As filed with the Securities and Exchange Commission on June 30, 2000

Registration No. 333-_____

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

REGISTRATION STATEMENT
ON FORM S-3
UNDER THE SECURITIES ACT OF 1933

TECHNICLONE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	95-3698422
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

14282 FRANKLIN AVENUE
TUSTIN, CALIFORNIA 92780-7017
(714) 508-6000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

JOHN N. BONFIGLIO
14282 FRANKLIN AVENUE
TUSTIN, CALIFORNIA 92780-7017
(714) 508-6000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

WITH COPIES TO:
OTTO E. SORENSEN, ESQ.
LUCE, FORWARD, HAMILTON & SCRIPPS, LLP
600 WEST BROADWAY, SUITE 2600
SAN DIEGO, CA 92101
(619) 699-2534

APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC:

From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. | |

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. |X|

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. | |

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. | |

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. | |

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately $264,254,000 as of June 28, 2000, based upon the price at which such stock was last sold in the principal market for such stock as of such date.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE
Common stock, $.001 par value (3)	742,857	$3.16	$2,347,428	$845
Shares of common stock, $.001 par value (4)	125,000	$3.16	$395,000	$142
Shares of common stock, $.001 par value (5)	1,500,000	$3.16	$4,740,000	$1,706
Common stock, $.001 par value (6)	638,458	$3.16	$2,017,527	$726
Shares of common stock, $.001 par value (7)	15,625	$3.16	$49,375	$18
Shares of common stock, $.001 par value (8)	9,310	$3.16	$29,420	$11
Shares of common stock, $.001 par value (9)	14,210	$3.16	$44,904	$16
Shares of common stock, $.001 par value (10)	10,188	$3.16	$32,194	$12
Shares of common stock, $.001 par value (11)	6,430	$3.16	$20,319	$7
Shares of common stock, $.001 par value (12)	8,080	$3.403	$27,496	$10
Shares of common stock, $.001 par value (13)	750,000	$3.16	$2,370,000	$853
Common stock, $.001 par value (14)	585,009	$3.16	$1,848,628	$666
Total.....	4,405,167		$13,922,291	$5,012

(1) In the event of a stock split, stock dividend or similar transaction involving our common stock, in order to prevent dilution, the number of shares registered shall automatically be increased to cover the additional shares in accordance with Rule 416(a) under the Securities Act of 1933, as amended (the "Securities Act").

(2) In accordance with Rule 457(c), the aggregate offering price of shares of common stock of Techniclone Corporation (the "Company") is estimated solely for purposes of calculating the registration fees payable pursuant hereto, using the average of the high and low sales price reported by the Nasdaq SmallCap Market for our common stock on June 28, 2000, which was $3.16 per share and, with respect to shares of common stock of the Company issuable upon exercise of outstanding warrants, the higher of (i) such average sales price or (ii) the exercise price of such warrants.

(3) Represents shares of common stock which may be issued to Schering A.G. in connection with an amendment agreement dated June 14, 2000 (the "Amendment Agreement"), pursuant to which $1.3 million worth of common stock would be issued to Schering A.G. on the date this Registration Statement becomes effective. Two times the number of shares which would be issued with the share price of $3.50 per share are being registered.

(4) Represents shares of common stock issuable upon the exercise of outstanding options to purchase 125,000 shares issued to Biotechnology Development Ltd. ("BTD") under the Option Agreement of October 23, 1998, at an exercise price of $3.00 per share which rights were later assigned to Cresent Mortgage Corporation.

(5) Represents shares of common stock issuable upon the exercise of non-qualified options held by one director and two consultants of the Registrant at an exercise price of $.34 per share.

(6) Represents shares of common stock issued to Dunwoody Brokerage Services, Inc. ("Dunwoody") pursuant to the terms of a Placement Agent Agreement dated as of June 16, 1998 by and between the Company and Dunwoody, as successor in interest to Swartz Investments, LLC, a Georgia limited liability company, in connection with the issuance of shares of common stock to two institutional investors pursuant to the terms of a Regulation D Common Stock Equity Line Subscription Agreement (the "Equity Line") dated as of June 16, 1998, by and between the Company and the two institutional investors, as follows: (i) 156,250 shares of common stock were issued to Dunwoody on or about August 16, 1999 in connection with the issuance of 1,562,500 shares of common stock to the two institutional investors (the "August 16, 1999 Issuance"); (ii) 93,103 shares of common stock were issued to Dunwoody on or about October 13, 1999 in connection with the issuance of 931,033 shares of common stock to the two institutional investors (the "October 13, 1999 Issuance"); (iii) 142,105 shares of common stock were issued to Dunwoody on or about November 19, 1999 in connection with the issuance of 1,421,052 shares of common stock to the two institutional investors (the "November 19, 1999 Issuance"); (iv) 101,886 shares of common stock were issued to Dunwoody on or about January 14, 2000 in connection with the issuance of 1,018,867 shares of common stock to the two institutional investors (the "January 14, 2000 Issuance"); (v) 64,306 shares of common stock were issued to Dunwoody on or about February 4, 2000 in connection with the issuance of 643,061 shares of common stock to the two institutional investors (the "February 4, 2000 Issuance"); and (vi) 80,808 shares of common stock were issued to Dunwoody on or about February 25, 2000 in connection with the issuance of 808,080 shares of common stock to the two institutional investors (the "February 25, 2000 Issuance"). Ownership of the Dunwoody shares has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the shares.

(7) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $.80 per share, issued to Dunwoody on or about August 16, 1999 as a placement agent fee in connection with the August 16, 1999 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(8) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $0.3625 per share, issued to Dunwoody on or about October 13, 1999 as a placement agent fee in connection with the October 13, 1999 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(9) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $0.2375 per share, issued to Dunwoody on or about November 19, 1999 as a placement agent fee in connection with the November 19, 1999 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(10) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $0.33125 per share, issued to Dunwoody on or about January 14, 2000 as a placement agent fee in connection with the January 14, 2000 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(11) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $2.4492 per share, issued to Dunwoody on or about February 4, 2000 as a placement agent fee in connection with February 4, 2000 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(12) Represents shares of common stock formerly issuable to Dunwoody upon exercise of outstanding warrants, exercisable at any time until December 31, 2004 at an exercise price of $3.403 per share, issued to Dunwoody on or about February 25, 2000 as a placement agent fee in connection with the February 25, 2000 Issuance. Ownership of the Dunwoody warrants has been transferred to Eric S. Swartz and Michael C. Kendrick, with each receiving one-half of the warrants.

(13) Represents shares of common stock upon exercise of outstanding warrants issued to Swartz Private Equity, LLC pursuant to a Letter of Agreement for an equity line commitment dated November 5, 1999 exercisable at the lower of the initial exercise price of $.46875 or the lowest reset price (see "The Investor Commitment Warrant").

(14) Represents shares of common stock issued to Oxigene, Inc. in connection with the joint venture agreement entered into in May of 2000.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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SUBJECT TO COMPLETION; DATED JUNE ___, 2000

PROSPECTUS

4,405,167 SHARES

[Logo here] TECHNICLONE CORPORATION

COMMON STOCK

This prospectus relates to the resale of up to 4,405,167 shares of the common stock of Techniclone Corporation (the "Company") by the selling shareholders. All or a portion of the shares offered by this prospectus may be offered for sale, from time to time, by the selling shareholders for their own benefit. The shares offered by this prospectus include shares already issued by us and shares issuable upon the exercise of options and warrants held by the selling shareholders. The total proceeds to the Company from the exercise of warrants and options, if exercised in full on a cash basis, would be a maximum of $1,236,565. We will receive no proceeds from the sale of our common stock by the selling shareholders or from the exercise of warrants issued under the Regulation D Common Stock Equity Line Subscription Agreement, which may be exercised on cashless basis only. See "Selling Shareholders" and "Plan of Distribution."

Our common stock is registered under Section 12(g) of the Securities Exchange Act of 1934 and is listed on The Nasdaq SmallCap Market under the symbol "TCLN." On June 28, 2000, the last reported sale price of our common stock on The Nasdaq SmallCap Market was $3.06 per share.

INVESTING IN OUR COMMON STOCK INVOLVES SIGNIFICANT RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 4 FOR A DESCRIPTION OF CERTAIN FACTORS WHICH SHOULD BE CONSIDERED BY INVESTORS BEFORE PURCHASING THE SHARES OFFERED BY THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THIS PROSPECTUS IS INCLUDED IN THE REGISTRATION STATEMENT THAT WAS FILED BY TECHNICLONE CORPORATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE SELLING SHAREHOLDERS CANNOT SELL THEIR SHARES UNTIL THAT REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE SHARES OR THE SOLICITATION OF AN OFFER TO BUY THE SHARES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

The date of this Prospectus is _____, 2000

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document. However, in the event of a material change, this prospectus will be amended or supplemented accordingly.

TECHNICLONE CORPORATION

Techniclone Corporation ("Techniclone") was incorporated in the State of Delaware on September 25, 1996. On March 24, 1997, Techniclone International Corporation, a California corporation (a predecessor company incorporated in June 1981), was merged with and into Techniclone. This merger was effected to change our state of incorporation from California to Delaware and to make certain changes in our charter documents. Techniclone has one wholly owned subsidiary, Peregrine Pharmaceuticals, Inc., a Delaware corporation, which was acquired on April 24, 1997.

Techniclone is a biopharmaceutical company engaged in the research, development and commercialization of targeted cancer therapeutics. We are developing product candidates based primarily on collateral (indirect) tumor targeting for the treatment of solid tumors. In addition, we are in collaboration with Schering A.G. to develop a direct tumor-targeting agent (Oncolym(R)) for the treatment of Non-Hodgkins Lymphoma ("NHL").

Collateral targeting is a strategy that has been developed to take advantage of characteristics common to all solid tumors. These common tumor characteristics include the development of a blood supply in all solid tumors in excess of 2mm in size in order to support growth. While all solid tumors in excess of 2mm in size develop a blood supply, they do not develop an adequate blood supply. The lack of an adequate blood supply results in starvation and eventually death of tumor cells farthest from the tumor blood vessels. These dying and dead tumor cells are known as the necrotic core of the tumor. Our Collateral Targeting Agents target either intratumoral blood vessels or structures found in the necrotic core of the tumor.

The most clinically advanced of the Collateral Targeting Agents is known as Tumor Necrosis Therapy ("TNT"), which utilizes monoclonal antibodies (targeting molecules that bind to specific structures) that recognize markers found in the necrotic core of solid tumors. TNT antibodies are potentially capable of carrying a variety of agents including radiation, chemotherapeutic agents and cytokines to the interior of solid tumors. A Phase II clinical trial for a Tumor Necrosis Therapy agent (called Cotara(TM)) for the treatment of malignant glioma (brain cancer) is currently being conducted at The Medical University of South Carolina, Temple University, University of Utah-Salt Lake City, Carolina Neurosurgery & Spine Associates and the University of Miami. In addition, our Tumor Necrosis Therapy is being used in a clinical trial for the treatment of pancreatic, prostate and liver cancers in Mexico City.

The second type of Collateral Targeting Agent that we are developing is known as Vascular Targeting Agents ("VTAs"). VTAs utilize monoclonal antibodies and other targeting agents that recognize markers found on tumor blood vessels. The monoclonal antibody carries an effector molecule that creates a blockage within the blood vessels that supply oxygen and nutrients to the tumor cells. Cutting off the blood supply to the tumor results in tumor cell death, potentially destroying the tumor. VTAs are currently in pre-clinical development in collaboration with our joint development partner, Oxigene, Inc. and researchers at the University of Texas Southwestern Medical Center at Dallas.

The third type of Collateral Targeting Agents is known as Vasopermeation Enhancement Agents ("VEAs"). VEAs currently use the same targeting agent as TNT to deliver an agent that makes the blood vessels inside the tumor more leaky (permeable). The increased permeability of the tumor blood vessels makes it possible to deliver an increased concentration of killing agents into the tumor where they can potentially kill the living tumor cells. VEAs are currently in pre-clinical development in collaboration with researchers at the University of Southern California Medical Center.

Techniclone has taken steps to protect its position in the field of Collateral Targeting Agents. Techniclone currently has exclusive rights to over 40 issued U.S. and foreign patents protecting various aspects of its technology and has additional pending patent applications that it believes will further strengthen its position in collateral targeting.

Our direct tumor-targeting agent (Oncolym(R)) for the treatment of Non-Hodgkins Lymphoma ("NHL") is being developed by Schering A.G., a major multinational pharmaceutical company. On March 8, 1999, Techniclone entered into a license agreement with Schering A.G. with respect to the development, manufacturing and marketing of our direct tumor targeting agent candidate, Oncolym(R). The Techniclone clinical trial was halted by Schering A.G., and Schering A.G. has advised the Company that they currently anticipate starting a single dose dosing trial with a modified treatment in the near future. This dose escalation study is designed to measure safety and efficacy of a single dose of Oncolym(R) in intermediate and high grade Non-Hodgkins Lymphoma. Recently, the Company and Schering A.G. have amended the license agreement whereby Techniclone has agreed to issue shares of its common stock to Schering A.G. in two traunches as prepayment to cover the projected clinical trial expenses. The first traunch of $1.3 million will be given to Schering A.G. upon the effective date of this Registration Statement of which this Prospectus is a part. A second traunch of $1.7 million will be given upon the commencement of the Phase II/III study.

Our principal executive offices are located at 14282 Franklin Avenue, Tustin, California 92780-7017, and our telephone number is (714) 508-6000.

RECENT DEVELOPMENTS

Our management team and the Board of Directors have changed dramatically since November 3, 1999. During November 1999, four of our five Board members, Larry O. Bymaster, Rockell Hankin, William C. Shepherd and Thomas R. Testman, resigned. Mr. Eric Swartz and Mr. Carlton Johnson were appointed as new members of the Board. On December 29, 1999, the Board appointed Mr. Edward Legere to also serve on the Board of Directors. Currently, the Board is comprised of the following four members: Mr. Carlton Johnson, Mr. Edward Legere, Mr. Eric Swartz, and Dr. Clive Taylor. In November 1999, Mr. Bymaster resigned

as President/Chief Executive Officer ("CEO") and Mr. Steven C. Burke resigned as Chief Financial Officer and Corporate Secretary. The Board appointed Dr. John N. Bonfiglio, Techniclone's Vice President of Technology and Business Development, as Interim President and recently appointed him as President and CEO. In addition, Mr. Steven King was promoted to the position of Vice President of Technology and Product Development and Mr. Paul Lytle was promoted to the position of Vice President of Finance & Accounting and Corporate Secretary. Techniclone is currently operating with approximately 18 employees compared to approximately 50 employees previously employed by the Company in October 1999.

With the recent changes in our management team and the Board of Directors, we have adopted a new strategic business plan. During the quarter ended April 30, 2000, our new management team and Board of Directors further defined our business plans, operations and funding requirements. In the past five years, significant financial resources have been spent on a Good Manufacturing Practices ("GMP") infrastructure, corporate facility improvements, staffing and other support activities. Based on our evaluation of the Company, the management team and the Board of Directors have implemented the following plan:

CORPORATE STRUCTURE. Our objective is to focus our resources on clinical trials and licensing. Our new plan started with the elimination of our in-house manufacturing activities, which reduced the level of staff and fixed overhead costs required for our operations. We have also decided to outsource various clinical trial activities, which will allow us to better predict and manage our costs on a project specific basis. We will continue to outsource our research efforts through our agreements with the University of Southern California and the University of Texas Southwestern Medical Center at Dallas. Techniclone has maintained a core group of employees that will plan, coordinate and monitor all product development and clinical trial activities being conducted by outside parties. In addition, the core group of employees will also maintain the product development activities and technology transfer activities associated with outsourcing the manufacturing of our product candidates.

MANUFACTURING. Operating a GMP manufacturing facility requires highly specialized personnel and equipment that must be maintained on a continual basis. Although we believe that the Company has derived substantial benefits from our manufacturing operations, management and the Board of Directors believe that maintaining a GMP manufacturing facility is not an efficient use of our resources at this time. We intend to use contract manufacturers with excess capacity to provide cost effective GMP manufacturing of Oncolym(R), Cotara(TM) and other future products under development. Techniclone has manufactured a sufficient antibody supply to meet our current clinical trial needs for our Oncolym(R) and Cotara(TM) technologies and have retained key development personnel, who will be responsible for developing analytical methods and processes that will facilitate the transfer of technology to contract manufacturers.

As part of this new manufacturing strategy, we are looking to sublease any excess space to further reduce our fixed overhead costs and sell any unused or idle assets. We are also working with TNCA, LLC, the owner of the Company's

manufacturing facility, who has listed the facility for sale. As the facility itself and related manufacturing improvements are owned by TNCA, LLC, only the proceeds from the sale of manufacturing equipment will be paid directly to Techniclone. In addition, if the manufacturing facility is sold by TNCA, LLC, Techniclone would receive approximately $932,000 as payment on a note receivable from TNCA, LLC as of April 30, 2000. The note receivable was received as partial consideration upon the sale and subsequent leaseback of our facilities in December 1998. To date, Techniclone has realized a significant reduction of monthly fixed overhead expenses from the discontinuation of our manufacturing operations. Techniclone anticipates additional reductions in fixed overhead costs related to the cessation of manufacturing activities and upon the sale or subleasing of the manufacturing facility.

