments under Article 4 past due or withheld and applied pursuant to this Article 7. The balance remaining from any such recovery shall be divided equally between LICENSEE and M.I.T.

7.5 In the event that a declaratory judgment action alleging invalidity or noninfringement of any of the PATENT RIGHTS shall be brought against M.I.T. or LICENSEE, M.I.T., at its option, shall have the right, within thirty (30) days after commencement of such action, to take over the sole defense of the action at its own expense. If M.I.T. shall not exercise this right, LICENSEE may take over the sole defense at LICENSEE's sole expense, subject to Paragraph 7.4.

7.6 In any infringement suit as either party may institute to enforce the PATENT RIGHTS pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

7.7 LICENSEE shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer in the TERRITORY for the FIELDS OF USE for future use of the PATENT RIGHTS.

8. PRODUCT LIABILITY

8.1 LICENSEE shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold M.I.T., its trustees, directors, officers, employees and affiliates, harmless against all claims, proceedings, demands and liabilities of any kind whatsoever, including legal expenses and reasonable attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property, resulting from the production, manufacture, sale, use, lease, consumption or advertisement of the LICENSED PRODUCTS(s) and/or LICENSED PROCESS(es) or arising from any obligation of LICENSEE hereunder.

8.2 LICENSEE shall obtain and carry in full force and effect commercial, general liability insurance which shall protect LICENSEE and M.I.T. with respect to events covered by Paragraph 8.1 above. Such insurance shall be written by a reputable insurance company authorized to do business in the Commonwealth of Massachusetts, shall list M.I.T. as an additional named insured thereunder, shall be endorsed to include product liability coverage and shall require thirty (30) days written notice to be given to M.I.T. prior to any cancellation or material change thereof. The limits of such insurance shall not be less than One Million Dollars (\$1,000,000) per occurrence with an aggregate of Three Million Dollars (\$3,000,000) for personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with an aggregate of Three Million Dollars (\$3,000,000) for property damage. LICENSEE shall provide M.I.T. with Certificates of Insurance evidencing the same.

8.3 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, M.I.T., ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, AND AFFILIATES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR

WARRANTY GIVEN BY M.I.T. THAT THE PRACTICE BY LICENSEE OF THE LICENSE GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF ANY THIRD PARTY. IN NO EVENT SHALL M.I.T., ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER M.I.T. SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

9. EXPORT CONTROLS

LICENSEE acknowledges that it 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 United States Department of Commerce Export Administration Regulations). The transfer of such items 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. M.I.T. neither represents that a license shall not be required nor that, if required, it shall be issued.

10. NON-USE OF NAMES

LICENSEE shall not use the names or trademarks of the Massachusetts Institute of Technology or Lincoln Laboratory, nor any adaptation thereof, nor the names of any of their employees, in any advertising, promotional or sales literature without prior written consent obtained from M.I.T., or said employee, in each case, except that LICENSEE may state that it is licensed by M.I.T. under one or more of the patents and/or applications comprising the PATENT RIGHTS.

11. ASSIGNMENT

This Agreement is not assignable and any attempt to do so shall be void.

12. DISPUTE RESOLUTION

12.1 Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to patent validity or infringement, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in the Boston area and such representatives shall schedule a date with such firm for a mediation

hearing. The parties shall enter into good faith mediation and shall share the costs equally. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, then any and all claims, disputes or controversies arising under, out of, or in connection with this Agreement, including any dispute relating to patent validity or infringement, shall be resolved by final and binding arbitration in Boston, Massachusetts under the rules of the American Arbitration Association, or the Patent Arbitration Rules if applicable, then obtaining. The arbitrators shall have no power to add to, subtract from or modify any of the terms or conditions of this Agreement, nor to award punitive damages. Any award rendered in such arbitration may be enforced by either party in either the courts of the Commonwealth of Massachusetts or in the United States District Court for the District of Massachusetts, to whose jurisdiction for such purposes M.I.T. and LICENSEE each hereby irrevocably consents and submits.

12.2 Notwithstanding the foregoing, nothing in this Article shall be construed to waive any rights or timely performance of any obligations existing under this Agreement.

13. TERMINATION

13.1 If LICENSEE shall cease to carry on its business, this Agreement shall terminate upon notice by M.I.T.

13.2 Should LICENSEE fail to make any payment whatsoever due and payable to M.I.T. hereunder, M.I.T. shall have the right to terminate this Agreement effective on thirty (30) days' notice, unless LICENSEE shall make all such payments to M.I.T. within said thirty (30) day period. Upon the expiration of the thirty (30) day period, if LICENSEE shall not have made all such payments to M.I.T., the rights, privileges and license granted hereunder shall automatically terminate.

13.3 Upon any material breach or default of this Agreement by LICENSEE (including, but not limited to, breach or default under Paragraph 3.3), other than those occurrences set out in Paragraphs 13.1 and 13.2 hereinabove, which shall always take precedence in that order over any material breach or default referred to in this Paragraph 13.3, M.I.T. shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder effective on ninety (90) days' notice to LICENSEE. Such termination shall become automatically effective unless LICENSEE shall have cured any such material breach or default prior to the expiration of the ninety (90) day period.

13.4 LICENSEE shall have the right to terminate this Agreement at any time on six (6) months' notice to M.I.T., and upon payment of all amounts due M.I.T. through the effective date of the termination.

13.5 Upon termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination; and Articles 1,8,9,10,12,13.5,13.6 and 15 shall survive any such termination. LICENSEE and any sublicensee thereof may, however, after the effective date of such termination, sell all LICENSED PRODUCTS, and complete LICENSED PRODUCTS in the process of manufacture at the time of such termination and sell the same, provided that LICENSEE shall make the payments to M.I.T. as required by Article 4 of this Agreement and shall submit the reports required by Article 5 hereof.

13.6 Upon termination of this Agreement for any reason, any sublicensee not then in default shall have the right to seek a license from M.I.T. M.I.T. agrees to negotiate such licenses in good faith under reasonable terms and conditions.

14. PAYMENTS, NOTICES AND OTHER COMMUNICATIONS

Any payments, notice or other communication pursuant to this Agreement shall be sufficiently made or given on the date of mailing if sent to such party by certified first class mail, return receipt requested, postage prepaid, addressed to it at its address below or as it shall designate by written notice given to the other party:

In the case of M.I.T.:

Director
Technology Licensing Office
Massachusetts Institute of Technology
77 Massachusetts Avenue, Room E32-300
Cambridge, Massachusetts 02139

In the case of LICENSEE:

15. MISCELLANEOUS PROVISIONS

15.1 All disputes arising out of or related to this Agreement, or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the Commonwealth of Massachusetts, U.S.A., except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted.

15.2 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument signed by the parties.

15.3 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

15.4 LICENSEE agrees to mark the LICENSED PRODUCTS sold in the United States with all applicable United States patent numbers. ALL LICENSED PRODUCTS shipped to or sold in other countries shall be marked in such a manner as to conform with the patent laws and practice of the country of manufacture or sale.

15.5 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year set forth below.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

SANGAMO BIOSCIENCES, INC.

By /s/ Lita Nelsen
Name LITA L. NELSEN, DIRECTOR
Title TECHNOLOGY LICENSING OFFICE
Date April 17, 1996

By /s/ Edward O. Lanphier
Name EDWARD LANPHIER
Title PRESIDENT
Date May 9, 1996

FIRST AMENDMENT

This Amendment, with the effective date of 12/10/97, is to the License Agreement dated May 9, 1996, between Sangamo Biosciences, Inc. and Massachusetts Institute of Technology.

The parties thereto now further agree as follows:

1. Paragraph 1.7 shall be deleted, including the "Note", and replaced with the following:
1.7 "FIELDS OF USE" shall mean all fields of use.
2. Paragraph 2.4 shall be deleted and replaced with:
2.4 LICENSEE and M.I.T. agree that neither party shall assert the Patent Rights against not-for-profit institutions in their conduct of research, provided, however, that if a not-for-profit institution practices under the Patent Rights to conduct high throughput drug screening on behalf of a commercial entity, then the Patent Rights may be asserted against that institution.
3. The following shall be inserted as Paragraph 3.4:
3.4 After January 1, 2002, if M.I.T. notifies LICENSEE of a request by a third party for a license to the Patent Rights for an application or product (such as drug screening for a particular disease state, or development of a Licensed Product for a particular disease state) not currently under development by LICENSEE (or its sublicensee), and no such application or product (nor any directly competing application or product) is then currently under development or being sold by LICENSEE or a sublicensee, then LICENSEE shall either:
 - (a) within three months of the request submit to M.I.T. plans to begin development of the application or product within six months of the original request, at a level of effort appropriate to success of the development in a commercially reasonable time; or
 - (b) begin good faith negotiations with the third party toward granting a sublicense to the Patent Rights for the application or product.If LICENSEE does not begin (or abandons) efforts under (a) above, and does not reach a sublicense agreement with the third party within 6 months thereafter, M.I.T. shall have the right to grant a nonexclusive license to the Patent Rights to the third party for the particular application or product, under terms no more favorable to the third party than are granted hereunder to LICENSEE, and including diligent development milestones.
M.I.T. shall share with LICENSEE two-thirds (66.7%) of any revenue it derives from such license.

4. Royalties:

(a) LICENSEE shall pay to M.I.T. a First Amendment Issue Fee of Twenty Five Thousand Dollars (\$25,000) due upon the signing of this Amendment.

(b) The License Maintenance Fees due under P. 4.1b shall be increased to Fifteen Thousand Dollars (\$15,000) on January 1, 1998 and Twenty Five Thousand Dollars (\$25,000) per year beginning January 1, 1999 and beyond.

(c) Subparagraphs 4.1e and 4.1g shall be deleted.

(d) The sublicense fees of P. 4.1h shall be increased to Twenty Five Thousand Dollars (\$25,000) per sublicense granted plus Ten Thousand Dollars (\$10,000) per year per sublicense.

(e) The following subparagraph shall be added to P. 4.1, and shall be designated as subparagraph P. 4.1i

4.1i: TEN PERCENT (10%) OF ANY MILESTONE FEES OR ROYALTIES PAID TO LICENSEE FROM SUBLICENSEES OR OTHER THIRD PARTIES FOR PRODUCTS DISCOVERED OR DEVELOPED THROUGH THE USE OF LICENSED PRODUCTS OR LICENSED PROCESSES. HOWEVER, IF THESE MILESTONE FEES AND ROYALTIES ARE ON PRODUCTS WHOSE COMPOSITION AND/OR PRODUCTION ARE COVERED BY OTHER PATENTS OWNED OR CONTROLLED BY LICENSEE, AND IF THESE FEES AND ROYALTIES ARE ALSO INTENDED TO COMPRISE COMPENSATION FOR PRACTICE UNDER SUCH LICENSEE PATENTS, THEN THE PAYMENTS DUE TO M.I.T. SHALL BE FIVE PERCENT (5%) OF THE MILESTONE FEES AND ROYALTIES.

Agreed to for:

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

SANGAMO BIOSCIENCES, INC.

By /s/ Lita Nelsen
Name LITA L. NELSEN, DIRECTOR
Title TECHNOLOGY LICENSING OFFICE
Date Dec. 1, 1997

By /s/ Edward O. Lanphier
Name EDWARD LANPHIER
Title PRESIDENT & CEO
Date 12/10/97

LICENSE AGREEMENT

This Agreement, made and entered into as of this 29th day of June 1995 (the "Effective Date") by and between THE JOHNS HOPKINS UNIVERSITY, a corporation duly organized and existing under the laws of the State of Maryland and having its principal place of business at Charles and 34th Streets, Baltimore, Maryland 21218, U.S.A. (hereinafter referred to as "JOHNS HOPKINS") and SANGAMO BIOSCIENCES, INC. a corporation duly organized under the laws of Delaware and having its principal office at P.O. Box 334, Ross, California 94957 (hereinafter referred to as "LICENSEE").

WITNESSETH

WHEREAS, JOHNS HOPKINS is the owner of certain Patent Rights (as later defined herein) relating to inventions from its laboratories directed by Srinivasan Chandrasegaran, Ph.D. concerning custom design and development of novel DNA-binding proteins for uses, including but not limited to laboratory reagents, clinical diagnostics and therapeutics and has the right to grant licenses under said Patent Rights, subject only to certain march-in-rights retained by the United States Government, including royalty-free, nonexclusive licenses;

WHEREAS, JOHNS HOPKINS desires to have the Patent Rights utilized in the public interest and is willing to grant a license thereunder;

WHEREAS, JOHNS HOPKINS and LICENSEE are parties to a Research Agreement having even date herewith (Appendix D);

WHEREAS, JOHNS HOPKINS is acting herein for itself;

WHEREAS, LICENSEE has represented JOHNS HOPKINS to induce JOHNS HOPKINS to enter into this Agreement that LICENSEE shall commit itself to a thorough, vigorous and diligent program of exploiting the Patent Rights so that public utilization shall result therefrom;

WHEREAS, Dr. Chandrasegaran will continue to have full academic freedom to continue his scientific investigations and interactions with his colleagues;
and

WHEREAS, LICENSEE desires to obtain a license under the Patent Rights upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I - DEFINITIONS

For the purposes of this Agreement, in addition to other terms defined herein, the following words and phrases shall have the following meanings:

1.1 "LICENSEE" shall mean SANGAMO BIOSCIENCES and any Subsidiary of SANGAMO BIOSCIENCES.