LICENSING. We also consider licensing to be an important part of our strategic business plan. Our management team and the Board of Directors believe that non-exclusive licensing of our TNT and VTA technology platforms is the optimal way to maximize the value of these technologies. Because of the potentially broad range of applications of these technologies and our broad patent coverage in the VTA, TNT and VEA areas, there is the potential for multiple products based on these technology platforms. We believe that opportunities may exist to enter into multiple licenses in areas of our technologies that we are not actively interested in developing. We believe that this strategy of entering into multiple strategic alliances for each of our core technologies is the best way to enhance the probability of seeing a drug candidate successfully developed.

As evidence of the new strategic business plan, we recently finalized an agreement to jointly develop and commercialize the overall VTA technology platform with Oxigene, Inc. As part of the joint development arrangement, Techniclone and Oxigene, Inc. have formed a joint venture, Arcus Therapeutics LLC ("Arcus"), that will focus on merging the vascular targeting technologies of Oxigene, Inc. and Techniclone. The VTA technology is currently in pre-clinical development, and the Arcus joint venture is expected to begin clinical studies within the next two years. The joint venture plans to continue sublicensing the technology to other companies for applications that would not interfere with the joint venture's combination strategy. Under the terms of the joint venture, Techniclone will supply its intellectual property and the expertise of Dr. Thorpe, along with the most promising lead candidates he has developed to date. Oxigene, Inc. will provide its expertise in the preclinical and clinical development areas as well as its next generation tubulin-binding compounds. The joint venture participants will collaborate on research and development of those compounds for use in combination with the VTA technology. Pursuant to the joint venture agreement, Oxigene, Inc. has paid us an upfront cash licensing fee of $1 million and has subscribed for $2 million in the current market value of our common stock. Oxigene, Inc. will also be required to pay Techniclone $1 million in cash and will subscribe to an additional $1 million in Techniclone stock upon the filing of an Investigational New Drug Application (IND) for the first clinical candidate developed by Arcus. Based on development success in the joint venture, Oxigene, Inc. will be required to spend up to $20 million to fund the development expenses of Arcus. Any further funding of the joint venture thereafter would be shared by the partners on an equal basis. Additionally under the terms of the joint venture agreement, any sublicensing fees generated within the joint venture will be allocated 75% to Techniclone and 25% to Oxigene, Inc. until we have received $10 million in sublicense fee revenues. Thereafter, the joint venture partners will share licensing fees on an equal basis. Furthermore, Techniclone and Oxigene, Inc. will share equally any royalty income or profits from the joint venture.

In addition to the joint venture, the Company has signed letters of intent with SuperGen, Inc., to license a segment of its VTA technology, specifically related to Vascular Endothelial Growth Factor ("VEGF") and with Scotia Pharmaceuticals for VTA technology which is specifically related to applications of Photodynamic Therapy. The terms of the agreements with SuperGen, Inc. and Scotia Pharmaceuticals would include an upfront payment and future milestone payments, plus a royalty on net sales or net profits. Also, we entered into a 90-day option agreement with a multinational pharmaceutical company to potentially license a specific use of the TNT technology. The Company is in continued negotiations with the multinational pharmaceutical company. There can be no assurances that we will be successful in entering into such licensing transactions on terms that are mutually acceptable.

The overall goal of our licensing strategy is to develop as many corporate relationships as possible for the development of our platform technologies, thus increasing the chances that one or several anti-cancer products will be commercialized utilizing its technologies. We believe that there are numerous opportunities for non-exclusive licenses of our TNT and VTA platform technologies. In addition, by granting non-exclusive licensing to other companies, we maintain the ability to continue to develop our own products, such as Cotara(TM), for commercialization. We believe this approach should increase the revenue potential of these two platform technologies and allow us to commercialize our own proprietary anti-cancer products.

CLINICAL TRIALS. The most critical aspect of our business plan involves clinical trials of our various technologies. Techniclone plans to expand the clinical trials of our Cotara(TM) monoclonal antibody. Currently, a Phase II clinical trial using Cotara(TM) for the treatment of malignant glioma (brain cancer) is currently being conducted at The Medical University of South Carolina, Temple University, University of Utah-Salt Lake City, Carolina Neurosurgery & Spine Associates and the University of Miami. Additional sites will be added as we increase enrollment during the next few months. In addition, Cotara(TM) is being used in a clinical trial for the treatment of pancreatic, prostate and liver cancers in Mexico City. The Mexico City trial was designed as a safety study to give us information about the drug and its safety profile in humans. The data obtained from this trial will be useful for designing dosing regimens and deciding dosing levels for most of the clinical programs under consideration. The preliminary data from the clinical trial in Mexico City has yielded sufficient information to help with our plans to initiate two clinical trials in the U.S. by December 2000. These trials will be for solid tumor indications and will be designed to take advantage of the drug's safety and efficacy profile. We plan to continue enrolling patients in the Mexico City trial throughout the calendar year which will maximize the quantity and quality of information from this study.

Berlex Laboratories, U.S. subsidiary of Schering A.G. our strategic partner for our Non-Hodgkins Lymphoma drug, Oncolym(R), has informed the Company that they will shortly commence patient enrollment for the planned clinical study. This dose escalation study is designed to measure safety and efficacy of a single dose of Oncolym(R) in intermediate and high grade Non- Hodgkins Lymphoma. The study is designed to test a range of doses in order to optimize the treatment regimen while evaluating the dosimetry, biodistribution, safety and efficacy of Oncolym(R). Following the successful completion of the dose escalation study, Berlex will start a Phase II/III clinical trial program designed to confirm the safety and efficacy of Oncolym(R) in the target patient population.

RISK FACTORS

INVESTMENT IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CONSIDER THE FOLLOWING DISCUSSION OF RISKS AS WELL AS OTHER INFORMATION IN THIS PROSPECTUS BEFORE PURCHASING ANY OF OUR COMMON STOCK, TOGETHER WITH ALL OF THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS OR INCORPORATED IN THIS PROSPECTUS BY REFERENCE.

IF WE CANNOT OBTAIN ADDITIONAL FUNDING, OUR PRODUCT DEVELOPMENT AND COMMERCIALIZATION EFFORTS MAY BE REDUCED OR DISCONTINUED.

As of April 30, 2000, we had $4,131,000 in cash and cash equivalents. We have expended substantial funds on the development of our product candidates and for clinical trials. As a result, we have had negative cash flows from operations since inception and expect the negative cash flows from operations to continue until we are able to generate sufficient additional revenue from the sale and/or licensing of our products. We will require additional funding to sustain our research and development efforts, provide for future clinical trials, expand our manufacturing and product commercialization capabilities, and continue our operations until we are able to generate sufficient revenue from the sale and/or licensing of our products.

We plan to obtain required financing through one or more methods including, obtaining additional equity or debt financing and negotiating additional licensing or collaboration agreements with another company. There can be no assurances that we will be successful in raising such funds on terms acceptable to us, or at all, or that sufficient additional capital will be raised to complete the research, development, and clinical testing of our product candidates.

During June 1998, we secured a Common Stock Equity Line ("Equity Line") with two institutional investors, as amended on June 2, 2000. Under the amended terms of the Equity Line, the Company may, in its sole discretion, and subject to certain restrictions, periodically sell ("Put") shares of the Company's common stock until all common shares previously registered under the Equity Line have been exhausted. The Company has approximately eight million shares available for issuance under the Equity Line. At a market price of $4.00 per share, the Company could raise more than $24,000,000 under its existing Equity Line. Up to $2,800,000 of Puts can be made every month if the Company's closing bid price is $2.00 or higher during the 10-day pricing period. If the closing bid price is between $1.00 and $2.00, then the Company can Put up to $1,500,000 per month and, if the Company's closing bid price falls below $1.00 on any trading day during the ten trading days prior to the Put, the Company's ability to access funds under the Equity Line in the Put is limited to 15% of what would otherwise be available. If the closing bid price of the Company's common stock falls below $0.50 or if the Company is delisted from The Nasdaq SmallCap Market, the Company would have no access to funds under the Equity Line.

The Company believes it has sufficient cash on hand, and combined with amounts available pursuant to the Equity Line Agreement (assuming aggregate future draws of $2,800,000) and anticipated amounts to be received from signed letters of intent to enter into collaboration agreements with SuperGen, Inc. and

Scotia Pharmaceutical Holdings, to meet its obligations on a timely basis through June of 2001. Each letter of intent provides for an exclusive period for the completion of a definitive agreement and will be subject to customary closing conditions. Although the Company believes it will enter into definitive agreements and will receive the related up-front payments under the terms as defined in the letters of intent, there can be no assurance that definitive agreements will be executed.

WE HAVE HAD SIGNIFICANT LOSSES AND WE ANTICIPATE FUTURE LOSSES.

All of our products are currently in development, preclinical studies or clinical trials, and no revenues have been generated from commercial product sales. To achieve and sustain profitable operations, we must successfully develop and obtain regulatory approval for our products, either alone or with others, and must also manufacture, introduce, market and sell our products. The costs associated with clinical trials, contract manufacturing and contract isotope combination services ("radiolabeling") are very expensive and the time frame necessary to achieve market success for our products is long and uncertain. We do not expect to generate significant product revenues for at least the next year. There can be no guarantee that we will ever generate product revenues sufficient to become profitable or to sustain profitability.

PROBLEMS IN PRODUCT DEVELOPMENT MAY CAUSE OUR CASH DEPLETION RATE TO INCREASE.

Our ability to obtain financing and to manage expenses and our cash depletion rate is key to the continued development of product candidates and the completion of ongoing clinical trials. Our cash depletion rate will vary substantially from quarter to quarter as we fund non-recurring items associated with clinical trials, product development, antibody manufacturing, isotope combination services, patent legal fees and various consulting fees. We have limited experience with clinical trials, and if we encounter unexpected difficulties with our operations or clinical trials, we may have to expend additional funds, which would increase our cash depletion rate.

OUR PRODUCT DEVELOPMENT AND COMMERCIALIZATION EFFORTS MAY NOT BE SUCCESSFUL.

Since inception, we have been engaged in the development of drugs and related therapies for the treatment of people with cancer. Our product candidates, which have not received regulatory approval, are generally in the early stages of development. If the initial results from any of the clinical trials are poor, those results will adversely affect our ability to raise additional capital, which will affect our ability to continue full-scale research and development for our antibody technologies. In addition, product candidates resulting from our research and development efforts, if any, are not expected to be available commercially for at least the next year. Our products currently in clinical trials represent a departure from more commonly used methods for cancer treatment. These products, if approved, may experience under-utilization by doctors who are unfamiliar with their application in the treatment of cancer. As with any new drug, doctors may be inclined to continue to treat patients with conventional therapies, in most cases chemotherapy, rather than new alternative therapies. We or our marketing partner may be required to implement an aggressive education and promotion plan with doctors in

order to gain market recognition, understanding and acceptance of our products. Market acceptance could also be affected by the availability of third-party reimbursement. Accordingly, we cannot guarantee that our product development efforts, including clinical trials, or commercialization efforts will be successful or that any of our products, if approved, can be successfully marketed.

OUR TECHNOLOGY AND PRODUCTS MAY PROVE INEFFECTIVE OR BE TOO EXPENSIVE TO MARKET SUCCESSFULLY.

Our future success is significantly dependent on our ability to develop and test workable products for which we will seek approval from the United States Food and Drug Administration to market to certain defined patient groups. There is a significant risk as to the performance and commercial success of our technology and products. The products we are currently developing will require significant additional laboratory and clinical testing and investment over the foreseeable future. Our proposed products may not prove to be effective in clinical trials or they may cause harmful side effects during clinical trials. In addition, our product candidates, if approved, may prove impracticable to manufacture in commercial quantities at a reasonable cost and/or with acceptable quality. Any of these factors could negatively affect our financial position and results of operations.

OUR DEPENDENCY ON A LIMITED NUMBER OF SUPPLIERS MAY NEGATIVELY IMPACT OUR ABILITY TO COMPLETE CLINICAL TRIALS AND MARKET OUR PRODUCTS.

We currently procure, and intend in the future to procure, our antibody radioactive isotope combination services ("radiolabeling") under negotiated contracts with two entities for clinical trials. We cannot guarantee that these suppliers will be able to qualify their facilities or label and supply antibody in a timely manner, if at all. Prior to commercial distribution of any of our products, if approved, we will be required to identify and contract with a company for commercial antibody manufacturing and radioactive isotope combination services. We also currently rely on, and expect in the future to rely on, our current suppliers for all or a significant portion of the raw material requirements for our antibody products. An antibody that has been combined with a radioactive isotope cannot be stockpiled against future shortages. Accordingly, any change in our existing or future contractual relationships with, or an interruption in supply from, any such third-party service provider or antibody supplier could negatively impact our ability to complete ongoing clinical trials and to market our products, if approved.

IF OUR RELATIONSHIP WITH SCHERING A.G. TERMINATES, IT COULD ADVERSELY AFFECT OUR BUSINESS.

In March 1999, we entered into a license agreement with Schering A.G. for the worldwide development, marketing and distribution of our direct tumor targeting agent product candidate, Oncolym(R). Under the agreement, Schering A.G. has assumed control of the clinical development program, regulatory approvals in the United States and all foreign countries and sales

and marketing of this product candidate. We are relying on Schering A.G. to apply its expertise and know-how to the development, launch and sale of this product candidate. If Schering A.G. decides to discontinue the development of this product candidate and terminates our license agreement, we may have to find another licensing partner, develop the product internally or discontinue development, commercialization and clinical testing of this product candidate, which could negatively affect our operations and financial performance.

WE DO NOT HAVE A SALES FORCE TO MARKET OUR PRODUCTS.

At the present time, we do not have a sales force to market any of our products, if and when they are approved. We intend to sell our products in the United States and internationally in collaboration with one or more marketing partners. If we receive approval from the United States Food and Drug Administration for our initial product candidates, the marketing of these products will be contingent upon our ability to either license or enter into a marketing agreement with a large company or our ability to recruit, develop, train and deploy our own sales force. We do not presently possess the resources or experience necessary to market any of our product candidates. Other than an agreement with Schering A.G. with respect to the marketing of our direct tumor targeting agent product candidate, we presently have no agreements for the licensing or marketing of our product candidates, and we cannot assure that we will be able to enter into any such agreements in a timely manner or on commercially favorable terms, if at all. Development of an effective sales force requires significant financial resources, time and expertise. We cannot assure that we will be able to obtain the financing necessary to establish such a sales force in a timely or cost effective manner, if at all, or that such a sales force will be capable of generating demand for our product candidates, if and when they are approved.

WE MAINTAIN ONLY LIMITED PRODUCT LIABILITY INSURANCE AND MAY BE EXPOSED TO CLAIMS IF OUR INSURANCE COVERAGE IS INSUFFICIENT.

The manufacture and sale of human therapeutic products involves an inherent risk of product liability claims. We maintain only limited product liability insurance. We cannot assure that we will be able to maintain existing insurance or obtain additional product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Product liability insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms, if at all. Our inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims in excess of our insurance coverage, if any, or a product recall could negatively impact our financial position and results of operations.

THE LIQUIDITY OF OUR COMMON STOCK WILL BE ADVERSELY AFFECTED IF OUR COMMON STOCK IS DELISTED FROM THE NASDAQ SMALLCAP MARKET.

The Common Stock of the Company is presently traded on The Nasdaq SmallCap Market. To maintain inclusion on The Nasdaq SmallCap Market, we must continue to have either net tangible assets of at least $2,000,000, market capitalization of at least $35,000,000, or net income (in either our latest

fiscal year or in two of our last three fiscal years) of at least $500,000. In addition, we must meet other requirements, including, but not limited to, having a public float of at least 500,000 shares and $1,000,000, a minimum closing bid price of $1.00 per share of Common Stock (without falling below this minimum bid price for a period of 30 consecutive trading days), at least two market makers and at least 300 stockholders, each holding at least 100 shares of Common Stock. If we are delisted by The Nasdaq SmallCap Market, the market value of the Common Stock could fall and holders of Common Stock would likely find it more difficult to dispose of the Common Stock.

THE SALE OF SUBSTANTIAL SHARES OF OUR COMMON STOCK MAY DEPRESS OUR STOCK PRICE.

As of June 28, 2000, we had approximately 93,563,000 shares of Common Stock outstanding. There are no shares of Class C Preferred Stock outstanding. We could issue approximately 16,635,000 additional shares of Common Stock upon the exercise of outstanding options and warrants at an average exercise price of $1.86 for proceeds of up to approximately $30,920,000, if exercised in total on a cash basis. In addition, the Company has reserved for future issuance approximately 8,239,000 shares of common stock under the Equity Line.

The exercise price of outstanding options and warrants and the purchase price for the shares of Common Stock and warrants to be issued under the Equity Line are at a significant discount to the market price. The sale and issuance of these shares of Common Stock, as well as subsequent sales of shares of Common Stock in the open market, may cause the market price of the Common Stock to fall and might impair our ability to raise additional capital through sales of equity or equity-related securities, whether under the Equity Line or otherwise.

OUR HIGHLY VOLATILE STOCK PRICE AND TRADING VOLUME MAY ADVERSELY AFFECT THE LIQUIDITY OF THE COMMON STOCK.

The market price of the Common Stock, and the market prices of securities of companies in the biotechnology industry generally, has been highly volatile and is likely to continue to be highly volatile. Also, the trading volume in the Common Stock has been highly volatile, ranging from as few as 76,000 shares per day to as many as 29 million shares per day over the past year, and is likely to continue to be highly volatile. The market price of the Common Stock may be significantly impacted by many factors, including announcements of technological innovations or new commercial products by us or our competitors, disputes concerning patent or proprietary rights, publicity regarding actual or potential medical results relating to products under development by us or our competitors and regulatory developments and product safety concerns in both the United States and foreign countries. These and other external factors have caused and may continue to cause the market price and demand for the Common Stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of Common Stock and may otherwise negatively affect the liquidity of the Common Stock.

WE MAY NOT BE ABLE TO COMPETE WITH OUR COMPETITORS IN THE BIOTECHNOLOGY INDUSTRY.

The biotechnology industry is intensely competitive. It is also subject to rapid change and sensitive to new product introductions or enhancements. We expect to continue to experience significant and increasing levels of competition in the future. Virtually all of our existing competitors have greater financial resources, larger technical staffs, and larger research budgets than we have, as well as greater experience in developing products and running clinical trials. Two of our competitors, IDEC Pharmaceuticals Corporation and Coulter Pharmaceuticals, Inc., each has a lymphoma antibody that may compete with our direct tumor targeting agent product, Oncolym(R). In addition, there may be other companies which are currently developing competitive technologies and products or which may in the future develop technologies and products which are comparable or superior to our technologies and products. Some or all of these companies may also have greater financial and technical resources than we have. Accordingly, we cannot assure that we will be able to compete successfully with our existing and future competitors or that competition will not negatively affect our financial position or results of operations in the future.

WE MAY NOT BE SUCCESSFUL IF WE ARE UNABLE TO OBTAIN AND MAINTAIN PATENTS AND LICENSES TO PATENTS.

Our success depends, in large part, on our ability to obtain or maintain a proprietary position in our products through patents, trade secrets and orphan drug designations. We have been granted several United States patents and have submitted several United States patent applications and numerous corresponding foreign patent applications, and have also obtained licenses to patents or patent applications owned by other entities. However, we cannot assure that any of these patent applications will be granted or that our patent licensors will not terminate any of our patent licenses. We also cannot guarantee that any issued patents will provide competitive advantages for our products or that any issued patents will not be successfully challenged or circumvented by our competitors. Although we believe that our patents and our licensors' patents do not infringe on any third party's patents, we cannot be certain that we can avoid litigation involving such patents or other proprietary rights. Patent and proprietary rights litigation entails substantial legal and other costs, and we may not have the necessary financial resources to defend or prosecute our rights in connection with any litigation. Responding to, defending or bringing claims related to patents and other intellectual property rights may require our management to redirect our human and monetary resources to address these claims and may take years to resolve.

OUR PRODUCT DEVELOPMENT AND COMMERCIALIZATION EFFORTS MAY BE REDUCED OR DISCONTINUED DUE TO DIFFICULTIES OR DELAYS IN CLINICAL TRIALS.

We may encounter unanticipated problems, including development, manufacturing, distribution, financing and marketing difficulties, during the product development, approval and commercialization process. Our product candidates may take longer than anticipated to progress through clinical trials or patient enrollment in the clinical trials may be delayed or prolonged significantly, thus delaying the clinical trials. Delays in patient enrollment will result in increased costs and further delays. If we experience any such

difficulties or delays, we may have to reduce or discontinue development, commercialization or clinical testing of some or all of our product candidates. The Company anticipates that Schering A.G. will initiate a Phase I dosing study in the near future. If Schering A.G. decides to discontinue the development of this product candidate and terminates our license agreement for the worldwide development, distribution and marketing of this product candidate, we may have to find another licensing partner, develop the product candidate internally or discontinue development, commercialization and clinical testing of this product candidate, which could negatively affect our operations and financial performance.

OUR PRODUCT DEVELOPMENT AND COMMERCIALIZATION EFFORTS MAY BE REDUCED OR DISCONTINUED DUE TO DELAYS OR FAILURE IN OBTAINING REGULATORY APPROVALS.

We will need to do substantial additional development and clinical testing prior to seeking any regulatory approval for commercialization of our product candidates. Testing, manufacturing, commercialization, advertising, promotion, export and marketing, among other things, of our proposed products are subject to extensive regulation by governmental authorities in the United States and other countries. The testing and approval process requires substantial time, effort and financial resources and we cannot guarantee that any approval will be granted on a timely basis, if at all. Companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in conducting advanced human clinical trials, even after obtaining promising results in earlier trials. Furthermore, the United States Food and Drug Administration may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Even if regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which it may be marketed. Accordingly, we may experience difficulties and delays in obtaining necessary governmental clearances and approvals to market our products, and we may not be able to obtain all necessary governmental clearances and approvals to market our products. At least initially, we intend, to the extent possible, to rely on licensees to obtain regulatory approval for marketing our products. The failure by us or our licensees to adequately demonstrate the safety and efficacy of any of our product candidates under development could delay, limit or prevent regulatory approval of the product, which may require us to reduce or discontinue development, commercialization or clinical testing of some or all of our product candidates.

OUR PRODUCTS, IF APPROVED, MAY NOT BE COMMERCIALLY VIABLE DUE TO HEALTH CARE REFORM AND THIRD-PARTY REIMBURSEMENT LIMITATIONS.

Recent initiatives to reduce the federal deficit and to reform health care delivery are increasing cost-containment efforts. We anticipate that Congress, state legislatures and the private sector will continue to review and assess alternative benefits, controls on health care spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, price controls on pharmaceuticals and other fundamental changes to the health care delivery system. Legislative debate is expected to continue in the future, and market forces are expected to drive reductions of health care costs. Any such changes could negatively impact the commercial

viability of our products, if approved. Our ability to successfully commercialize our product candidates, if and when they are approved, will depend in part on the extent to which appropriate reimbursement codes and authorized cost reimbursement levels of such products and related treatment are obtained from governmental authorities, private health insurers and other organizations, such as health maintenance organizations. In the absence of national Medicare coverage determination, local contractors that administer the Medicare program, within certain guidelines, can make their own coverage decisions. Accordingly, there can be no assurance that any of our product candidates, if approved and when commercially available, will be included within the then, current Medicare coverage determination or the coverage determination of state Medicaid programs, private insurance companies and other health care providers. In addition, third-party payors are increasingly challenging the prices charged for medical products and services. The trend toward managed health care and the growth of health maintenance organizations in the United States may all result in lower prices for our products, if approved and when commercially available, than we currently expect. The cost containment measures that health care payors and providers are instituting and the effect of any health care reform could negatively affect our financial performance, if and when one or more of our products are approved and available for commercial use.

OUR MANUFACTURING AND USE OF HAZARDOUS AND RADIOACTIVE MATERIALS MAY RESULT IN OUR LIABILITY FOR DAMAGES, INCREASED COSTS AND INTERRUPTION OF ANTIBODY SUPPLIES.

The manufacturing and use of our products require the handling and disposal of the radioactive isotope I131. We currently rely on, and intend in the future to rely on, our current contract manufacturers to combine antibodies with radioactive I131 isotope in our products and to comply with various local, state, national or international regulations regarding the handling and use of radioactive materials. Violation of these regulations by these companies or a clinical trial site could significantly delay completion of the trials. Violations of safety regulations could occur with these manufacturers, so there is also a risk of accidental contamination or injury. Accordingly, we could be held liable for any damages that result from an accident, contamination or injury caused by the handling and disposal of these materials, as well as for unexpected remedial costs and penalties that may result from any violation of applicable regulations. In addition, we may incur substantial costs to comply with environmental regulations. In the event of any noncompliance or accident, the supply of antibodies for use in clinical trials or commercial products could also be interrupted.

OUR OPERATIONS AND FINANCIAL PERFORMANCE COULD BE NEGATIVELY AFFECTED IF WE CANNOT ATTRACT AND RETAIN KEY PERSONNEL.

Our success is dependent, in part, upon a limited number of key executive officers and technical personnel remaining employed with us, including Dr. John N. Bonfiglio, our President and Chief Executive Officer and Dr. Terrence Chew, our V.P. of Clinical and Regulatory Affairs. We also believe that our future success will depend largely upon our ability to attract and retain highly-skilled research and development and technical personnel. We face intense competition in our recruiting activities, including larger companies with greater resources. We do not know if we will be successful in attracting or retaining skilled personnel. The loss of certain key employees or our inability to attract and retain other qualified employees could negatively affect our operations and financial performance.

OUR BUSINESS MAY BE ADVERSELY AFFECTED IF OUR COMPUTER SYSTEMS AND THE COMPUTER SYSTEMS OF OUR SUPPLIERS ARE NOT YEAR 2000 COMPLIANT.

In prior years, the Company discussed the nature and progress of its plans to become Year 2000 ready. In late 1999, the Company completed its remediation and testing of systems. As a result of those planning and implementation efforts, the Company experienced no significant disruptions in mission critical information technology and non-information technology systems and believes those systems successfully responded to the Year 2000 date change. The Company expensed less than $50,000 in connection with remediating its systems. The Company is not aware of any material problems resulting from Year 2000 issues, its internal systems, or the products and services of third parties. The Company will continue to monitor its mission critical computer applications and those of its suppliers and vendors throughout the year 2000 to ensure that any latent Year 2000 matters that may arise are addressed promptly.

FORWARD-LOOKING STATEMENTS

Except for historical information, the information contained in this prospectus and in our reports filed with the SEC are "forward looking" statements about our expected future business and financial performance. These statements involve known and unknown risks, including, among others, risks resulting from economic and market conditions, the regulatory environment in which we operate, pricing pressures, accurately forecasting operating and capital expenditures and clinical trial costs, competitive activities, uncertainties of litigation and other business conditions, and are subject to uncertainties and assumptions contained elsewhere in this prospectus. We base our forward-looking statements on information currently available to us, and we assume no obligation to update these statements. Our actual operating results and financial performance may prove to be very different from what we have predicted as of the date of this prospectus due to certain risks and uncertainties. The risks described above in the section entitled "Risk Factors" specifically address some of the factors that may affect our future operating results and financial performance.

USE OF PROCEEDS

Holders of warrants and options are not obligated to exercise those warrants and options, and there can be no assurance that holders will choose to exercise all or any of their warrants or options. Techniclone will not receive any proceeds from the exercise of any warrants by Eric Swartz and Michael Kendrick, which may only be exercised by each on a cashless basis. The gross proceeds to the Company from the exercise of the warrants held by Swartz Private Equity would be $351,563 at the initial exercise price of $0.46875, although the warrants may also be exercised on a cashless basis or at a lower reset price (see "The Investor Commitment Warrant"). The gross proceeds to the Company from the exercise of options would be $510,000 from those held by the director and two consultants of Techniclone and $375,000 from those options issued to Biotechnology Development, Ltd. under the Option Agreement. The total proceeds

to Techniclone from the exercise of warrants and options, if exercised in full on a cash basis (where permitted), would be a maximum of $1,236,563. These proceeds would be used for working capital purposes. We will not receive any proceeds from the sale of outstanding common stock held by the selling shareholders. See "Selling Shareholders."

SELLING SHAREHOLDERS

The following table identifies the selling shareholders and indicates (i) the nature of any position, office or other material relationship that each selling shareholder has had within the past three years with Techniclone (or any of its predecessors or affiliates) and (ii) the number of shares of Common Stock owned by the selling shareholder prior to the offering, the number of shares to be offered for the selling shareholder's account and the number of shares and percentage of outstanding shares to be owned by the selling shareholder after completion of the offering.

NAME OF REGISTERED SHAREHOLDER	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING(1)		MAXIMUM NUMBER OF SHARES TO BE SOLD	SHARES BENEFICIALLY OWNED AFTER OFFERING(2)	
	Number	PERCENT		NUMBER	Percent
Schering A.G.(3) D-13342 Berlin, Germany	742,857	*	742,857	0	0%
Cresent Mortgage Corp.(4) 610 West Rio Road Charlottesville, VA 22901	125,000	*	125,000	0	0%
Alan Epstein, M.D. Ph.D.(5) 14282 Franklin Avenue Tustin, California 92780	975,000	1.06%	600,000	375,000	*
Clive Taylor, M.D. Ph.D.(6) 14282 Franklin Avenue Tustin, California 92780	1,618,000	1.75%	500,000	1,118,000	1.22%
Philip E. Thorpe, Ph.D.(7) 14282 Franklin Avenue Tustin, California 92780	843,750	*	400,000	943,750	*
Eric S. Swartz(8) 1080 Holcomb Bridge Road Building 200, Suite 285 Roswell, GA 30076	2,127,178	2.32%	726,151	1,401,027	1.54%
Michael C. Kendrick(8) 1080 Holcomb Bridge Road Building 200, Suite 285 Roswell, GA 30076	1,638,380	1.79%	726,150	912,230	1.00%
Oxigene, Inc.(9) One Copley Place, Ste. 602 Boston, MA 02116	585,009	*	585,009	0	0%

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* Represents less than 1%.

(1) Based on an aggregate of 90,612,610 shares of common stock issued and outstanding as of May 3, 2000.

(2) Assumes that all Shares being registered are sold.

(3) Schering A.G., has not had a material relationship with Techniclone or any of its affiliates within the past three years, other than as a result of the negotiation and execution of the License Agreement with the Company dated March 8, 1999, as amended on June 14, 2000.

(4) The 125,000 shares of common stock offered by Cresent Mortgage Corporation by this prospectus may be issued to Cresent Mortgage Corporation upon the exercise of outstanding options issued under the Option Agreement dated October 23, 1998 between Techniclone and Biotechnology Development Ltd. ("BTD"), at an exercise price of $3.00 per share (see "The Option Agreement"). BTD has transferred its interest in these options to Cresent Mortgage Corporation. BTD is a Nevada limited partnership controlled by Mr. Edward Legere, a Director of the Company, which originally obtained its option under the Option Agreement dated October 23, 1998 in exchange for an extension of time for the Company to re-acquire certain Oncolym(R) rights previously licensed to BTD.

(5) Alan Epstein has a relationship with Techniclone as a consultant. The 600,000 shares of common stock offered may be acquired under a non-qualified option issued on December 22, 1999, at an exercise price of $.34 per share. The options will vest over four years from the date of grant or sooner upon the achievement of predetermined performance milestones (see "The Non-Qualified Stock Option Agreement").

(6) Clive R. Taylor has a relationship with Techniclone as a Director. The 500,000 shares of common stock offered will be acquired under a non-qualified option issued on December 22, 1999, at an exercise price of $.34 per share. The options will vest over four years from the date of grant or sooner upon the achievement of predetermined performance milestones (see "The Non-Qualified Stock Option Agreement").

(7) Philip E. Thorpe has a relationship with Techniclone as a consultant. The 400,000 shares of common stock offered will be acquired under a non-qualified option issued on December 22, 1999, at an exercise price of $.34 per share. The options will vest over four years from the date of grant or sooner upon the achievement of predetermined performance milestones (see "Non-Qualified Stock Option Agreement").

(8) Of the 1,452,301 shares of common stock offered by Eric Swartz and Michael Kendrick by this prospectus, 638,458 shares are currently issued and outstanding and up to an aggregate of 813,843 shares may be issued to each upon exercise of outstanding warrants, of which up to 15,625 shares are issuable at an exercise price of $0.80 per share, up to 9,310 shares are issuable at an exercise price of $0.3625 per share, up to 14,210 shares are issuable at an exercise price of $0.2375 per share, up to 10,188 shares are issuable at an exercise price of $0.33125 per share, up to 6,430 shares are issuable at an exercise price of $2.4492 per share, and up to 8,080 shares are issuable at an exercise price of $3.403 per share, all of which may be exercised on a cashless basis only (see "The Equity Line Agreement"). Eric Swartz and Michael Kendrick each individually own one-half of the common shares and warrants issued to Dunwoody under the Equity Line Agreement. Also includes a warrant issued to Swartz Private Equity, LLC to purchase up to 750,000 shares of common stock under the Investor Commitment Warrant under the Letter of Agreement, at an initial exercise price of $.46875 or a lower reset price (see "The Investor Commitment Warrant"). Swartz Private Equity, LLC has not had any material relationship with Techniclone or any of its affiliates within the past three years, other than as a result of the negotiation and the execution of the Letter of Agreement dated November 5, 1999 ("Letter of Agreement"). Swartz Private Equity, LLC is 50% controlled by Eric Swartz, who is also a Director of the Company, and 50% controlled by Michael Kendrick.