1.2 "Subsidiary" shall mean any corporation, company or other entity more than fifty percent (50%) of whose voting stock is owned or controlled directly or indirectly by SANGAMO BIOSCIENCES; any parent corporation, company or other entity which owns, directly or indirectly, more than fifty percent (50%) of the voting stock of SANGAMO BIOSCIENCES; and any corporation, company or other entity in which such parent corporation, company or other entity owns, directly or indirectly, more than fifty percent (50%) of the voting stock.

1.3 "Patent Rights" shall mean the inventions disclosed and claimed in the United States and foreign patents and/or patent applications listed in Appendix A.

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

(a) is covered in whole or in part by an issued, valid, enforceable, unexpired claim or a pending claim contained in the Patent Rights in the country in which any Licensed Product is made, used or sold;

(b) is manufactured by using a process which is covered in whole or in part by a valid, enforceable, issued, unexpired claim or a pending claim contained in the Patent Rights in the country in which any Licensed Process is used or in which the Licensed Product is used or sold.

1.5 A "Licensed Process" shall mean any process which is covered in whole or in part by a valid, enforceable, issued, unexpired claim or a pending claim contained in the Patent Rights.

1.6 "Net Sales" shall mean the invoiced sales price of Licensed Products to an end-user that is not a Subsidiary or a sublicensee in a country in which such sales would infringe a valid claim contained in the Patent Rights in such country after deducting:

(a) Discounts allowed in amounts customary in the trade;

(b) Sales taxes, tariffs, duties, use taxes and/or other governmental levies directly imposed and with reference to particular sales;

(c) Outbound transportation prepaid or allowed; and

(d) Amounts allowed or credited on returns.

No deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by LICENSEE and on its payroll, or for cost of collections. Licensed Products shall be considered "sold" when billed out or invoiced.

1.7 "Invention" shall mean custom designed novel DNA-binding proteins.

ARTICLE II - GRANT

2.1 JOHNS HOPKINS hereby grants to LICENSEE the exclusive worldwide right and license to make, have made, use, lease and sell the Licensed Products, and to practice the Licensed Processes, including the right to grant sublicenses, subject to 35USC200-211 and the regulations promulgated thereunder, to the end of the term for which the Patent Rights are granted by the applicable governmental authority, unless sooner terminated as hereinafter provided (the "Term"). JOHNS HOPKINS reserves the non-transferable royalty-free right to practice the subject matter of any claim within the Patent Rights for its own internal purposes. If Dr. Chandrasegaran leaves JOHNS HOPKINS, he shall have the non-transferable, royalty-free right to practice any claim within the Patent Rights for his own academic purposes.

2.2 In order to establish a period of exclusivity for LICENSEE, JOHNS HOPKINS hereby agrees that it shall not grant any other license to make, have made, use, lease or sell Licensed Products or to practice Licensed Processes except for its internal research activities during the period of time (the "Exclusive Period") commencing with the Effective Date of this Agreement and terminating with expiration of the last-to-expire patent licensed under this Agreement, unless converted earlier to a nonexclusive license pursuant to Paragraph 4.4 hereof or pursuant to a requirement by the United States Government in accordance with 35USC200-211.

2.3 LICENSEE shall have the right to sublicense all or any part of this license. LICENSEE agrees that any sublicenses granted by it shall provide that the obligations to JOHNS HOPKINS of Articles II, VIII, IX, X, XIII, XV, and Paragraphs 5.1 and 5.2 of this Agreement shall be binding upon the sublicensees as if it were a party to this Agreement. LICENSEE further agrees to attach copies of these Articles to sublicense agreements.

2.4 LICENSEE agrees to forward to JOHNS HOPKINS a copy of any and all fully executed sublicense agreements, and further agrees to forward to JOHNS HOPKINS, quarterly, pursuant to Paragraph 5.2 a copy of such reports received by LICENSEE from its sublicensees during the preceding twelve (12) month period under the sublicense as shall be pertinent to a royalty accounting under said sublicense agreements.

2.5 Subject to Sections 2.6, 2.7 and 15.7 below, the license granted hereunder shall not be construed to confer any rights upon LICENSEE by implication, estoppel or otherwise as to any technology not specifically set forth in Appendix A, Appendix B, Appendix C, and Appendix D hereof.

2.6 JOHNS HOPKINS hereby also grants to LICENSEE a right of first negotiation at then commercially reasonable terms, to obtain an exclusive license to any Inventions, as previously defined, developed during the term of this Agreement and any extension thereof and pursuant to any Research Agreement between the parties hereto (Appendix D). JOHNS HOPKINS shall promptly give LICENSEE written notice of any such Inventions, as defined, and LICENSEE shall have one hundred and twenty (120) days from the date of receipt of such notice to give JOHNS HOPKINS written notice of its intent to exercise such option and complete negotiations. JOHNS HOPKINS shall not negotiate with any third party regarding these Inventions during the period of LICENSEE's right to negotiate. During the term of this Agreement and any extension thereof, Dr. Chandrasegaran shall be free to pursue any scientific investigations of his choice through collaboration with colleagues. Should any such collaboration involve a Licensed Product or Licensed Process, JOHNS HOPKINS will take the initiative of promptly communicating with these colleagues for the purpose of using its reasonable best efforts to have such colleagues agree to be bound by the terms of this Agreement with regard to Licensed Products and Licensed Processes.

2.7 Appendix B attached hereto contains ideas conceived by Dr. Chandrasegaran for developing laboratory reagents, diagnostics, and pharmaceuticals relating to chimeric restriction endonucleases. Dr. Chandrasegaran shall give written notice of any Invention resulting under the Advanced Technology Program within sixty (60) days of the completion of the funding of such program. Any Invention resulting in whole or in part from said ideas which are made pursuant to an award under the Advanced Technology Program where a grant application was filed on March 29, 1995 (Appendix C) shall be assigned to LICENSEE pursuant to Section 15.7 below and Dr. Chandrasegaran will be named as sole inventor unless another individual makes a creative input to said Invention. LICENSEE shall have the first right of negotiation, under then commercially reasonable terms, to obtain an exclusive, royalty-bearing license under any Invention resulting from said ideas in Appendix B made by Dr. Chandrasegaran with funding from a source other than the Advanced Technology Program grant.

ARTICLE III - DUE DILIGENCE

3.1 In order to assure the diligent development of the Licensed Products and Licensed Processes, LICENSEE shall either fulfill the due diligence milestones set forth in Paragraph 3.2 below or make the minimum royalty payments set forth in Paragraph 3.3 below.

3.2 LICENSEE's due diligence milestones shall be as follows:

(a) Within six (6) months from the date of this Agreement, LICENSEE shall deliver a business plan describing a program for the development of the Patent Rights.

(b) Within four (4) years from the Effective Date of this Agreement, LICENSEE shall have spent or caused to be spent, either directly by LICENSEE or indirectly pursuant to agreements entered into by LICENSEE (including Research Agreement funding and grant funding provided by or associated with LICENSEE to JOHNS HOPKINS), a total of One Million Dollars (\$1,000,000) on activities relating to the research and development, marketing, sale, manufacture, lease and use of Licensed Products and Licensed Processes. All amounts expended on Licensed Products and Licensed Processes shall be credited toward the above indicated amounts, including but not limited to salaries, overhead salaries, overhead, capital, equipment, consulting fees and cost of materials.

(c) Within four (4) years from the Effective Date of this Agreement, LICENSEE shall submit an Experimental Plan for, and begin experimental work on, an appropriate testing program for at least one (1) Licensed Product. Such Experimental Plan shall be sufficiently detailed and comprehensive that, in the good faith opinion of LICENSEE and its counselors, the Plan shall, if successful, be reasonably adequate to support a credible and potentially successful Investigative New Drug (IND) application to the U.S. Food and Drug Administration within seven (7) years from the Effective Date of this Agreement.

(d) Within seven (7) years of the Effective Date of this Agreement, LICENSEE shall have submitted a complete Investigative New Drug application to the U.S. FDA, such IND to be supported with appropriate studies and other toxicity and safety tests as may be required by the FDA.

(e) Within three (3) years of the Effective Date of this Agreement, LICENSEE shall have made a first commercial sale of at least one (1) Licensed Product.

3.3 In the event that LICENSEE has failed to meet any particular due diligence milestone set forth in Paragraph 3.2 above on or before the date set forth therein with respect to each such milestone, JOHNS HOPKINS shall notify LICENSEE thereof and LICENSEE shall have ninety (90) days following such notification either to establish to the reasonable satisfaction of JOHNS HOPKINS that it has met such milestone or to make the initial penalty payment referred to in Paragraph 3.4 below.

3.4 In the event that LICENSEE shall have failed to establish its achievement of any particular milestone to the reasonable satisfaction of JOHNS HOPKINS as set forth in Paragraph 3.3 above, JOHNS HOPKINS shall have the right to terminate this Agreement, unless LICENSEE shall make to JOHNS HOPKINS the following penalty payments:

(a) To maintain the exclusive rights granted herein on an exclusive basis as set forth in Paragraph 2.2, the amount of Fifty Thousand Dollars (\$50,000) in the year of the breach and Fifty Thousand Dollars (\$50,000) annually thereafter until the breach is cured; with such amount increasing to One Hundred Thousand Dollars (\$100,000) annually commencing the eighth year following the Effective Date of this Agreement.

(b) To maintain its rights granted herein without the exclusivity provisions of Paragraph 2.2, the sum of Twenty-Five Thousand Dollars (\$25,000) in the year of the breach and Twenty-Five Thousand Dollars (\$25,000) per year thereafter until cured.

The penalty payments described in (a) and (b) above shall only be due within thirty (30) days following the failure of LICENSEE to achieve a milestone or cure such failure within the ninety (90) days set forth in Paragraph 3.3 above. LICENSEE's obligation to make such penalty payments shall terminate when the applicable milestone has been met.

ARTICLE IV - ROYALTIES

4.1 For the rights, privileges and license granted hereunder, LICENSEE shall pay to JOHNS HOPKINS in the manner hereinafter provided for so long as LICENSEE by its activities would, but for the licenses granted herein, infringe a valid, enforceable claim of an unexpired Patent Right or until this Agreement shall be terminated as hereinafter provided:

(a) At the time that LICENSEE closes financing equal to a total cumulative equity investment of at least Five Hundred Thousand Dollars (\$500,000) ("Initial Financing"), LICENSEE shall issue to JOHNS HOPKINS that number of common units equal to that portion of the total number of common and preferred units issued with respect to the first Five Hundred Thousand Dollars (\$500,000) in equity capital invested in the LICENSEE multiplied by 0.075. If the preferred units issued in any financing have antidilution protection, JOHNS HOPKINS shall be entitled to equivalent protection for its common units. JOHNS HOPKINS shall also be entitled, at its sole option, to invest its own funds in the second and any subsequent round of investment funding at a price per unit which is the same price as is offered to other second round investors, for up to a total number of shares such that JOHNS HOPKINS' share of equity in the Company would remain at seven-and-one-half percent (7.5%).

(b) At the time that the cumulative equity capital invested in the Company is equal to Two Million Dollars (\$2,000,000), LICENSEE shall pay to JOHNS HOPKINS:

(i) a License Issue Fee of Fifty Thousand Dollars (\$50,000) (Ten Thousand Dollars (\$10,000) of said License Issue Fee shall be considered an Administrative Signing Fee); and

(ii) shall commence annual maintenance fees of Five Thousand Dollars (\$5,000) due on January 1 of each year following the financing date.

(c) LICENSEE shall also pay to JOHNS HOPKINS a running royalty on Licensed Products during the Exclusive Period for such products as follows:

(i) For sales by LICENSEE and its Subsidiaries:

(1) for reagent products, 3% of the first Ten Million Dollars (\$10,000,000) of Net Sales; 2% of the next Twenty Million Dollars (\$20,000,000) of Net Sales; and 1% of the Net Sales in excess of Thirty Million Dollars (\$30,000,000);

(2) for diagnostic products, 4% of the first Ten Million Dollars (\$10,000,000) of Net Sales; 3% of the next Twenty Million Dollars (\$20,000,000) of Net Sales; and 2% of Net Sales in excess of Thirty Million Dollars (\$30,000,000); and

(3) for therapeutic products, 5% of the first Ten Million Dollars (\$10,000,000) of Net Sales; 4% of the next Twenty Million Dollars (\$20,000,000) of Net Sales; and 3% of Net Sales in excess of Thirty Million Dollars (\$30,000,000).

(ii) for sales by sublicensees:

(1) for reagents products, the greater of 2% of Net Sales or thirty percent (30%) of sublicense royalties received by LICENSEE;

(2) for diagnostic products, the greater of 3% of Net Sales or twenty-five (25%) of sublicense royalties received by LICENSEE; and

(3) for therapeutic products, the greater of 4% of Net Sales or twenty percent (20%) of sublicense royalties received by LICENSEE.