(9) Oxigene, Inc. has not had a material relationship with Techniclone or any of its affiliates within the past three years, other than as a result of the negotiation and execution of the Joint Venture Agreement with the Company entered into during May 2000.

PLAN OF DISTRIBUTION

As used in this section, the term "selling shareholders" includes the selling shareholders listed in the "Selling Shareholders" section of this prospectus, as well as their respective donees, pledgees, transferees and other successors in interest selling shares received from a selling shareholder after the date of this prospectus. Sales of shares may be effected by the selling shareholders at various times in one or more private or negotiated transactions, in open market transactions on the Nasdaq SmallCap Market, in settlement of short sale transactions, in settlement of option transactions, or otherwise, or a combination of these methods, at prices and terms then obtainable, at fixed prices, at prices then prevailing at the time of sale, at prices related to such prevailing prices, or at negotiated prices or otherwise. The selling shareholders may effect these transactions by selling the shares of common stock offered by this prospectus directly to one or more purchasers or to or through other broker-dealers or agents including: (a) in a block trade in which the broker or dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction; (b) in purchases by another broker or dealer and resale by such broker or dealer as a principal for its account; (c) in ordinary brokerage transactions and (d) in transactions in which the broker solicits purchasers. The compensation to a particular underwriter, broker-dealer or agent may be in excess of customary commissions.

To the Company's knowledge, the selling shareholders have made no arrangement with any brokerage firm for the sale of the shares of common stock offered by this prospectus. ordinary brokerage transactions at market prices prevailing at the time of the sale. There is not an underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling shareholders. Concurrently with sales under this prospectus, the selling shareholders may effect other sales of the shares of common stock offered by this prospectus under Rule 144 or other exempt resale transactions. There can be no assurance that the selling shareholders will sell any or all of the shares of common stock offered by this prospectus.

Selling shareholders and any other broker-dealers or agents who act in connection with the sale of the shares of common stock offered by this prospectus may be deemed to be underwriters within the meaning of the Securities Act in connection with the sale of the shares of common stock offered by this prospectus. Profits on any resale by selling shareholders of the shares of common stock offered by this prospectus and any discounts, commissions or concessions received by any such broker-dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act of 1933.

Any broker-dealer participating in such transactions as agent may receive commissions from the selling shareholders (and, if they act as agent for the purchaser of such shares, from such purchaser). Broker-dealers may agree with the selling shareholders to sell a specified number of shares of common stock offered by this prospectus at a stipulated price per share and, to the extent such a broker-dealer is unable to do so acting as agent for any selling shareholder to purchase as principal any unsold shares of common stock at the price required to fulfill the broker-dealer commitment to that selling shareholder. Broker-dealers who acquire shares of common stock offered by this prospectus as principal may thereafter resell such shares from time to time in transactions (which may involve crosses and block transactions and which may

involve sales to and through other broker-dealers, including transactions of the nature described above) in the over-the-counter market, in negotiated transactions or otherwise at market prices prevailing at the time of sale or at negotiated prices, and in connection with such resales may pay to or receive from the purchasers of such shares commissions computed as described above. To the extent required under the Securities Act of 1933, a supplemental prospectus will be filed, disclosing (a) the name of any such broker-dealers; (b) the number of shares of common stock involved; (c) the price at which such shares are to be sold; (d) the commissions paid or discounts or concessions allowed to such broker-dealers, where applicable; (e) that such broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, as supplemented; and (f) other facts material to the transaction.

Under applicable rules and regulations under the Securities Exchange Act of 1934, any person engaged in a distribution of the shares of common stock offered by this prospectus may not simultaneously engage in market making activities with respect to the shares for a period beginning when such person becomes a distribution participant and ending upon such person's completion of participation in the distribution. Such activities include stabilization activities in our common stock to effect covering transactions, imposing penalty bids or effecting passive market making bids. In addition, in connection with transactions in the shares of common stock offered by this prospectus, Techniclone and the selling shareholders may be subject to applicable provisions of the Securities Exchange Act of 1934, and its rules and regulations, including, Rule 10b-5 of the Securities Exchange Act of 1934. If Techniclone and selling shareholders are deemed to be distribution participants, they may also be subject to Regulation M and Rules 100, 101, 102, 103, 104 and 105 of the Securities Exchange Act of 1934. All of the foregoing may affect the marketability of the shares of common stock offered by this prospectus.

The selling shareholders have agreed that they will not engage in any trading practice or activity for the purpose of manipulating the price of our common stock or otherwise engage in any trading practice or activity that violates the rules and regulations of the SEC.

Selling shareholders will pay all commissions, transfer taxes and other expenses associated with the sales of shares of common stock by them. The shares of common stock offered by this prospectus are being registered in compliance with contractual obligations of Techniclone, and Techniclone has agreed to pay the expenses of the preparation of this prospectus. Techniclone has also agreed to indemnify the selling shareholders against certain liabilities, including, without limitation, liabilities arising under the Securities Act of 1933.

Techniclone will not receive any proceeds from the exercise by Eric Swartz and Michael Kendrick of any of the warrants described in this prospectus which were received from Dunwoody, as such warrants may only be exercised by each in a cashless transaction. The total proceeds to the Company from the exercise of other warrants and options, if exercised in full on a cash basis, would be a maximum of $1,236,563. Techniclone will not receive any of the proceeds from the sale of the shares of common stock offered by this prospectus.

In order to comply with the securities laws of certain states, if applicable, the shares of common stock offered by this prospectus may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the shares of common stock offered by this prospectus may not be sold unless such shares have been registered or qualified for sale in these states or an exemption from registration or qualification is available and complied with.

Our common stock is currently traded on The Nasdaq SmallCap Market under the symbol "TCLN."

DESCRIPTION OF SECURITIES

The following description of the capital stock of Techniclone and certain provisions of Techniclone's Certificate of Incorporation is a summary and is qualified in its entirety by the provisions of the Certificate of Incorporation and Bylaws, which have been filed as exhibits to Techniclone's Registration Statement, of which this Prospectus is a part.

As of the date of this prospectus, the authorized capital stock of Techniclone consists of 150,000,000 shares of common stock, par value $.001 per share, and 5,000,000 shares of Preferred Stock, par value $.001 per share, of which 10,000 shares are designated as Series B Convertible Preferred Stock ("Class B Stock") and 17,200 shares are designated as 5% Adjustable Convertible Class C Preferred Stock ("Class C Stock"). As of June 28, 2000, there were 93,563,123 shares of common stock outstanding held by 5,571 shareholders of record. No shares of Class B Stock or Class C Stock were outstanding.

Holders of common stock are entitled to one vote per share on all matters to be voted upon by the shareholders. Subject to preferences that may be applicable to the holders of outstanding shares of Preferred Stock, if any, the holders of common stock are entitled to receive any lawful dividends which may be declared by the Board of Directors. In the event of the liquidation, dissolution or winding up of Techniclone, and subject to the rights of the holders of outstanding shares of Preferred Stock, if any, the holders of shares of common stock would be entitled to receive pro rata all of the remaining assets of Techniclone available for distribution to its shareholders. There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of common stock are fully paid and nonassessable, and shares of common stock to be issued and resold under this prospectus will be fully paid and nonassessable.

WARRANTS

For the life of each of the warrants, the holder has the opportunity to profit from a rise in the market price of our common stock without assuming the risk of ownership of the shares of common stock issuable upon the exercise of the warrant. The holder of the warrant may be expected to exercise the warrant at a time when Techniclone would, in all likelihood, be able to obtain any needed capital by an offering of common stock on terms more favorable than those provided for by the warrants. Also, the terms on which Techniclone could obtain additional capital during the life of the warrants may be adversely affected by the existence of the warrants.

The shares of common stock underlying the warrants, when issued upon exercise of the warrants in whole or in part, will be fully paid and nonassessable.

Each warrant contains provisions that protect the holder against dilution by adjustment of the exercise price. These adjustments will occur in the event, among others, of a merger, stock split or reverse stock split, stock dividend or recapitalization. Techniclone is not required to issue fractional shares upon the exercise of any of the warrants. Each holder of the warrants will not possess any rights as a shareholder until such holder exercises the warrants. Each warrant may be exercised upon surrender on or before its expiration date at the offices of Techniclone, with an exercise form completed and executed as indicated, accompanied by payment of the exercise price for the number of shares with respect to which the warrant is being exercised, except for the warrants originally issued to Dunwoody. The Dunwoody warrants may only be exercised by way of a "cashless exercise," in which that number of shares of common stock underlying the warrant having a fair market value equal to the aggregate exercise price are canceled as payment of the exercise price.

REGISTRATION RIGHTS

Techniclone has granted certain piggyback registration rights for the shares originally issued and originally issuable upon the conversion of warrants to Dunwoody Brokerage Services, Inc. under the Registration Rights Agreement of the Equity Line Agreement described below.

OPTIONS

For the life of each of the options, the holder has the opportunity to profit from a rise in the market price of our common stock without assuming the risk of ownership of the shares of common stock issuable upon the exercise of the option. The holder of the option may be expected to exercise the option at a time when Techniclone would, in all likelihood, be able to obtain any needed capital by an offering of common stock on terms more favorable than those provided for by the options. Also, the terms on which Techniclone could obtain additional capital during the life of the options may be adversely affected by the existence of the options.

The shares of common stock underlying the options, when issued upon exercise in whole or in part, will be fully paid and nonassessable.

Each of the options contain provisions that protect the holder against dilution by adjustment of the exercise price. Such adjustments will occur in the event, among others, of a merger, stock split or reverse stock split, stock dividend or recapitalization. Techniclone is not required to issue fractional shares upon the exercise of any of the options. Each holder of the options will not possess any rights as a shareholder until such holder exercises the options. Each option may be exercised upon surrender on or before its expiration date at the offices of Techniclone, with an exercise form completed and executed as indicated, accompanied by payment of the exercise price for the number of shares with respect to which the option is being exercised.

THE AMENDMENT AGREEMENT

On March 8, 1999, Schering A.G. ("Schering"), was granted the exclusive, worldwide right to market and distribute Oncolym(R) products under a License Agreement. Schering and Techniclone have recently agreed to amend the License Agreement on June 14, 2000 (the "Amendment Agreement"). The Amended Agreement provides that Schering A.G. will commence patient enrollment for a Phase I dosing study in the near future. This dose escalation Phase I will be designed to measure the safety and efficacy of a single dose of Oncolym(R) in intermediate and high- grade Non-Hodgkin's Lymphoma. This study will be designed to treat up to 18 patients with provisions to treat more if necessary and is predicted to take no longer than 18 months to complete, depending upon enrollment. Following the successful completion of the Phase I study, Schering will start a Phase II/III study designed to investigate the safety and efficacy of Oncolym(R) in over 100 patients. This study will initially enroll approximately 28 patients as part of the Phase II trial. Under the Amendment Agreement, Techniclone has agreed to issue shares of its common stock to Schering A.G. to prepay the expenses associated with these clinical trials. The first traunch of $1.3 million worth of common stock will be issued to Schering upon effectiveness of this registration statement. The second traunch of $1.7 million worth of common stock will be issued upon the commencement of the Phase II/III clinical trial.

THE OPTION AGREEMENT

On October 23, 1998, the Company was given an extension of time through August 30, 1999 to repurchase certain marketing rights to "LYM" products in Europe in exchange for a payment of $93,750 by the Company to BTD for the period ended December 1, 1998 and $112,500 for each quarterly period thereafter through August 30, 1999, and the issuance of options to purchase 125,000 shares of Common Stock of the Company at an exercise price of $3.00 per share (the "Option Agreement"). The option has since been assigned to Cresent Mortgage Corporation of Charlottesville, Virginia and is exercisable at any time beginning on the date of issuance and ending on December 1, 2005.

NON-QUALIFIED OPTIONS ISSUED TO DIRECTOR AND CONSULTANTS

Options were granted as compensation to consultants of the Company. These options are non-qualified for tax purposes. The options will vest over a period of four years, with the first one- third vesting on December 22, 2001, and one-third vested annually thereafter, until the options are fully vested on December 22, 2003. We may accelerate the vesting of the option upon the achievement of predetermined milestones. Options that are vested may be exercised at the discretion of the recipient at an exercise price of $0.34 per share. The options expire on December 22, 2009 or 90 days after the termination of the recipient's services with the Company.

THE EQUITY LINE AGREEMENT

On June 16, 1998, Techniclone entered into a Regulation D Common Stock Equity Line Subscription Agreement ("Equity Line") with two institutional investors. Techniclone also entered into a Placement Agent Agreement and engaged the services of Swartz Investments, LLC, a Georgia limited liability company, as placement agent in connection with the placement of securities of Techniclone with the two institutional investors under the Equity Line. Swartz Investments, LLC subsequently assigned and conveyed all of its rights under the Placement Agent Agreement and a related Registration Rights Agreement to Dunwoody Brokerage Services Inc. ("Dunwoody") and also transferred to Dunwoody all of the shares of common stock and warrants to purchase shares of common stock previously issued to Swartz Investments, LLC. However, under an additional agreement, Eric Swartz, a Director of the Company, and Michael Kendrick each have a contractual right to 50% of the common shares of Techniclone owned by Dunwoody or to be issued to Dunwoody under the Placement Agent Agreement. The ownership of the shares originally issued to Dunwoody which are covered by this prospectus and the warrants originally issued to Dunwoody whose underlying shares issuable upon conversion of the warrants are covered by this prospectus have been transferred, one-half each, to Eric Swartz and Michael Kendrick, who also each have a one-half ownership interest in Swartz Investments, LLC.

Dunwoody is a broker-dealer registered with the SEC and the National Association of Securities Dealers, Inc.

The following table provides certain information from August 16, 2000 through April 25, 2000 with respect to securities of Techniclone issued to the two institutional investors and Dunwoody under the Equity Line and the Placement Agent Agreement:

		Issued to the Institutional Investors				Issued to Dunwoody Brokerage Services, Inc.		
Date	Amount Funded	Purchase Price per Share ($)	Shares of Common Stock	Shares subject to Warrants(1)	Warrant Exercise Price per Share ($)	Shares of Common Stock	Shares Subject to Warrants(1)	Warrant Exercise Price per Share ($)
Aug. 16, 1999	$1,250,000	0.800000	1,562,500	156,250	0.800000	156,250	15,625	0.80000
Oct. 13, 1999	$337,500	0.362500	931,033	93,102	0.362500	93,103	9,310	0.36250
Nov. 19, 1999	$337,500	0.237500	1,421,052	142,105	0.237500	142,105	14,210	0.23750
Jan. 14, 2000	$337,500	0.331250	1,018,867	101,886	0.331250	101,886	10,188	0.33125
Feb. 4, 2000	$1,575,000	2.449200	643,061	64,305	2.449200	64,306	6,430	2.44920
Feb. 25 , 2000	$2,750,000	3.403125	808,080	80,807	3.403000	80,808	8,080	3.40300

(1) Warrants are exercisable, on a cashless basis only, at any time through December 31, 2004.

Under the Equity Line, the Company secured access to funding under a Common Stock Equity Line ("Equity Line") with two institutional investors, as amended on June 2, 2000 (the Amendment). Under the amended terms of the Equity Line, the Company may, in its sole discretion, and subject to certain restrictions, periodically sell ("Put") shares of the Company's common stock until all common shares previously registered under the Equity Line have been sold. As of June 28, 2000, the Company had approximately 8,239,000 shares available under the Equity Line. Under the amendment, up to $2,800,000 of Puts can be made every month if the Company's closing bid price is $2.00 or higher during the 10-day pricing period. If the Company's closing bid price is between $1.00 and $2.00, then the Company can Put up to $1,500,000 per month, and if the Company's closing bid price falls below $1.00 on any trading day during the ten trading days prior to the Put, the Company's ability to access funds under the Equity Line in the Put is limited to 15% of what would otherwise be available. If the closing bid price of the Company's common stock falls below $0.50 or if the Company is delisted from The Nasdaq SmallCap Market, the Company would have no access to funds under the Equity Line.

The purchase price for the shares to be sold to the institutional investors is equal to 82.5% of the 10-day low closing bid price immediately preceding the date of sale. However, if 82.5% of such 10-day low closing bid price results in a discount of less than twenty cents per share from such price, the purchase price for the shares will be equal to such 10-day low closing bid price minus twenty cents. The number of shares which may be sold to the two institutional investors at any one time is limited to the same number of shares of restricted securities that the institutional investors would otherwise be able to sell in compliance with Rule 144(e) promulgated under the Securities Act of 1933. In addition, at the time of each sale of shares, the two institutional investors will be issued warrants, expiring on December 31, 2004, to purchase a number of shares of common stock equal to 15% (for all Puts after June 2000) of the number of shares of common stock sold in such sale at an exercise price equal to the price per share at which such shares were sold to the institutional investors.