(d) LICENSEE shall pay to JOHNS HOPKINS 2% of initial License Fees (excluding all other forms of payment including, but not limited to, research funding) LICENSEE receives from all sublicensees.

(e) During the nonexclusive period for any Licensed Product, LICENSEE shall pay to JOHNS HOPKINS a running royalty on the Net Sales of such Licensed Products sold by LICENSEE, its Subsidiaries and its sublicensees equal to one-half (1/2) of the royalty set forth in (c) above for sales during the Exclusive Period.

4.2 No multiple royalties shall be payable because any Licensed Product, its manufacture, lease or sale are or shall be covered by more than one patent application or patent licensed under this Agreement or acquired under a license pursuant to Paragraph 2.6 or 2.7. If a Licensed Product is covered by this Agreement and a License Agreement pursuant to Paragraph 2.6 and/or 2.7 the highest applicable royalty rate will apply. If, as to any Licensed Product, LICENSEE is required to pay a royalty to any third party, the royalty rates set forth in Paragraph 4.1 shall be reduced by one-half (1/2) of the royalty rates paid to the third party, but in no event shall the rates in Paragraph 4.1 be reduced by more than fifty percent (50%).

4.3 Royalty payments shall be paid in United States dollars in Baltimore, Maryland, at the time and in the manner provided in Article V below. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate prevailing at the Bank of America Corporation on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

4.4 At the end of the first calendar year beginning after the first commercial sale of a Licensed Product by LICENSEE, a subsidiary, or a sublicensee, and each calendar year thereafter (hereinafter "Royalty Year"), LICENSEE shall pay JOHNS HOPKINS the greater of royalties payable pursuant to Paragraph 4.1(c) or a minimum annual royalty according to the following schedule:

At the End of the First Royalty Year	- \$5,000 (Five Thousand Dollars)
At the End of the Second Royalty Year	- \$10,000 (Ten Thousand Dollars)
At the End of the Third and Through the Ninth Royalty Year	- \$20,000 (Twenty Thousand Dollars)
At the End of the Tenth and Each Subsequent Royalty Years	- \$25,000 (Twenty-Five Thousand Dollars)

Said minimum annual royalty shall be paid to JOHNS HOPKINS within thirty (30) days of the end of each Royalty Year. Failure by LICENSEE to pay the minimum annual royalty required by this Paragraph 4.4 shall give JOHNS HOPKINS the right to convert the exclusive license granted by this Agreement to a nonexclusive license.

ARTICLE V - REPORTS AND RECORDS

5.1 LICENSEE shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to JOHNS HOPKINS hereunder. Said books of account shall be kept at LICENSEE's principal place of business or the principal place of business of the appropriate Division of LICENSEE to which this Agreement relates. Said books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to the inspection of JOHNS HOPKINS or its agents for the purpose of verifying LICENSEE's royalty statement or compliance in other respects with this Agreement.

5.2 Commencing with the first commercial sale of a Licensed Product, LICENSEE, within sixty (60) days after March 31, June 30, September 30 and December 31, of each year, shall deliver to JOHNS HOPKINS true and accurate reports, giving such particulars of the business conducted by LICENSEE, its Subsidiaries and its sublicensees during the preceding three-month period under this Agreement as shall be pertinent to a royalty accounting hereunder. These shall include at least the following:

- (a) All Licensed Products manufactured and sold.
- (b) Total billings for Licensed Products sold.
- (c) Accounting for all Licensed Processes used or sold.
- (d) Deductions applicable as provided in Paragraph 1.6.
- (e) Total royalties due.
- (f) Names and addresses of all sublicensees of LICENSEE.

Where reasonably practical, LICENSEE shall, to the best of its knowledge, subcategorize the Licensed Products sold so as to assign the royalties paid to individual patent(s) of Appendix A. Such subcategorization shall be for JOHNS HOPKINS administrative purposes only and shall in no way affect any obligations of any part or the amounts of royalties to be paid under this Agreement. Until there has been a first commercial sale of a Licensed Product, the LICENSEE shall give an annual report of LICENSEE's efforts to achieve a first commercial sale.

5.3 With each such report submitted, LICENSEE shall pay to JOHNS HOPKINS the royalties due and payable under this Agreement. If no royalties shall be due, LICENSEE shall so report.

5.4 The royalty payments set forth in this Agreement shall, if overdue, bear interest until payment at a per annum rate two percent (2%) above the prime rate in effect at Bank of America on the due date. The payment of such interest shall not foreclose JOHNS HOPKINS from exercising any other rights it may have as a consequence of the lateness of any payments.

ARTICLE VI - PATENT PROSECUTION

6.1 JOHNS HOPKINS represents that Appendix A, as amended from time-to-time, contains an accurate and complete listing of the patent applications and issued patents included within the Patent Rights. JOHNS HOPKINS agrees to promptly amend Appendix A within thirty (30) days of any new Invention made pursuant to the ATP.

6.2 JOHNS HOPKINS warrants that it has the right to grant the rights and licenses granted herein to LICENSEE free and clear of all liens and encumbrances, except to the extent set forth in Article XII.

6.3 Within ninety (90) days of the completion of the financing set forth in Paragraph 4.1(b), LICENSEE shall reimburse JOHNS HOPKINS for previously-incurred as well as future expenses paid to third parties relating to drafting, filing, prosecuting and maintaining U.S. and foreign patent applications and patents included in the Patent Rights; provided, however, if such reimbursement amount exceeds Fifty Thousand Dollars (\$50,000), then the amount above \$50,000 shall be due twenty-four (24) months from the date of the initial payment, JOHNS HOPKINS shall, on LICENSEE's request and expense, file, prosecute, and maintain appropriate additional foreign patent applications and patents directed to the inventions which will be included in the Patent Rights and LICENSEE shall be licensed thereunder. If LICENSEE elects not to pay expenses associated with filing, prosecuting, and maintaining U.S. and foreign patent applications and patents directed to the inventions, JOHNS HOPKINS may file, prosecute, and maintain such U.S. and foreign patent applications and patents at its own expense and LICENSEE shall not be licensed thereunder.

6.4 With regard to substantive correspondence, patent applications and patents included in the Patent Rights, JOHNS HOPKINS shall in a timely manner send LICENSEE (a) copies of all proposed patent applications and correspondence to the respective patent office, give LICENSEE an opportunity to comment thereon, and incorporate such changes as reasonably requested by LICENSEE; and copies of correspondence from the patent office.