This prospectus does not cover any shares of common stock issued or issuable to the two institutional investors under the Equity Line or shares of common stock issuable upon exercise of warrants issued or issuable to the two institutional investors under the Equity Line, which shares have been separately registered for resale under the Securities Act of 1933, and are the subject of a separate prospectus.

Under the Placement Agent Agreement, Dunwoody is entitled to receive the following compensation as a placement agent fee in connection with the placement and sale of securities of Techniclone to the two institutional investors:

- a cash placement fee equal to 7% of the purchase price of any and all securities placed under the Equity Line;
- a non-accountable expense allowance equal to 1% of the purchase price of any and all securities placed up to the aggregate purchase price of the first $10 million of securities placed under the Equity Line;
- a one time non-accountable expense allowance equal to one hundred thousand dollars for any and all securities placed in excess of the aggregate purchase price of the first $10 million of securities placed under the Equity Line; and
- an amount of securities equal to 10% of all common stock issued under the Equity Line and an amount of securities equal to 10% of all warrants issued under the Equity Line.

Techniclone's ability to require the two institutional investors to purchase shares of its common stock under the Equity Line is subject to certain conditions and limitations, including:

- the representations and warranties of Techniclone in the Equity Line must be true and correct in all material respects as of the date of each sale;
- Techniclone shall have performed and complied with all obligations under the Equity Line, the Registration Rights Agreement and the warrants issued to the two institutional investors required to be performed as of the date of each sale;
- no statute, rule, regulation, executive order, decree, ruling or injunction shall be in effect which prohibits or directly and adversely affects any of the transactions contemplated by the Equity Line;
- at the time of a sale, there shall have been no material adverse change in Techniclone's business prospects or financial condition, except as disclosed in Techniclone's most recent periodic reports filed since June 16, 1998 with the SEC under the Securities Exchange Act of 1934;
- Techniclone's common stock shall not have been delisted from The Nasdaq SmallCap Market nor suspended from trading;
- the closing bid price of our common stock on any trading during the ten days preceding the date of the sale cannot be less than or equal to $0.50; and
- if the closing bid price of our common stock on any trading day during the ten trading days preceding the date of the sale is less than $1.00 but greater than $0.50, Techniclone may only require the purchase by the two institutional investors of an amount of shares not greater than 15% of the amount that would otherwise be available to Techniclone under the Equity Line.

The two institutional investors and Dunwoody have further agreed that they will not engage in any trading practice or activity for the purpose of manipulating the price of our common stock or otherwise engage in any trading practice or activity that violates the rules and regulations of the SEC.

Under the Placement Agent Agreement and a related Registration Rights Agreement between Techniclone, the two institutional investors and Dunwoody, as successor in interest to Swartz Investments, LLC, Techniclone has filed a registration statement, of which this prospectus forms a part, in order to permit Dunwoody to resell to the public the shares of common stock issued to Dunwoody (including shares issuable to Dunwoody upon exercise of outstanding warrants) under the Placement Agent Agreement. As Dunwoody has transferred the ownership of the shares covered by this prospectus to Eric Swartz and Michael Kendrick, the registration statement will cover Eric Swartz's and Michael Kendrick's resale of the common shares covered by this prospectus to the public.

THE INVESTOR COMMITMENT WARRANT

An investor commitment warrant to purchase up to 750,000 shares of Common Stock of the Company was issued to Swartz Private Equity, LLC pursuant to a letter of agreement between the Company and Swartz Private Equity, LLC dated on or about November 5, 1999 ("Letter of Agreement"). Under the terms of the warrant, the initial exercise price of the warrant is $.46875, subject to the future reset provision as defined in the warrant. The warrants may be exercised on a cash or cashless basis. The warrant is exercisable at any time beginning on the date of issuance of the warrant and ending on November 19, 2004. Eric Swartz and Michael Kendrick each own 50% of the shares issuable under the investor commitment warrant.

THE JOINT VENTURE AGREEMENT

On May 17, 2000, the Company entered into a joint venture with Oxigene, Inc. for its VTA technology. Under the terms of the joint venture, the Company has agreed to supply its VTA intellectual property to the joint venture. In exchange for this, Oxigene, Inc. has agreed to provide its next generation tubulin-binding compounds and, based on the development success of the joint venture, will be required to spend up to $20,000,000 to fund the development expenses of the joint venture. Any further funding of the joint venture thereafter will be shared equally by the Company and Oxigene, Inc. In addition, Oxigene, Inc. has paid the Company an up-front licensing fee of $1,000,000 and purchased $2,000,000 of the Company's stock (or 585,009 common shares) based on the closing market price for the five days prior and after the closing date. Additionally, under the terms of the joint venture agreement, any sublicensing fees generated within the joint venture will be allocated 75% to the Company and 25% to Oxigene, Inc. until the Company has received $10,000,000 in sublicensing fees. Thereafter, the joint venture partners will share licensing fees equally. In addition, Oxigene, Inc. will also be required to pay the Company $1,000,000 and to subscribe to an additional $1,000,000 in common stock of the Company upon the filing of an Investigational New Drug Application ("IND") for the first clinical candidate developed. Any royalty income or profits will also be shared equally by the joint venture partners. The Company and Oxigene have agreed to name the new entity Arcus Therapeutics, LLC.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for Techniclone by Luce, Forward, Hamilton & Scripps, LLP, San Diego, California.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended April 30, 1999, as set forth in their report (which contains an explanatory paragraph describing conditions that raise substantial doubt about Techniclone's ability to continue as a going concern as described in Note 1 to the Consolidated Financial Statements therein), which is incorporated by reference in this prospectus and elsewhere in the registration statement. Our consolidated financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The consolidated financial statements and related consolidated financial statement schedule for the fiscal year ended April 30, 1998, incorporated in this prospectus by reference from Techniclone Corporation's Annual Report on Form 10-K for the year ended April 30, 1999, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes an explanatory paragraph regarding substantial doubt about Techniclone's ability to continue as a going concern), which is incorporated in this prospectus by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE TO LEARN MORE ABOUT TECHNICLONE

Techniclone has filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, relating to the shares of common stock being offered by this prospectus. For further information pertaining to our common stock and the shares of common stock being offering by this prospectus, reference is made to such registration statement. This prospectus constitutes the prospectus of Techniclone filed as a part of the registration statement and it does not contain all information in the registration statement, certain portions of which have been omitted in accordance with the rules and regulations of the SEC. In addition, Techniclone is subject to the informational requirements of the Securities Exchange Act of 1934, and, in accordance with such requirements, files reports, proxy statements and other information with the SEC relating to its business, financial statements and other matters. Reports and proxy and information statements filed under Section 14(a) and 14(c) of the Securities Exchange Act of 1934 and other information filed with the SEC as well as copies of the registration statement can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's Midwest Regional Offices at 500 West Madison Street, Chicago, Illinois 60606 and Northeast Regional Office at 7 World Trade Center, New York, New York 10048. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the SEC at its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Such material may also be obtained electronically by visiting the SEC's web site on the Internet at http://www.sec.gov. Our common stock of Techniclone is traded on The Nasdaq SmallCap Market under the symbol "TCLN." Reports, proxy statements and other information concerning Techniclone may be inspected at the National Association of Securities Dealers, Inc., at 1735 K Street, N.W., Washington D.C. 20006.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the documents we file with them, which means that we can disclose important information to you by referring you to these documents. The information that we incorporate by reference into this prospectus is considered to be part of this prospectus, and information that we file later with the SEC automatically updates and supersedes any information in this prospectus. We incorporate by reference into this prospectus the documents listed below:

1. Annual Report on Form 10-K for the fiscal year ended April 30, 1999, as filed with the SEC on July 28, 1999, under Section 13(a) of the Securities Exchange Act of 1934, as amended by Amendment No. 1 to such Form 10-K which was filed with the SEC on January 28, 2000;
2. Quarterly Report on Form 10-Q for the period ended July 31, 1999, as filed on September 10, 1999;
3. Quarterly Report on Form 10-Q for the period ended October 31, 1999, as filed on December 15, 1999;
4. Quarterly Report on Form 10-Q for the period ended January 31, 2000, as filed on March 16, 2000, as amended by Amendment No. 1 to such Form 10-Q which was filed with the SEC on May 18, 2000;
5. Current Report on Form 8-K, as filed with the SEC on June 7, 2000;
6. Current Report on Form 8-K, as filed with the SEC on May 19, 2000;
7. Current Report on Form 8-K, as filed with the SEC on November 29, 1999;
8. Current Report on Form 8-K, as filed with the SEC on November 4, 1999;
9. Current Report on Form 8-K, as filed with the SEC on October 19, 1999;
10. Definitive Proxy Statement with respect to the Annual Meeting of Stockholders held on October 20, 1999, as filed with the SEC on August 30, 1999;
11. The description of our common stock contained in our Registration Statement on Form 8-A and Form 8-B (Registration of Successor Issuers) filed under the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description; and
12. All other reports filed by us under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of our fiscal year ended April 30, 1999.

All documents we have filed with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this prospectus and prior to the filing of a post-effective amendment indicating that all securities offered have been sold (or which re-registers all securities then remaining unsold), are deemed to be incorporated in this prospectus by this reference and to be made a part of this prospectus from the date of filing of such documents.

We will provide, without charge, upon written or oral request of any person to whom a copy of this prospectus is delivered, a copy of any or all of the foregoing documents and information that has been or may be incorporated in this prospectus by reference, other than exhibits to such documents. Requests for such documents and information should be directed to Techniclone Corporation, Attention: John N. Bonfiglio, President and CEO, 14282 Franklin Avenue, Tustin, California 92780-7017, telephone number (714) 508-6000. See also "Where to Learn More About Techniclone."

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Techniclone's Bylaws provide that Techniclone will indemnify its directors and officers and may indemnify its employees and other agents to the fullest extent permitted by law. Techniclone believes that indemnification under its Bylaws covers at least negligence and gross negligence by indemnified parties, and permits Techniclone to advance litigation expenses in the case of shareholder derivative actions or other actions, against an undertaking by the indemnified party to repay such advances if it is ultimately determined that the indemnified party is not entitled to indemnification. Techniclone has liability insurance for its officers and directors.

In addition, Techniclone's Certificate of Incorporation provides that, under Delaware law, its directors shall not be liable for monetary damages for breach of the directors' fiduciary duty as a director to Techniclone and its shareholders. This provision in the Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to Techniclone for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Provisions of Techniclone's Bylaws require Techniclone, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers (other than liabilities arising from actions not taken in good faith or in a manner the indemnitee believed to be opposed to the best interests of Techniclone) to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified and to obtain directors' insurance if available on reasonable terms. To the extent that indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling Techniclone as discussed in the foregoing provisions, Techniclone has been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act of 1933, and is therefore unenforceable. Techniclone believes that its Certificate of Incorporation and Bylaw provisions are necessary to attract and retain qualified persons as directors and officers.

Techniclone has in place a directors' and officers' liability insurance policy that, subject to the terms and conditions of the policy, insures the directors and officers of Techniclone against losses arising from any wrongful act (as defined by the policy) in his or her capacity as a director of officer. The policy reimburses Techniclone for amounts which Techniclone lawfully indemnifies or is required or permitted by law to indemnify its directors and officers.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

4,405,167 SHARES

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TECHNICLONE CORPORATION

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COMMON STOCK

PROSPECTUS

_____, 2000

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCES AND DISTRIBUTION

The following table sets forth the estimated expenses in connection with the offering described in this registration statement:

SEC registration fee	$ 5,012
Printing and engraving expenses	2,500
Legal fees and expenses	25,000
Blue Sky fees and expenses	2,500
Accounting fees and expenses	10,000
Miscellaneous	5,000
Total	$ 50,012

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Techniclone Corporation's Certificate of Incorporation (the "Certificate") and Bylaws include provisions that eliminate the directors' personal liability for monetary damages to the fullest extend possible under Delaware Law or other applicable law (the "Director Liability Provision"). The Director Liability Provision eliminates the liability of directors to Techniclone and its shareholders for monetary damages arising out of any violation by a director of his fiduciary duty of due care. However, the Director Liability Provision does not eliminate the personal liability of a director for (i) breach of the director's duty of loyalty, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, (iii) payment of dividends or repurchases or redemption of stock other than from lawfully available funds, or (iv) any transactions from which the director derived an improper benefit. The Director Liability Provision also does not affect a director's liability under the federal securities laws or the recovery of damages by third parties. Furthermore, under Delaware Law, the limitation liability afforded by the Director Liability Provision does not eliminate a director's personal liability for breach of the director's duty of due care. Although the directors would not be liable for monetary damages to Techniclone or its shareholders for negligent acts or commissions in exercising their duty of due care, the directors remain subject to equitable remedies, such as actions for injunction or rescission, although these remedies, whether as a result of timeliness or otherwise, may not be effective in all situations. With regard to directors who also are officers of Techniclone, these persons would be insulated from liability only with respect to their conduct as directors and would not be insulated from liability for acts or omissions in their capacity as officers. These provisions may cover actions undertaken by the Board of Directors, which may serve as the basis for a claim against Techniclone under the federal and state securities laws. Techniclone has been advised that it is the position of the SEC that insofar as the foregoing provisions may be involved to disclaim liability for damages arising under the Securities Act of 1933, as amended (the "Securities Act"), such provisions are against public policy as expressed in the Securities Act and are therefore unenforceable.

Delaware law provides a detailed statutory framework covering indemnification of directors, officers, employees or agents of Techniclone against liabilities and expenses arising out of legal proceedings brought against them by reason of their status or service as directors, officers, employees or agents. Section 145 of the Delaware General Corporation Law ("Section 145") provides that a director, officer, employee or agent of a corporation (i) shall be indemnified by the corporation for expenses actually and reasonably incurred in defense of any action or proceeding if such person is sued by reason of his service to the corporation, to the extent that such person has been successful in defense of such action or proceeding, or in defense of any claim, issue or matter raised in such litigation, (ii) may, in actions other than actions by or in the right of the corporation (such as derivative actions), be indemnified for expenses actually and reasonably incurred, judgments, fines and amounts paid in settlement of such litigation, even if he is not successful on the merits, if he acted in good faith and in a manner he reasonably believed

to be in or not opposed to the best interests of the corporation (and in a criminal proceeding, if he did not have reasonable cause to believe his conduct was unlawful), and (iii) may be indemnified by the corporation for expenses actually and reasonably incurred (but not judgments or settlements) of any action by the corporation or of a derivative action (such as a suit by a shareholder alleging a breach by the director or officer of a duty owed to the corporation), even if he is not successful, provided that he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, provided that no indemnification is permitted without court approval if the director has been adjudged liable to the corporation.

Delaware Law also permits a corporation to elect to indemnify its officers, directors, employees and agents under a broader range of circumstances than that provided under Section 145. The Certificate contains a provision that takes full advantage of the permissive Delaware indemnification laws (the "Indemnification Provision") and provides that Techniclone is required to indemnify its officers, directors, employees and agents to the fullest extent permitted by law, including those circumstances in which indemnification would otherwise be discretionary, provided, however, that prior to making such discretionary indemnification, Techniclone must determine that the person acted in good faith and in a manner he or she believed to be in the best interests of the corporation and, in the case of any criminal action or proceeding, the person had no reason to believe his or her conduct was unlawful.

In furtherance of the objectives of the Indemnification Provision, Techniclone has also entered into agreements to indemnify its directors and executive officers, in addition to the indemnification provided for in Techniclone's Certificate and Bylaws (the "Indemnification Agreements"). Techniclone believes that the Indemnification Agreements are necessary to attract and retain qualified directors and executive officers. Pursuant to the Indemnification Agreements, an indemnitee will be entitled to indemnification to the extent permitted by Section 145 or other applicable law. In addition, to the maximum extent permitted by applicable law, an indemnitee will be entitled to indemnification for any amount or expense which the indemnitee actually and reasonably incurs as a result of or in connection with prosecuting, defending, preparing to prosecute or defend, investigating, preparing to be a witness, or otherwise participating in any threatened, pending or completed claim, suit, arbitration, inquiry or other proceeding (a "Proceeding") in which the indemnitee is threatened to be made or is made a party or participant as a result of his or her position with Techniclone, provided that the indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of Techniclone and had no reasonable cause to believe his or her conduct was unlawful. If the Proceeding is brought by or in the right of Techniclone and applicable law so provides, the Indemnification Agreement provides that no indemnification against expenses shall be made in respect of any claim, issue or matter in the Proceeding as to which the indemnitee shall have been adjudged liable to Techniclone.

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers or persons controlling Techniclone pursuant to the foregoing provisions, Techniclone has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
3.1	Certificate of Incorporation of Techniclone Corporation, a Delaware corporation (Incorporated by reference to Exhibit B to the Company's 1996 Proxy Statement as filed with the Commission on or about August 20, 1996)	
3.2	Bylaws of Techniclone Corporation, a Delaware corporation (Incorporated by reference to Exhibit C to the Company's 1996 Proxy Statement as filed with the Commission on or about August 20, 1996)	
3.3	Certificate of Designation of 5% Adjustable Convertible Class C Preferred Stock as filed with the Delaware Secretary of State on April 23, 1997. (Incorporated by reference to Exhibit 3.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
4.1	Form of Certificate for Common Stock (Incorporated by reference to the exhibit of the same number contained in Registrants' Annual Report on Form 10-K for the year end April 30, 1988)	
4.4	Form of Subscription Agreement entered into with Series B Convertible Preferred Stock Subscribers (Incorporated by reference to Exhibit 4.1 contained in Registrant's Report on Form 8-K dated December 27, 1995, as filed with the Commission on or about January 24, 1996)	
4.5	Registration Rights Agreement dated December 27, 1995, by and among Swartz Investments, Inc. and the holders of the Registrant's Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.2 contained in Registrant's Current Report on Form 8-K dated December 27, 1995 as filed with the Commission on or about January 24, 1996)	
4.6	Warrant to Purchase Common Stock of Registrant issued to Swartz Investments, Inc. (Incorporated by reference to Exhibit 4.3 contained in Registrant's Current Report on Form 8-K dated December 27, 1995 as filed with the Commission on or about January 24, 1996)	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
4.7	5% Preferred Stock Investment Agreement between Registrant and the Investors (Incorporated by reference to Exhibit 4.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
4.8	Registration Rights Agreement between the Registrant and the holders of the Class C Preferred Stock (Incorporated by reference to Exhibit 4.2 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
4.9	Form of Stock Purchase Warrant to be issued to the holders of the Class C Preferred Stock upon conversion of the Class C Preferred Stock (Incorporated by reference to Exhibit 4.3 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
4.10	Regulation D Common Equity Line Subscription Agreement dated June 16, 1998 between the Registrant and the Equity Line Subscribers named therein (Incorporated by reference to Exhibit 4.4 contained in Registrant's Current Report on Form 8-K dated as filed with the Commission on or about June 29, 1998)	
4.11	Form of Amendment to Regulation D Common Stock Equity Line Subscription Agreement (Incorporated by reference to Exhibit 4.5 contained in Registrant's Current Report on Form 8-K filed with the Commission on or about June 29, 1998)	
4.12	Registration Rights Agreement between the Registrant and the Subscribers (Incorporated by reference to Exhibit 4.6 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about June 29, 1998)	
4.13	Form of Stock Purchase Warrant to be issued to the Equity Line Subscribers pursuant to the Regulation D Common Stock Equity Subscription Agreement (Incorporated by reference to Exhibit 4.7 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about June 29, 1998)	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
4.14	Placement Agent Agreement dated as of June 16, 1998, by and between the Registrant and Swartz Investments LLC, a Georgia limited liability company d/b/a Swartz Institutional Finance (Incorporated by reference to the exhibit contained in Registration's Registration Statement on Form S-3 (File No. 333-63773))	
4.15	Second Amendment to Regulation D Common Stock Equity Line Subscription Agreement dated as of September 16, 1998, by and among the Registrant, The Tail Wind Fund, Ltd. and Resonance Limited (Incorporated by reference to the exhibit contained in Registration's Registration Statement on Form S-3 (File No. 333-63773))	
4.16	Form of Non-Qualified Stock Option Agreement by and between Techniclone Corporation and certain consultants dated December 22, 1999*	
5	Opinion of Luce, Forward, Hamilton & Scripps LLP*	
10.23	Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan - 1986 (Incorporated by reference to the exhibit contained in Registrant's Registration Statement on Form S-8 (File No. 33-15102))	
10.24	Cancer Biologics Incorporated Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan - 1987 (Incorporated by reference to the exhibit contained in Registrant's Registration Statement on Form S-8 (File No. 33-8664))	
10.26	Amendment to 1986 Stock Option Plan dated March 1, 1988 (Incorporated by reference to the exhibit of the same number contained in Registrant's Annual Report on Form 10-K for the year ended April 30, 1988)	
10.31	Agreement dated February 5, 1996, between Cambridge Antibody Technology, Ltd. and Registrant (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K dated February 5, 1996, as filed with the Commission on or about February 8, 1996)	

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10.32	Distribution Agreement dated February 29, 1996, between Biotechnology Development, Ltd. and Registrant (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K dated February 29, 1996, as filed with the Commission on or about March 7, 1996)	
10.33	Option Agreement dated February 29, 1996, by and between Biotechnology Development, Ltd. And Registrant (Incorporated by reference to Exhibit 10.2 contained in Registrant's Current Report on Form 8-K dated February 29, 1996, as filed with the Commission on or about March 7, 1996)	
10.40	1996 Stock Incentive Plan (Incorporated by reference to the exhibit contained in Registrants' Registration Statement in form S-8 (File No. 333-17513))	
10.41	Stock Exchange Agreement dated as of January 15, 1997 among the stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1997)	
10.42	First Amendment to Stock Exchange Agreement among the Stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
10.43	Termination and Transfer Agreement dated as of November 14, 1997 by and between Registrant and Alpha Therapeutic Corporation (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K as filed with the commission on or about November 24, 1997)	
10.46	Option Agreement dated October 23, 1998 between Biotechnology Development Ltd. and the Registrant (Incorporated by reference to the exhibit contained in Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1998, as filed with the SEC on or about December 15, 1998)	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
10.47	Real Estate Purchase Agreement by and between Techniclone Corporation and 14282 Franklin Avenue Associates, LLC dated December 24, 1998 (Incorporated by reference to Exhibit 10.47 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1999)	
10.48	Lease and Agreement of Lease between TNCA, LLC, as Landlord, and Techniclone Corporation, as Tenant, dated as of December 24, 1998 (Incorporated by reference to Exhibit 10.48 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1999)	
10.49	Promissory Note dated as of December 24, 1998 between Techniclone Corporation (Payee) and TNCA Holding, LLC (Maker) for $1,925,000 (Incorporated by reference to Exhibit 10.49 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1999)	
10.50	Pledge and Security Agreement dated as of December 24, 1998 for $1,925,000 Promissory Note between Grantors and Techniclone Corporation (Secured Party) (Incorporated by reference to Exhibit 10.50 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1999)	
10.51	Final fully-executed copy of the Regulation D Common Stock Equity Line Subscription Agreement dated as of June 16, 1998 between the Registrant and the Subscribers named therein	
10.53	Termination Agreement dated as of March 8, 1999 by and between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.53 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.54	Secured Promissory Note for $3,300,000 dated March 8, 1999 between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.54 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.55	Security Agreement dated March 8, 1999 between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.52 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
10.56	License Agreement dated as of March 8, 1999 by and between Registrant and Schering A.G., Germany (Incorporated by reference to Exhibit 10.56 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.57	Patent License Agreement dated October 8, 1998 between Registrant and the Board of Regents of the University of Texas System for patents related to Targeting the Vasculature of Solid Tumors (Vascular Targeting Agent patents) (Incorporated by reference to Exhibit 10.57 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.58	Patent License Agreement dated October 8, 1998 between Registrant and the Board of Regents of the University of Texas System for patents related to the Coagulation of the Tumor Vasculature (Vascular Targeting Agent patents) (Incorporated by reference to Exhibit 10.58 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.59	License Agreement between Northwestern University and Registrant dated August 4, 1999 covering the LYM-1 and LYM-2 antibodies (Oncolym(R)) (Incorporated by reference to Exhibit 10.59 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.60	Change in Control Agreement dated August 4, 1999 between Registrant and John N. Bonfiglio, V.P. of Technology and Business Development (Incorporated by reference to Exhibit 10.60 to Registrants' Quarterly Report on Form 10-Q for the quarter ended October 31, 1999)	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
10.63	Change in Control Agreement dated September 27, 1999 between Registrant and Terrence Chew, V.P of Clinical and Regulatory Affairs (Incorporated by reference to Exhibit 10.63 to Registrants' Quarterly Report on Form 10-Q for the quarter ended October 31, 1999)	
10.64	Regulation D Subscription Agreement dated January 6, 2000 between Registrant and Subscribers, Swartz Investments, LLC and Biotechnology Development, LTD. (Incorporated by reference to Exhibit 10.64 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.65	Registration Right Agreement dated January 6, 2000 between Registrant and Subscribers of the Regulation D Subscription Agreement dated January 6, 2000 (Incorporated by reference to Exhibit 10.65 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.66	Form of Warrant to be issued to Subscribers pursuant to the Regulation D Subscription Agreement dated January 6, 2000 (Incorporated by reference to Exhibit 10.66 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.67	Warrant to purchase 750,000 shares of Common Stock of Registrant issued to Swartz Private Equity, LLC dated November 19, 1999 (Incorporated by reference to Exhibit 10.67 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.68	Amendment Agreement dated June 14, 2000 to the License Agreement dated March 8, 1999 by and between Schering and Registrant*	
10.69	Waiver Agreement by and between Registrant and Biotechnology Development Ltd. effective December 29, 1999*	
10.70	Joint Venture Agreement by and between Registrant and Oxigene, Inc. dated May 11, 2000*	
23.1	Consent of Luce, Forward, Hamilton & Scripps, LLP (contained in Exhibit 5)*	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
23.2	Consent of Ernst & Young LLP, Independent Auditors*	
23.3	Consent of Deloitte & Touche LLP*	

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* Filed herewith.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price present no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

PROVIDED, HOWEVER, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post- effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial BONA FIDE offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person

in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement on Form S-3 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tustin, State of California, on June 29, 2000.

TECHNICLONE CORPORATION

By: /S/ JOHN N. BONFIGLIO

John N. Bonfiglio, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ PAUL LYTLE Paul Lytle	Vice President of Finance and Accounting and Principal Accounting Officer	June 29, 2000
/S/ CARLTON JOHNSON Carlton Johnson	Director	June 29, 2000
/S/ EDWARD LEGERE Edward Legere	Director	June 29, 2000
/S/ ERIC SWARTZ Eric Swartz	Director	June 29, 2000
Clive R. Taylor, M.D., Ph.D.	Director	

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3.3	Certificate of Designation of 5% Adjustable Convertible Class C Preferred Stock as filed with the Delaware Secretary of State on April 23, 1997. (Incorporated by reference to Exhibit 3.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
4.1	Form of Certificate for Common Stock (Incorporated by reference to the exhibit of the same number contained in Registrants' Annual Report on Form 10-K for the year end April 30, 1988)	
4.4	Form of Subscription Agreement entered into with Series B Convertible Preferred Stock Subscribers (Incorporated by reference to Exhibit 4.1 contained in Registrant's Report on Form 8-K dated December 27, 1995, as filed with the Commission on or about January 24, 1996)	
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4.6	Warrant to Purchase Common Stock of Registrant issued to Swartz Investments, Inc. (Incorporated by reference to Exhibit 4.3 contained in Registrant's Current Report on Form 8-K dated December 27, 1995 as filed with the Commission on or about January 24, 1996)	

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10.51	Final fully-executed copy of the Regulation D Common Stock Equity Line Subscription Agreement dated as of June 16, 1998 between the Registrant and the Subscribers named therein	
10.53	Termination Agreement dated as of March 8, 1999 by and between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.53 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.54	Secured Promissory Note for $3,300,000 dated March 8, 1999 between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.54 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.55	Security Agreement dated March 8, 1999 between Registrant and Biotechnology Development Ltd. (Incorporated by reference to Exhibit 10.52 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	
10.56	License Agreement dated as of March 8, 1999 by and between Registrant and Schering A.G., Germany (Incorporated by reference to Exhibit 10.56 to Registrants' Annual Report on Form 10-K for the year ended April 30, 1999)	

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
10.57	Patent License Agreement dated October 8, 1998 between Registrant and the Board of Regents of the University of Texas System for patents related to Targeting the Vasculature of Solid Tumors (Vascular Targeting Agent patents) (Incorporated by reference to Exhibit 10.57 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.58	Patent License Agreement dated October 8, 1998 between Registrant and the Board of Regents of the University of Texas System for patents related to the Coagulation of the Tumor Vasculature (Vascular Targeting Agent patents) (Incorporated by reference to Exhibit 10.58 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.59	License Agreement between Northwestern University and Registrant dated August 4, 1999 covering the LYM-1 and LYM-2 antibodies (Oncolym(R)) (Incorporated by reference to Exhibit 10.59 to Registrants' Quarterly Report on Form 10-Q for the quarter ended July 31, 1999)	
10.60	Change in Control Agreement dated August 4, 1999 between Registrant and John N. Bonfiglio, V.P. of Technology and Business Development (Incorporated by reference to Exhibit 10.60 to Registrants' Quarterly Report on Form 10-Q for the quarter ended October 31, 1999)	
10.63	Change in Control Agreement dated September 27, 1999 between Registrant and Terrence Chew, V.P of Clinical and Regulatory Affairs (Incorporated by reference to Exhibit 10.63 to Registrants' Quarterly Report on Form 10-Q for the quarter ended October 31, 1999)	
10.64	Regulation D Subscription Agreement dated January 6, 2000 between Registrant and Subscribers, Swartz Investments, LLC and Biotechnology Development, LTD. (Incorporated by reference to Exhibit 10.64 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NO.
10.65	Registration Right Agreement dated January 6, 2000 between Registrant and Subscribers of the Regulation D Subscription Agreement dated January 6, 2000 (Incorporated by reference to Exhibit 10.65 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.66	Form of Warrant to be issued to Subscribers pursuant to the Regulation D Subscription Agreement dated January 6, 2000 (Incorporated by reference to Exhibit 10.66 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.67	Warrant to purchase 750,000 shares of Common Stock of Registrant issued to Swartz Private Equity, LLC dated November 19, 1999 (Incorporated by reference to Exhibit 10.67 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 2000)	
10.68	Amendment Agreement dated June 14, 2000 to the License Agreement dated March 8, 1999 by and between Schering and Registrant*	
10.69	Waiver Agreement by and between Registrant and Biotechnology Development Ltd. effective December 29, 1999*	
10.70	Joint Venture Agreement by and between Registrant and Oxigene, Inc. dated May 11, 2000*	
23.1	Consent of Luce, Forward, Hamilton & Scripps, LLP (contained in Exhibit 5)*	
23.2	Consent of Ernst & Young LLP, Independent Auditors*	
23.3	Consent of Deloitte & Touche LLP*	

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* Filed herewith.

TECHNICLONE CORPORATION

FORM OF NONQUALIFIED STOCK OPTION AGREEMENT

THIS OPTION AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXERCISED UNLESS (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE IN CONNECTION WITH SUCH OFFER, SALE OR TRANSFER.

AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. OPTIONEE MUST RELY ON THEIR OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED.

This Nonqualified Consultant Stock Option Agreement (the "Agreement") is entered into as of _____ by and between TECHNICLONE CORPORATION, a Delaware corporation (the "Company") and _____ (the "Optionee").

1. GRANT OF OPTION. The Company hereby grants to Optionee an option (the "Option") to purchase all or any portion of a total of _____(xxxxx) shares (the "Shares") of the Common Stock of the Company at a purchase price of $xxxxx per share (the "Exercise Price"), subject to the terms and conditions set forth herein and in the Plan. This Option is intended to qualify as an "nonqualified stock option" as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. VESTING OF OPTION. The right to exercise this Option shall vest with respect to _____ (xxxxx) shares on _____and with respect to _____ (xxxxx) shares on _____ and with respect to _____(xxxxx) shares on _____ and with respect to _____ (xxxxx) shares on _____, when this Option, unless sooner terminated, will have become exercisable as to all the Shares issuable hereunder. This Option shall be exercisable, in the manner set forth in Section 4 hereof, from time to time in whole or in part as to any and all vested installments, provided, however, that this Option shall not be exercised as to any fractional shares.

No additional shares shall vest after the date of termination of Optionee (as defined in Section 3 below), but this Option shall continue to be exercisable in accordance with Section 3 below with respect to that number of shares that have vested as of the date of termination of Optionee.

3. TERM OF OPTION. Optionee's right to exercise this Option shall terminate upon the first to occur of the following:

(a) the expiration of ten (10) years from the date of this Agreement;

(b) the expiration of twelve (12) months from the date Optionee is terminated if such termination is due to permanent disability of the Optionee (as defined in Section 22(e)(3) of the Code);

(c) the expiration of twelve (12) months from the date of terminated if such termination is due to the Optionee's death; or

(d) the expiration of ninety (90) days from the date Optionee is terminated if such termination occurs for any reason other than permanent disability or death; or

A transfer of the Optionee's services, without an intervening period, from the Company to, or to the Company from, any subsidiary and/or parent of the Company, or between subsidiaries, shall not be considered a termination.