6.5 JOHNS HOPKINS shall reasonably respond to LICENSEE's request for change in outside patent counsel.

ARTICLE VII - INFRINGEMENT

7.1 Each party to this Agreement shall promptly notify the other party in writing of any alleged infringement and of any available evidence of infringement by a third party of any patents within the Patent Rights of which it becomes aware.

7.2 During the term of this Agreement, LICENSEE shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Patent Rights and, in furtherance of such right, LICENSEE hereby agrees that JOHNS HOPKINS may join LICENSEE as a party plaintiff in any such suit, without expense to JOHNS HOPKINS, provided, however, that such right to bring an infringement action shall remain in effect only for so long as the license granted herein remains exclusive. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of JOHNS HOPKINS, which consent shall not unreasonably be withheld. LICENSEE shall indemnify JOHNS HOPKINS against any order for costs or other expenses that may be made against JOHNS HOPKINS in such proceedings. The total cost of any such infringement action commenced or defended solely by LICENSEE shall be borne by LICENSEE, and LICENSEE shall keep any recovery damages for past infringement derived therefrom, after payments to JOHNS HOPKINS of the royalty rate set forth in Paragraph 4.1(c)(i) applied to the sum of the recovery, damages or any other amount received in any form of disputation and/or in settlement of any infringement or alleged infringement of the Patent Rights remaining after LICENSEE has reimbursed itself for all costs, including legal costs, associated with the prosecution.

7.3 If within six (6) months after having been notified of any alleged infringement, LICENSEE shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting any infringement action, or if LICENSEE shall notify JOHNS HOPKINS at any time prior thereto of its intention not to bring suit against any alleged infringer, then, JOHNS HOPKINS shall have the right, but shall not be obligated to prosecute at its own expense any infringement of the Patent Rights, and JOHNS HOPKINS may, for such purposes, use the name of LICENSEE as party plaintiff without expense to LICENSEE, and JOHNS HOPKINS shall keep any recovery or damages derived therefrom.

7.4 In the event that a declaratory judgment action alleging invalidity or noninfringement of any of the Patent Rights shall be brought against LICENSEE, JOHNS HOPKINS at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and participate in the defense of the action at their own expense.

7.5 In any infringement suit that any party hereto may institute to enforce the Patent Rights pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

7.6 LICENSEE, during the Exclusive Period of this Agreement, shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer under the Patent Rights to avoid future infringements. Amounts received from any such sublicensee constituting retroactive royalties shall be considered amounts received in settlement and accounted for under Paragraph 7.2 above. Otherwise, amounts received from such sublicensee shall be treated in accordance with Paragraph 4.1(c) above.

ARTICLE VIII - LIABILITY

8.1 Inasmuch as JOHNS HOPKINS will not, under the provisions of this Agreement or otherwise, have control over the manner in which LICENSEE, or its Subsidiaries or its agents or its sublicensees or those operating for its account, or third parties who purchase Licensed Products from any of the foregoing entities, practice any invention encompassed by the license granted herein, LICENSEE shall defend and hold JOHNS HOPKINS, its trustees, officers, employees, students, and affiliates harmless as against any judgments, fees, expenses or other costs (including reasonable attorneys' fees) arising from or incidental to any product liability or other lawsuit brought as a consequence of the practice of said invention by any of the foregoing entities, whether or not JOHNS HOPKINS is named as party defendant in any such lawsuit. LICENSEE shall have the right to defend such a product liability lawsuit with counsel of its own choosing and JOHNS HOPKINS will cooperate in the defense of such action at LICENSEE's expense. Practice of the Invention encompassed by the license granted herein by a Subsidiary or an agent or a sublicensee, or a third party on behalf of or for the account of LICENSEE or by a third party who purchases Licensed Products from any of the foregoing shall be considered LICENSEE's practice of said invention for purposes of this Paragraph 8.1. The provisions of this Paragraph 8.1 shall survive termination of this Agreement.

8.2 LICENSEE shall maintain or cause to be maintained, prior to the first planned use of Licensed Products or Licensed Processes in humans, product liability insurance or other protection reasonably acceptable to JOHNS HOPKINS which shall protect LICENSEE and JOHNS HOPKINS in regard to events covered by Paragraph 8.1 above. LICENSEE will disclose to JOHNS HOPKINS the amount and kind of product liability insurance it obtains, will give JOHNS HOPKINS a copy of the certificate of insurance, and will increase or change the kind of insurance at the reasonable request of JOHNS HOPKINS, provided such insurance is available to LICENSEE at commercially reasonable rates.

8.3 Except as otherwise expressly set forth in this Agreement, JOHNS HOPKINS makes no representations and extend no warranties of any kind, either express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose, and validity of Patent Rights claims, issued or pending.

8.4 No liability under this Agreement shall result to a party from delay in performance caused by force majeure, that is, circumstances beyond the reasonable control of the party affected thereby, including, without limitation, acts of God, earthquake, fire, flood, war, government regulations, labor unrest, or shortage of or an inability to obtain material or equipment.

ARTICLE IX - EXPORT CONTROLS

It is understood that JOHNS HOPKINS 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 their 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. JOHNS HOPKINS neither represents that a license shall not be required nor that, if required, it shall be issued.

ARTICLE X - NON-USE OF NAMES

LICENSEE shall not use the name of JOHNS HOPKINS, nor any of its employees, or any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from JOHNS HOPKINS in each case, except that LICENSEE may state that it is licensed by JOHNS HOPKINS under one or more of the patents and/or applications comprising the Patent Rights.

ARTICLE XI - ASSIGNMENT

This Agreement may not be assigned, in whole or in part, except in conjunction with the sale of the entire business, or an operating business division, of LICENSEE to which the Patent Rights relate, without the prior consent of JOHNS HOPKINS, which consent shall not be unreasonably withheld.

ARTICLE XII - GOVERNMENT RIGHTS

12.1 Pursuant to 35USC202, JOHNS HOPKINS has elected to take all rights, title and interest in the inventions forming the basis of the Patent Rights.

12.2 LICENSEE hereby specifically agrees to cooperate with JOHNS HOPKINS in abiding by the terms and conditions imposed on JOHNS HOPKINS pursuant to 35USC200-211 and the regulations promulgated thereunder.

12.3 JOHNS HOPKINS warrants that it has complied with and will continue to comply with all duties and obligations running from JOHNS HOPKINS to the Government pursuant to 35USC200-211 and the regulations promulgated thereunder.

12.4 LICENSEE agrees to manufacture in the United States those Licensed Products which are sold and used in the United States.