4. EXERCISE OF OPTION. On or after the vesting of any portion of this Option in accordance with Section 2 above, and until termination of this Option in accordance with Section 3 above, the portion of this Option which has vested may be exercised in whole or in part by the Optionee (or, after his or her death, by the person designated in Section 5 below) by delivery of the following to the Company at its principal executive offices:

(a) A written notice of exercise which identifies this Agreement and states the number of Shares (which may not be less than 100, or all of the Shares if less than 100 Shares then remain covered by this Option) then being purchased (but no fractional Shares may be purchased);

(b) Payment of the Exercise Price in full for the number of shares then being purchased (i) in cash, (ii) by check, (iii) with the prior written consent of the Committee, by execution and delivery of Optionee's promissory note in the principal amount of the aggregate Exercise Price, with such term, interest rate and other terms and conditions, including, without limitation, requiring the shares acquired upon exercise to be pledged to the Company to secure payment of the note, as the Committee may specify, (iv) with the prior written consent of the Committee, by the delivery of shares of Common Stock of the Company owned by the Optionee having a fair market value on the date of exercise equal to the aggregate Exercise Price of the shares as to which such Option is exercised, (v) by cancellation of indebtedness of the Company to the Optionee, (vi) with the Committee's written consent, the cancellation by Optionee of other options to purchase a number of shares of Common Stock of the Company that have an aggregate fair market value, net of the aggregate exercise

price thereof, which is equal to the aggregate exercise price of the options being exercised, provided the options being cancelled are held and are then fully exercisable by the Optionee, (vii) provided that a public market for the

Company's Common Stock exists, through a "same day sale" commitment from the Optionee and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Optionee irrevocably elects to exercise the Option and to sell a portion of the shares so purchased to pay for the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such shares to forward the Exercise Price directly to the Company, (viii) provided that a public market for the Company's Common Stock exists, through a "margin" commitment from the Optionee and an NASD Dealer whereby the Optionee irrevocably elects to exercise the Option and to pledge the shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such shares to forward the Exercise Price directly to the Company, or (ix) by any combination of the foregoing methods of payment;

(c) A check or cash in the amount reasonably requested by the Company to satisfy the Company's withholding obligations, if any, under federal, state or other applicable tax laws with respect to the taxable income, if any, recognized by the Optionee in connection with the exercise, in whole or in part, of the Option (unless the Company and Optionee shall have made other arrangements for deductions or withholding from Optionee's wages, bonus or other income paid to Optionee by the Company or any parent or subsidiary of the Company, provided such arrangements satisfy the requirements of applicable tax laws); and

(d) A letter agreement, if requested by the Company, in such form and substance as the Company may require, setting forth the investment intent of, and agreements restricting the transferability of the Option Shares from, the Optionee or person designated in Section 5 below, as the case may be.

As used in this Agreement, the term "Committee" shall refer to the committee of the Board of Directors of the Company appointed to administer the Plan, and if no such committee has been appointed, the term Committee shall mean the Board of Directors.

5. DEATH OF OPTIONEE; NO ASSIGNMENT. The rights of the Optionee under this Agreement may not be assigned or transferred except by will or by the laws of descent and distribution, and may be exercised during the lifetime of the Optionee only by such Optionee. Any attempt to sell, pledge, assign, hypothecate, transfer or dispose of this Option in contravention of this Agreement or the Plan shall be void and shall have no effect. If the Optionee should die prior to the termination of this Option, and provided Optionee's rights hereunder shall have vested pursuant to Section 2 hereof, Optionee's legal representative, his or her legatee, or the person who acquired the right to exercise this Option by reason of the death of the Optionee (individually, a "Successor") shall succeed to the Optionee's rights and obligations under this Agreement. After the death of the Optionee, only a Successor may exercise this Option.

6. REPRESENTATIONS AND WARRANTIES OF OPTIONEE.

(a) Optionee represents and warrants that this Option is being acquired by Optionee for his or her personal account, for investment purposes only, and not with a view to the distribution, resale or other disposition thereof.

(b) Optionee acknowledges that the Company may issue Shares upon the exercise of this Option without registering such Common Stock under the Securities Act of 1933, as amended (the "Act"), on the basis of certain exemptions from such registration requirement. Accordingly, Optionee agrees that his or her exercise of the Option may be expressly conditioned upon his or her delivery to the Company of an investment agreement that will include such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Optionee is acquiring the Shares for investment and not with a present intention of selling or otherwise disposing such Shares and agreements by the Optionee that the Shares may be transferred only in compliance with applicable federal and state securities laws and that the certificates evidencing the Shares shall bear a legend indicating such non-registration under the Act and the resulting restrictions on transfer. Optionee acknowledges that, because Shares received upon exercise of an Option may be unregistered, Optionee may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Act or an exemption from such registration is available.

(c) Optionee represents and warrants that he either (i) has a pre-existing business or personal relationship with the Company or any of its officers, directors or principal shareholders, or (ii) has a business or financial experience either alone or with such Optionee's investor representative sufficient to have the capacity to protect such Optionee's interest in connection with the acquisition of the Option and, upon exercise thereof, Shares.

7. LIMITATION OF COMPANY'S LIABILITY FOR NONISSUANCE. During the term of the Agreement, the Company agrees at all times to reserve and keep available, and to use its reasonable best efforts to obtain from any regulatory body having jurisdiction any requisite authority in order to issue and sell, such number of shares of its Common Stock as shall be sufficient to satisfy its obligations hereunder. Inability of the Company to obtain, from any regulatory body having jurisdiction, authority deemed by the Company's counsel to be necessary for the lawful issuance and sale of any shares of its Common Stock hereunder and under the Plan shall relieve the Company of any liability in respect of the nonissuance or sale of such shares as to which such requisite authority shall not have been obtained.

8. RESTRICTIVE LEGENDS. Optionee hereby acknowledges that federal securities laws and the securities laws of the state in which he or she resides may require the placement of certain restrictive legends upon the Shares issued upon exercise of this Option, and Optionee hereby consents to the placing of any such legends upon certificates evidencing the Shares as the Company, or its counsel, may deem necessary.

9. ADJUSTMENTS UPON CHANGES IN CAPITAL STRUCTURE, MERGER, ETC.

(a) In the event of any changes in the outstanding shares of Common Stock of the Company resulting from a stock split, reverse stock split, stock dividend, reclassification or similar change in the capital structure of the Company, appropriate adjustments shall be made to the number and kind of Shares subject to this Option and to the Exercise Price per Share, in accordance with the provisions of Section 10.1 of the Plan.

(b) In the event of a merger, consolidation or other reorganization in which the Company is not the surviving corporation, or although it is the surviving corporation, the holders of its voting shares immediately prior to such transaction will own less than 50% of the Company's voting shares after the consummation of such transaction, ("Change in Control") this Option, if not already exercisable, shall concurrent with and conditioned upon the effective date of the proposed transaction, be accelerated and the Optionee shall have the right to exercise the Option in respect to any or all of the Shares on the effective date of the transaction after which this Option shall terminate unless a successor corporation assumes this Option, provides substantially similar consideration to Optionee as was provided to the shareholders of the Company, or substitutes substantially equivalent options of the successor corporation with appropriate adjustments as to the number and kind of shares and the Exercise Price, in accordance with the Plan. In the event of a Change in Control the Committee shall cause written notice of the proposed transaction to be given to the Optionee not less than fifteen (15) days prior to the anticipated effective date of the proposed transaction.

10. NO CONSULTING CONTRACT CREATED. Nothing in this Agreement shall be construed to constitute or be evidence of any right with respect to continuance of consulting for the Company or any subsidiary or parent of the Company, or to limit in any way the right of the Company or any subsidiary or parent of the Company to terminate Optionee's consulting agreement at any time, with or without cause.

11. NO RIGHTS AS SHAREHOLDER. The Optionee (or a Successor pursuant to Section 5 hereof) shall have no rights as a shareholder with respect to any Shares covered by this Option until the date of the issuance of a stock certificate or certificates to him or her for such Shares, notwithstanding the exercise of this Option.

12. NOTICES. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to the Company, at its principal place of business, Attention: the Chief Financial Officer, and if to the Optionee, at his or her most recent address as shown in the employment or stock records of the Company.

13. GOVERNING LAW. The validity, construction, interpretation, and effect of this Option shall be governed by and determined in accordance with the laws of the State of California.

14. SEVERABILITY. Should any provision or portion of this Agreement be held to be unenforceable or invalid for any reason, the remaining provisions and portions of this Agreement shall be unaffected by such holding.

15. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument.

16. CALIFORNIA CORPORATE SECURITIES LAW. The grant of the Option and the sale of the shares that are the subject of this Agreement have not been qualified with the Commissioner of Corporations of the State of California and the grant of the Option, and the issuance of such shares or the payment or receipt of any part of the consideration therefor, prior to such qualification is unlawful, unless the sale of such shares is exempt from such qualification by Section 25100, 25102 or 25105 of the California Corporate Securities Law of 1968, as amended. The rights of all parties to this Agreement are expressly conditioned upon such qualification being obtained, unless the sale is so exempt.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TECHNICLONE CORPORATION

By: _____

Title: _____

The Optionee hereby accepts this Option subject to all the terms and provisions hereof. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement. The Optionee authorizes the Company to withhold in accordance with applicable law from any compensation payable to him or her any taxes required to be withheld by federal, state or local law as a result of the exercise of this Option.

"OPTIONEE"

_____

Name

EXHIBIT 5

(Luce, Forward, Hamilton & Scripps LLP Letterhead)

June 29, 2000

Techniclone Corporation
14282 Franklin Avenue
Tustin, California 92780-7017

Re: Registration Statement on Form S-3
Techniclone Corporation common stock, par value $.001 per share

Ladies and Gentlemen:

We are counsel for Techniclone Corporation, a Delaware corporation (the "Company"), in connection with the preparation of the Registration Statement on Form S-3 (the "Registration Statement") as to which this opinion is a part, filed with the Securities and Exchange Commission (the "Commission") on June ___, 2000 for the resale of up to 4,405,167 shares of common stock, $.001 par value, of the Company by selling shareholders (the "Shares").

In connection with rendering our opinion as set forth below, we have reviewed and examined originals or copies of such corporate records and other documents and have satisfied ourselves as to such other matters as we have deemed necessary to enable us to express our opinion hereinafter set forth.

Based upon the foregoing, it is our opinion that:

The issued Shares covered by the Registration Statement and registered on behalf of the Company, when issued in accordance with the terms and conditions set forth in the Registration Statement, will be duly authorized, validly issued, fully paid and nonassessable. The Shares to be issued upon the conversion of certain warrants and options, as covered by the Registration Statement and registered on behalf of the Company, when issued in accordance with the terms and conditions set forth in the Registration Statement, will be duly authorized, validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an Exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus included in the Registration Statement.

Very truly yours,

/s/ LUCE, FORWARD, HAMILTON & SCRIPPS LLP

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

AMENDMENT AGREEMENT #1

This AMENDMENT AGREEMENT #1 ("Amendment") is made and dated as of June 14, 2000 (the "Effective Amendment Date") by and between Schering Aktiengesellschaft ("Schering") and Techniclone Corporation ("Techniclone").

WHEREAS, Schering and Techniclone entered into the License Agreement dated as of March 8, 1999 relating to the grant by Techniclone to Schering of certain rights in the area of radiolabeled antibodies for use in oncology, and the development by the Parties of a Product (the "Agreement") ;

WHEREAS, the Agreement calls for Techniclone to bear a portion of certain Clinical Development Expenses and all of certain CMC/Manufacturing Expenses; and

WHEREAS, Techniclone is desirous of having Schering take over the responsibility for paying Techniclone's portion of Clinical Development Expenses in two stages (described below) through Decision Point #2 (defined below), and Schering is willing to assume such payment responsibilities (but not Techniclone's obligations to perform and pay for CMC/Manufacturing) in exchange for the consideration described in this Amendment;

NOW THEREFORE, intending to be legally bound and for good and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows.

SECTION 1: DEFINITIONS. Capitalized terms used in this Amendment shall have the meanings ascribed in the Agreement. The following additional terms shall be added to "Article I: Definitions" of the Agreement:

"DECISION POINT #1" means the date on which the clinical study results are finalized for the Phase I Maximum Tolerated Dose Trial.

"DECISION POINT #2" means the date on which the first twenty-eight (28) fully evaluable patients have completed the protocol for the Phase II/III Clinical Trial.

"PAYMENT SHARES" means the common equity shares of Techniclone that Techniclone transfers to Schering to fulfill Techniclone's payment obligations pursuant to Section 3.04(d). Such shares shall be registered with the United States Securities and Exchange Commission, and shall be saleable by Schering in the public market for securities in the United States through a broker-dealer licensed by the United States Securities and Exchange Commission, upon an S-3 registration statement filed by Techniclone with the United States Securities and Exchange Commission relating thereto becoming effective.

"PHASE I MAXIMUM TOLERATED DOSE TRIAL" means a clinical trial of Product in humans to establish the maximum tolerated dose and to collect dosimetry data.

"PHASE II/III CLINICAL TRIAL" means a clinical trial of Product in humans designed to fulfill the FDA requirements of both a Phase II Clinical Trial and a Phase III Clinical Trial, sufficient to avoid the necessity of conducting a separate Phase II Clinical Trial and Phase III Clinical Trial, while providing adequate data to support a grant of Regulatory Approval from EMEA and FDA.

"PROCEEDS" means the cash amount that Schering receives as a result of selling Payment Shares in the public market for securities in the United States, net of commissions and other expenses of Schering related to the sale of the Payment Shares .

SECTION 2: AMENDMENT OF SECTION 3.04(b). The Parties agree that Section 3.04 (b) (ii) of the Agreement shall be deleted in its entirety and replaced with the following language:

(ii) CLINICAL DEVELOPMENT EXPENSES.

(A) CLINICAL DEVELOPMENT EXPENSES FROM EFFECTIVE AMENDMENT DATE THROUGH DECISION POINT #1. Schering shall be responsible for one hundred percent (100%) of all Clinical Development Expenses, subject to a maximum of one million, three hundred thousand United States dollars ($1,300,000), incurred from the Effective Amendment Date through Decision Point #1 for Products in the Territory; provided however that Techniclone shall be responsible for one hundred percent (100%) of Clinical Development Expenses relating to the manufacture, packaging and delivery to clinical sites of Oncolym for use in Clinical Development through Decision Point #1. In the event that Clinical Development Expenses incurred from the Effective Amendment Date through Decision Point #1 exceed one million three hundred thousand United States dollars ($1,300,000), then Schering shall be responsible for eighty percent (80%) of the excess and Techniclone shall be responsible for twenty percent (20%) of the excess. In the event that Schering determines to continue Clinical Development after Decision Point #1, then clause B below shall be applicable.

(B) CLINICAL DEVELOPMENT EXPENSES FROM DECISION POINT #1 THROUGH DECISION POINT #2. In the event that Schering determines to continue Clinical Development following Decision Point #1, then Schering shall be responsible for one hundred percent (100%) of all Clinical Development Expenses, subject to a maximum of one million, seven hundred thousand United States dollars ($1,700,000), incurred from Decision Point #1 through Decision Point #2 for Products in the Territory; provided however that Techniclone shall be responsible for one hundred percent (100%) of Clinical Development Expenses relating to the manufacture, packaging and delivery to clinical sites of Oncolym for use in Clinical Development from Decision Point #1 through Decision Point #2. In the event that Clinical Development Expenses incurred from Decision Point #1 through Decision Point #2 exceed one million, seven hundred thousand United States dollars ($1,700,000), then Schering shall be responsible for eighty percent (80%) of the excess and Techniclone shall be responsible for twenty percent (20%) of the excess. In the event that Schering determines to continue Clinical Development after Decision Point #2, then Schering shall be responsible for eighty percent (80%) of all Clinical Development Expenses incurred after Decision Point #2 (including Clinical Development Expenses relating to the manufacture, packaging and delivery to clinical sites of Oncolym for use in Clinical Development) for Products in the Territory, and Techniclone shall be solely responsible for the remaining twenty percent (20%) of such Clinical Development Expenses.

SECTION 3: ADDITION OF SECTION 3.04(d). The Parties agree to add the following new Section 3.04(d) to the Agreement, as follows:

(d) PAYMENTS TO SCHERING BY TECHNICLONE.

(A) FROM EFFECTIVE AMENDMENT DATE THROUGH DECISION POINT #1.