ARTICLE XIII - TERMINATION

13.1 This Agreement shall terminate if LICENSEE dissolves, unless this Agreement has been assigned prior to the date of dissolution.

13.2 Should LICENSEE fail to pay JOHNS HOPKINS royalties due and payable hereunder, JOHNS HOPKINS shall have the right to terminate this Agreement on sixty (60) days' written notice, unless LICENSEE shall pay JOHNS HOPKINS within the sixty (60) day period, all such royalties and interest due and payable. Upon the expiration of the sixty (60) day period, if LICENSEE shall not have paid all such royalties and interest due and payable, the rights, privileges and license granted hereunder shall terminate.

13.3 Upon any material breach or default of this Agreement by LICENSEE other than those occurrences set out in Paragraphs 13.1 and 13.2 hereinabove, which shall always take precedence in that order over any material breach or default referred to in this Paragraph 13.3, JOHNS HOPKINS shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder by giving ninety (90) days' notice to LICENSEE. Such termination shall become effective unless LICENSEE shall have cured any such breach or default prior to the expiration of the ninety (90) day period.

13.4 LICENSEE shall have the right to terminate this Agreement at any time on six (6) months' notice to JOHNS HOPKINS and upon payment of all amounts due JOHNS HOPKINS.

13.5 Upon termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. LICENSEE and any Subsidiary and sublicensee thereof may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that LICENSEE shall pay to JOHNS HOPKINS the royalties thereon as required by Article IV of this Agreement and shall submit the reports required by Article V hereof on the sales of Licensed Products.

13.6 Upon termination of this Agreement for any reason during the Exclusive Period, any sublicensee not then in default shall have the right to seek a license from JOHNS HOPKINS under the same terms and conditions as set forth hereunder.

13.7 The provisions of Paragraph 8.1, Article IX, and Article X shall survive termination of this Agreement.

ARTICLE XIV - PAYMENTS, NOTICES AND OTHER COMMUNICATIONS

14.1 Any payment, notice or other communication pursuant to this Agreement shall be sufficiently made or given on the date of mailing if sent to such party by certified first class mail, postage prepaid, addressed to it at its address below or as it shall designate by written notice given to the other party:

In the case of JOHNS HOPKINS:

Johns Hopkins University
300 Whitehead Hall
Charles and 34th Streets
Baltimore, Maryland 21218
Attention: Edwin T. Yates, Ph.D.

With a copy to:

Associate Dean for Corporate Affairs
Johns Hopkins University
School of Hygiene and Public Health
111 Market Place, Suite 840
Baltimore, Maryland 21202-6709
Attention: Alan M. Goldberg, Ph.D.

In the case of LICENSEE:

Edward Lanphier
Sangamo BioSciences, Inc.
P.O. Box 334
Ross, California 94957

With a copy to:

Stephan Dolezalek, Esq.
Brobeck, Phleger & Harrison
Two Embarcadero Place
2200 Geng Road
Palo Alto, California 94303

ARTICLE XV - MISCELLANEOUS PROVISIONS

15.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Maryland, U.S.A., except that questions affecting the validity, construction and effect of any patent licensed hereunder, shall be determined by the law of the country in which the patent was granted.

15.2 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.

15.3 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

15.4 LICENSEE agrees to mark the Licensed Products sold in the United States with all applicable United States patent numbers. All Licensed Products shipped to or sold in other countries shall be marked in such a manner as to conform with the patent laws and practice of the country of manufacture or sale.

15.5 The failure of any party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

15.6 Claims, disputes, or controversies concerning the validity, construction, or effect of any patent licensed hereunder shall be resolved in any court having jurisdiction thereof.

15.7 A grant application under the Advanced Technology Program was filed on March 29, 1995 (Appendix C). If a grant is awarded, any Invention made pursuant thereto where an investigator at JOHNS HOPKINS is the sole inventor or a coinventor shall be assigned to LICENSEE. Such Invention shall be assigned hereunder and shall thereafter fall within the definition of Patent Rights and therefore shall be subject to Sections 3.2, 3.3 and 3.4 hereof and to the royalty payments required by Sections 4.1(c)(i), 4.1(d) and 4.4 hereof as part of the rights licensed hereunder.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and duly executed this Agreement the day and year set forth below.

JOHNS HOPKINS UNIVERSITY

By: _____
Herbert R. Hansen, Jr., MBA, CPA
Senior Associate Dean, Finance and Administration

Date: _____

OR

By: /s/ Alan M. Goldberg
Alan M. Goldberg, Ph.D.
Associate Dean, Corporate Affairs

Date: July 10, 1995

AND

By: /s/ John Groopman
John Groopman, Ph.D.
Chairman, Environmental Health Sciences

Date: 7/10/95

SANGAMO BIOSCIENCES, INC.

By: /s/ Edward O. Lanphier II
Edward O. Lanphier II
President

Date: June 30, 1995

APPENDIX A

PATENTS:

APPENDIX B

INVENTION DISCLOSURES:

APPENDIX C

ADVANCED TECHNOLOGY PROGRAM GRANT PROPOSAL:

APPENDIX D

RESEARCH AGREEMENT:

Nina M. Siegler, C.F.A.
Office of Technology Transfer Director

708 N Wyman Park Center
3400 N. Charles Street
(410) 516-8137
Fax (410) 516-7811

AMENDMENT NO. 1

TO THE LICENSE AGREEMENT

between Johns Hopkins University and Sangamo Biosciences, Inc.

This Amendment No. 1, dated June 1, 1998 ("Effective Date") to the License Agreement dated June 29, 1995 concerning the licensing and other matters of patent properties referred to in the License Agreement as "Functional Domains in Flavobacterium Okeanoites (FOK1) Restriction Endonuclease", US Patent Application Serial Number 07/862,831, filed April 3, 1992, JHU Reference C-1191, (Dr. Srinivasan Chandrasegaran, Inventor) and other Patent Rights, is entered into between Johns Hopkins University, a not-for-profit educational institution having an address at 3400 N. Charles Street, Baltimore, MD ("JOHNS HOPKINS" or "JHU") and Sangamo Biosciences, Inc., a corporation of the State of Delaware and having a principal place of business at Point Richmond Tech Center, 501 Canal Blvd, Suite A-100, Richmond, CA ("LICENSEE").

This document amends the License Agreement by the following:

1. In Paragraph 4.1, delete in its entirety paragraph 4.1.(c). Replace with new Paragraph 4.1.(c):

4.1.(c) LICENSEE shall also pay to JOHNS HOPKINS a running royalty on Licensed Products as follows:

- (i) for therapeutic products, Two Percent (2%) of Net Sales
- (ii) for diagnostic products, One Percent (1%) of Net Sales
- (iii) for reagent products, One Half Percent (0.5%) of Net Sales

2. Delete in its entirety Paragraph 4.4, and replace with the following new Paragraph 4.4:

4.4 LICENSEE shall pay to JOHNS HOPKINS a minimum annual royalty according to the following schedule and within thirty (30) days of the end of the calendar year:

1999,2000	\$20,000 per year
2001-2005	\$15,000 per year
2006 and until termination	\$25,000 per year

Failure by LICENSEE to pay the minimum annual royalty required by this Paragraph 4.4 shall give JOHNS HOPKINS the right to convert the exclusive license granted by this Agreement to a nonexclusive license.

3. Add new Paragraph 4.5 as follows:

4.5 For the rights, privileges and license granted by Amendment No. 1, dated _____, LICENSEE agrees to pay to JOHNS HOPKINS the sum of One Hundred and Twenty Thousand Dollars (\$120,000) , payable in equal installments within eighteen months of the Effective Date of Amendment No. 1.

4. Add new Paragraph 6.6 as follows:

6.6 LICENSEE shall have the right, but not the obligation, to assume primary responsibility for patent prosecution. JOHNS HOPKINS hereby agrees to reasonably cooperate with the transfer of case files, execution of appropriate documents and any other matters needed for LICENSEE to assume such responsibility. In such case, LICENSEE shall provide to JHU copies of all correspondence from and to the US PTO and international equivalents with sufficient time to allow for comment by JHU.

LICENSEE shall endeavor to accommodate JHU's comments into a reasonable patent prosecution strategy. In no case shall LICENSEE abandon any application or patent in any country without prior approval from JHU. In any country where the LICENSEE elects not to have a patent application filed or to pay expenses associated with filing, prosecuting, or maintaining a patent application or patent, LICENSEE shall notify JHU allowing at least thirty (30) days for JHU to assume such responsibilities. JHU may file, prosecute, and/or maintain a patent application or patent at its own expense and for its own exclusive benefit and the LICENSEE thereafter shall not be licensed under such patent or patent application. Upon termination of this Agreement, LICENSEE shall immediately transfer all case files, execute any appropriate documents related to patent matters and cooperate in any other matters needed for JHU to assume responsibility for patent prosecution.

5. In Paragraph 13.7, add after "Article X", insert, "Paragraph 4.5 and Paragraph 6.6".

6. Add new Paragraph 15.8 as follows:

15.8 With respect to "Methods for Inactivating Target DNA and For Detecting Conformation Change in a Nucleic Acid", Inventor, Srinivasan Chandrasegaran, US Patent Application SN 08/647,449, Filed 5/7/96 (JHU Docket: C-1288), LICENSEE hereby acknowledges and agrees that Dr. Chandrasegaran is the sole inventor of this property.

7. In Appendix A, add:

5. "General Method to Clone Hybrid Restriction Endonucleases Using lig Gene" Srinivasan Chandrasegaran, US Patent Application SN 08/575,361 Filed 12/24/95 JHU Docket: C-1274

6. "Methods for Inactivating Target DNA and For Detecting Conformation Change in a Nucleic Acid" Srinivasan Chandrasegaran, US Patent Application SN 08/647,449 Filed 5/7/96 JHU Docket: C-1288

8. Except as expressly modified by this Amendment No. 1, the License Agreement shall remain in full force and effect.

9. In Paragraph 3.2(e) change it to read, "Within seven (7) years of the Effective Date of this Agreement, LICENSEE shall have made a commercial sale of at least one (1) Licensed Product."

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered as of the date first written above.

For Sangamo Biosciences, Inc.:

/s/ Edward O. Lanphier II
Edward O. Lanphier II
President

7/16/98
Date

For Johns Hopkins University:

/s/ Herbert R. Hansen, J.
Herbert R. Hansen, J., MBA, CPA
Senior Associate Dean, Finance and Administration

7/8/98
Date

Sangamo Amendment #1 (6/29/98)

Ms. Nina M. Siegler
Director, Office of Technology Transfer
Johns Hopkins University
708N Wyman Park Center
3400 N. Charles Street
Baltimore, MD 21218-2695

Dear Nina:

As you know, the License Agreement between Johns Hopkins University ("JHU") and Sangamo BioSciences, Inc. dated June 29, 1995, in Article IV(a) at page 9, grants JHU certain rights to invest its own funds in investment funding of Sangamo.

Sangamo has filed a Registration Statement with the SEC for an initial public offering ("IPO") which we expect will take place in late March or April 2000. While we understand that Article IV(a) was intended to apply to private financings prior to our IPO, Lehman Bros., our lead underwriter, has asked us to have you confirm that paragraph (a) of Article IV will terminate upon our IPO. In accordance with our telephone conversation on March 9, 2000, in order to make it completely clear that Article IV(a) will not apply to our IPO and thereafter Sangamo will pay JHU \$25,000 upon receipt of a signed copy of this letter and an additional \$25,000 on September 15, 2000 in consideration for the following amendment to the License Agreement and Agreement:

Article IV(a) is hereby amended by adding the following sentence at the end of paragraph (a): "THE PROVISIONS OF THIS PARAGRAPH WILL TERMINATE UPON THE SALE BY THE COMPANY OF ITS COMMON STOCK IN ITS INITIAL PUBLIC OFFERING MADE PURSUANT TO A REGISTRATION STATEMENT DECLARED EFFECTIVE BY THE SECURITIES AND EXCHANGE COMMISSION."

JHU acknowledges that Sangamo has complied with all of the provisions of Article IV(a).

Please sign a copy of this letter and return it to me at your earliest convenience. We appreciate your cooperation in helping us become a public company.

Sincerely,

Edward Lanphier

THE FOREGOING IS AGREED TO:

JOHNS HOPKINS UNIVERSITY

By: _____

Dated: _____, 2000

CHIEF EXECUTIVE OFFICER CERTIFICATE

I, Edward O. Lanphier II, certify that:

1. I have reviewed this annual report on Form 10-K/A of Sangamo BioSciences, Inc.; and
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 21, 2010

By: /s/ Edward O. Lanphier II

Edward O. Lanphier II
President, Chief Executive Officer and
Director (Principal Executive Officer)

PRINCIPAL FINANCIAL OFFICER CERTIFICATE

I, H. Ward Wolff, certify that:

1. I have reviewed this annual report on Form 10-K/A of Sangamo BioSciences, Inc.; and
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 21, 2010

By: /s/ H. Ward Wolff

H. Ward Wolff
Executive Vice President and Chief Financial Officer (Principal
Financial and Accounting Officer)