(i) In consideration of Schering's agreement to undertake responsibility for payment of Clinical Development Expenses as described above from the Effective Amendment Date through Decision Point #1, Techniclone agrees to transfer to Schering, within three (3) days after the registration statement described below in Section 3.04(d)(A)(iii) becomes effective, Payment Shares equal to one million, three hundred thousand United States dollars ($1,300,000) determined by the average closing stock price for the five trading days prior to the date the registration statement becomes effective. In addition, in lieu of transferring all or part of the Payment Shares to Schering, Techniclone shall have the right to pay Schering in cash at any time to satisfy the

obligations of Techniclone hereunder, for either the full amount due to Schering or any portion thereof, at the sole discretion of Techniclone. The Parties recognize that the public market for securities in the United States is volatile, and that as a result Schering may not realize Proceeds of one million, three hundred thousand United States dollars ($1,300,000) (or such lower amount as may be applicable if Techniclone has satisfied part of its obligations hereunder in cash) when it sells the Payment Shares. In the event that Schering realizes Proceeds of less than one million, three hundred thousand United States dollars ($1,300,000) (or such lower amount as may be applicable if Techniclone has satisfied part of its obligations hereunder in cash) as a result of the sale of the Payment Shares, Schering shall notify Techniclone of the shortfall. Techniclone shall pay the amount of the shortfall to Schering either by issuing additional Payment Shares to Schering, by paying cash to Schering, or some combination thereof in the sole discretion of Techniclone, but in any event such payment shall be made to Schering within ten trading days from the date of written notification from Schering to Techniclone of the shortfall. The Parties recognize that if Techniclone makes up any shortfall through the transfer of additional Payment Shares to Schering, then the process described above may have to be repeated more than once in order for Schering to realize Proceeds equal to one million, three hundred thousand United States dollars ($1,300,000). Schering agrees to provide Techniclone with a copy of the relevant broker/dealer trading record within a reasonable time of receipt of a written request from Techniclone. Schering's obligations under this Amendment and the Agreement are conditioned upon Schering realizing Proceeds equal to one million, three hundred thousand United States dollars ($1,300,000) (with any shortfall to be made up in Payment Shares, cash, or a combination thereof by Techniclone as described above), and Schering shall have no obligation to perform under this Amendment or the Agreement until such time as such sum is realized by Schering. In the event that Schering realizes more that one million, three hundred thousand United States dollars ($1,300,000), Schering shall refund such excess to Techniclone.

(ii) Schering agrees not to sell more than that number of Payment Shares on any trading day that exceeds ten percent (10%) of the trading volume of Techniclone shares on that day.

(iii) Techniclone agrees to use its best efforts to file an S-3 registration statement with the United States Securities and Exchange Commission within seven (7) days of the Effective Amendment Date providing for the registration of the Payment Shares, and to have an effective registration statement within forty-five (45) days of the Effective Amendment Date.

(B) FROM DECISION POINT #1 THROUGH DECISION POINT #2.

(i) In the event that Schering determines to go forward with Clinical Development after Decision Point #1 as provided herein, Schering shall so notify Techniclone in writing. In consideration of Schering's agreement to undertake responsibility for payment of Clinical Development Expenses from Decision Point #1 through Decision Point #2, as described above, Techniclone agrees to transfer to Schering, within three (3) days after the registration statement described below in Section 3.04(d)(B)(iii) becomes effective, Payment Shares equal to one million, seven hundred thousand United States dollars ($1,700,000) determined by the average closing stock price for the five trading days prior to the date the registration statement becomes effective. In addition, in lieu of transferring all or part of the Payment Shares to Schering, Techniclone shall have the right to pay Schering in cash at any time to satisfy the obligations of Techniclone hereunder, for either the full amount due to Schering or any portion thereof, at the sole discretion of Techniclone. The Parties recognize that the public market for securities in the United States is volatile, and that as a result Schering may not realize Proceeds of one million, seven hundred thousand United States dollars ($1,700,000) (or such lower amount as may be applicable if Techniclone has satisfied part of its obligations hereunder in cash) when it sells the Payment Shares. In the event that Schering realizes Proceeds of less than one million, seven hundred thousand United States dollars ($1,700,000) (or such lower amount as may be applicable if Techniclone has satisfied part of its obligations hereunder in cash) as a result of the sale of the Payment Shares, Schering shall notify Techniclone of the shortfall. Techniclone shall pay the amount of the shortfall to Schering either by issuing additional Payment Shares to Schering, by paying cash to Schering, or some combination thereof in the sole discretion of Techniclone, but in any event such payment shall be made to Schering within ten trading days from the date of written notification from Schering to Techniclone of the shortfall. The Parties recognize that if Techniclone makes up any shortfall through the transfer of additional Payment Shares to Schering, then the process described above may have to be repeated more than once in order for Schering to realize Proceeds equal to one million, seven hundred thousand United States dollars ($1,700,000). Schering agrees to provide Techniclone with a copy of the relevant broker/dealer trading record within a reasonable time of receipt of a written request from Techniclone.

Schering's obligations under this Amendment and the Agreement following Decision Point #1 are conditioned upon Schering realizing Proceeds equal to one million, seven hundred thousand United States dollars ($1,700,000) (with any shortfall to be made up in Payment Shares, cash, or a combination thereof by Techniclone as described above), and Schering shall have no obligation to perform following Decision Point #1 under this Amendment or the Agreement until such time as such sum is realized by Schering. In the event that Schering realizes more that one million United States dollars ($1,700,000), Schering shall refund such excess to Techniclone.

(ii) Schering agrees not to sell more than that number of Payment Shares on any trading day that exceeds ten percent (10%) of the trading volume of Techniclone shares on that day.

(iii) Techniclone agrees to use its best efforts to file an S-3 registration statement with the United States Securities and Exchange Commission within seven (7) days of receipt by Techniclone of the written notice from Schering stating that Schering has determined to go forward with Clinical Development following Decision Point #1 providing for the registration of the Payment Shares, and to have an effective registration statement within forty-five (45) days of such written notice from Schering.

(C) CREDIT FOR CLINICAL DEVELOPMENT EXPENSES FOLLOWING DECISION POINT #2. In the event that Schering determines to go forward with Clinical Development after Decision Point #2, then eighty percent (80%) of the Proceeds of the Payment Shares actually spent by Schering on Clinical Development Expenses from the Effective Amendment Date through Decision Point #2 shall be credited toward Techniclone's obligations under Section 3.04(b) incurred after Decision Point #2.

SECTION 4: AMENDMENT OF SECTION 12.02(a); ADDITION OF SECTION 12.02(J). The Parties agree to delete clauses (A), (B), (C) and (D) from Section 12.02(a)(ii), to delete Section 12.02(a)(v) from the Agreement and to replace it with the following new Section 12.02(a)(v), to add new Sections 12.02(a)(viii) and 12.02(a)(ix), and to add a new Section 12.02(j) to the Agreement, as follows:

(v) upon thirty days' written notice given at any time subsequent to Decision Point #2 and prior to Regulatory Approval for any reason;

(viii) upon thirty days' written notice in the event that Schering determines that it is not commercially reasonable to continue Clinical Development. Schering acknowledges that there are several competitive products for Non-Hodgkins Lymphoma currently under development. These products include but are not limited to products under development at Coulter, Idec, SmithKline Beecham, Genentech, Immunomedics, and NeoRx. Schering agrees that the public release of efficacy data after the Effective Amendment Date for any other product for Non-Hodgkins Lymphoma, or the regulatory approval in any country for any such product shall not constitute a reason for termination under this Subsection prior to the Decision Point.

(ix) upon thirty days' written notice if, at Decision Point #1, Schering determines that the clinical efficacy of the Product does not warrant further clinical development.

(j) REFUND OF CERTAIN SUMS TO TECHNICLONE. In the event that this Agreement is terminated in its entirety by Schering under any provision of Section 12.02, other than a termination by Schering on account of Techniclone's failure to comply with one or more of Techniclone's material obligations pursuant to Section 12.02 (b), then Schering shall refund to Techniclone any Proceeds realized by Schering pursuant to Section 3.04(d) in excess of Schering's actual Clinical Development Expenses incurred prior to the date of termination. Schering shall have the right to deduct from the amount to be refunded pursuant to this Section 12.02(j) any sums then owed to Schering by Techniclone, whether or not such sums are related to Clinical Development Expenses.

SECTION 5: PRESS RELEASE. Schering agrees that within ten (10) business days of the commencement to the first clinical trial contemplated by this Amendment, it will publish a press release reasonably satisfactory to both Schering and Techniclone referring to such clinical trial, expressing in reasonable business terms Schering's support of the Clinical Development of Oncolym and Schering's desire to continue to work with Techniclone in such Clinical Development.

SECTION 6: EFFECT OF AMENDMENT. This Amendment is intended to supplement and modify the terms of the Agreement, it being the intent of the Parties that this Amendment shall control the construction, interpretation, and intent of the Agreement. This Amendment shall be effective as of the Effective Amendment Date. From and after the Effective Amendment Date all references in and to the

Agreement shall be deemed to include this Amendment. This Amendment is limited as specified, and shall not constitute an amendment, modification, or waiver of any other provisions of the Agreement. This Amendment shall be subject to Section 14.09 of the Agreement. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

SECTION 7: EXECUTION BY COUNTERPARTS; EXCHANGE BY FACSIMILE. This Amendment may be executed by the Parties in one or more counterparts. Such counterparts may be exchanged by facsimile (provided that each executed counterpart is transmitted in one complete transmission). Where there is an exchange of executed counterparts, each Party shall be bound by the Agreement as amended by this Amendment notwithstanding that original copies of the Amendment may not be exchanged immediately. The Parties shall cooperate after execution of the Amendment and exchange by facsimile to ensure that each Party obtains an original executed copy of this Amendment.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Amendment Date.

TECHNICLONE CORPORATION

By: /S/ JOHN N. BONFIGLIO

John Bonfiglio, Ph. D.,
President & CEO

SCHERING AG

By: /S/ G. STOCK

Prof. G. Stock,
Member of Executive Board of Directors

By: /S/ J.F. KAPP

Dr. J.-F. Kapp,
Head of Strategic Business Unit,
Therapeutics

WAIVER AGREEMENT

This Waiver Agreement ("Agreement") is entered into as of this 12th day of April, 2000 and effective as of December 29, 1999, by and between Techniclone Corporation, a Delaware corporation having its principal place of business at 14282 Franklin Avenue, Tustin, California 92780, a successor-in-interest to Techniclone International Corporation, a California corporation (hereinafter "Techniclone" or the "Company") and Biotechnology Development, Ltd., a Nevada limited partnership having its principal place of business at 222 South Rainbow, Suite 218, Las Vegas, Nevada 89128 (hereinafter "BDT").

RECITALS

A. Techniclone and BDT have entered into that certain Termination Agreement, dated as of March 8, 1999 (the "Termination Agreement") pursuant to which Techniclone and BDT terminated a Distribution Agreement and Option Agreement, each dated February 29, 1996 and an Option Agreement dated October 23, 1998 (collectively the "BDT/Techniclone Agreements").

B. As a part of the Termination Agreement, Techniclone executed a $3,300,000 Secured Promissory Note, dated March 8, 1999 (the "Termination Note"), to the order of BDT. Also pursuant to the Termination Agreement, Techniclone agreed to file a registration statement with regard to certain of the securities held by BDT by December 8, 1999.

C. Techniclone defaulted on its interest payment obligation on the Termination Note for the month of December 1999 and failed to fulfill its promise to file the registration statement by December 8, 1999.

D. Techniclone and BDT believe that it is in their respective best interests to provide for a waiver of the above-referenced defaults and to provide for certain amendments to the Termination Agreement and its related documents.

NOW, THEREFORE, in consideration of their respective promises to set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. BDT hereby waives and fully forgives any and all defaults which may have occurred on the part of Techniclone pursuant to the Termination Agreement, the Termination Note and any warrant or other agreement entered into in connection with the Termination Agreement.

2. All payments of interest otherwise due on the Termination Note from December 1, 1999 through August 31, 2000 shall be deferred and shall not be due and payable until August 31, 2000. Deferred interest shall not itself bear interest. 1.

3. Techniclone's obligation under the Termination Agreement to register certain shares of its common stock under the Securities Act of 1933 is hereby given a one-time waiver, but must be filed no later than December 1, 2000.

4. BDT's security interest in certain assets of Techniclone, as set forth in the Security Agreement between BDT and Techniclone dated March 8, 1999, is hereby terminated. As substitute collateral, Techniclone hereby pledges to BDT a security interest in the issued patents and patents pending set forth on Exhibit B to secure performance of the obligations of Techniclone pursuant to the Security Agreement.

5. Techniclone and BDT shall execute an amended security agreement evidencing the substitution of collateral set forth above upon BDT's delivery to Techniclone of an amended UCC financing statement evidencing the substitution of the collateral and the amendment of the Security Agreement. It shall be BDT's responsibility to file a copy of the amended security agreement with the United States Patent & Trademark Office and the responsibility of Techniclone to file the amended financing statement with the California Secretary of State.

6. Effective December 1, 1999, the interest rate on the Termination Note is hereby increased from 10% to 12% per annum.

7. The expiration date of the warrants described in paragraph 3 of the Termination Agreement is hereby extended to December 1, 2005 and, in the event of a merger, consolidation, exchange of shares, or similar event, as a result of which the outstanding shares of Techniclone's common stock shall be changed into the same or a different number of shares of stock or other securities of another entity, or of a sale of all or substantially all of Techniclone's assets, or a recapitalization, reclassification or similar transaction of such character that the shares of Techniclone's common stock shall be changed into or become exercisable for a smaller number of such shares, then the exercise price of warrants

described in paragraph 3 of the Termination Agreement shall be changed to $.34 per share.

8. This Waiver Agreement shall be governed by paragraph 8 of the Termination Agreement, the terms of which are incorporated by this reference.

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

TECHNICLONE CORPORATION

By: /S/ JOHN BONFIGLIO

John Bonfiglio, acting President

BIOTECHNOLOGY DEVELOPMENT, LTD.

By: /S/ EDWARD J. LEGERE

Edward J. Legere, General Partner

LIMITED LIABILITY COMPANY AGREEMENT

OF

ARCUS THERAPEUTICS LLC

BETWEEN

TECHNICLONE CORPORATION

AND

OXiGENE, INC.

Dated May 11, 2000

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LIMITED LIABILITY COMPANY AGREEMENT
OF
ARCUS THERAPEUTICS LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of ARCUS THERAPEUTICS LLC (the "Company") is made as of this 11th day of May, 2000 by and between TECHNICLONE CORPORATION, a Delaware corporation ("Techniclone"), and OXiGENE, INC., a Delaware corporation ("OXiGENE").

RECITALS

A. Techniclone has conducted research and has developed and possesses certain existing proprietary patent rights, technical information, technology and know-how relating to vascular targeting agent ("VTA") technology.

B. OXiGENE and Techniclone believe that the aforementioned VTA patent rights, technical information, technology and know-how will have important application to the development of products.

C. OXiGENE and Techniclone have formed the Company jointly for the principal purpose of developing VTA technology and, eventually, creating products based on it.

D. OXiGENE and Techniclone believe that a joint business effort between them dedicated to such purposes would be of mutual benefit to the accomplishment thereof and that the compatibility between Techniclone and OXiGENE is such that substantial economic returns may be gained by each through cooperative effort.

E. Techniclone will assign to the Company the Techniclone Contributed Technology pursuant to the Techniclone Assignment Agreement, for use consistent with the Plan in consideration for a Membership Interest in the Company, as more fully set forth herein.

F. OXiGENE will (i) contribute cash, in the amount and on the terms of Section 3.1.2 below, and certain resources, in accordance with the Plan, and (ii) license the OXiGENE Contributed Technology to the Company pursuant to the OXiGENE License Agreement, for use consistent with the Plan, all in consideration for a Membership Interest in the Company, as more fully set forth herein.

G. The purpose of the Company is to engage in the business of developing, licensing, promoting and otherwise commercially exploiting the VTA Technology with a view toward creating, manufacturing, producing, licensing, selling, marketing and using the VTA Products for commercial purposes both within the scope of the Plan and through licensing, strategic alliances and other third party collaborations agreed to by the Members in accordance with Sections 6.2 through 6.6 of this Agreement outside of the scope of the Plan.

H. The parties believe that it is in their best interest to set forth their mutual understanding with respect to, among other things, management and operation of the Company and the ownership and Transfer of the Membership Interests.

NOW, THEREFORE, in consideration of the mutual covenants of the parties, each to the other, and of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1

DEFINITIONS; INTERPRETATION

1.1 DEFINITIONS

Capitalized terms used herein shall have the following meanings:

"ACCOUNTING SERVICES PROVIDER" has the meaning ascribed to that term in Section 15.1.

"ACT" means the Delaware Limited Liability Company Act, as provided in Title 6, Chapter 18 of the Delaware Code, ss. 101 et seq., as amended from time to time.

"ADDITIONAL LICENSING/MILESTONE FEE" means the fee of $2,000,000 in cash due from OXiGENE to Techniclone in accordance with Section 3.2(b).

"ADJUSTED CAPITAL ACCOUNT DEFICIT" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), 1.704-l(b)(2)(ii)(d)(5) and 1.704-l(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-l(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"AFFILIATE" means, with respect to any Person, another Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The direct or indirect ownership of 50% or, if smaller, the maximum allowed by applicable law, of the voting securities of a business entity or of an interest in the assets, profits or earnings of an Entity shall be deemed to constitute "control" of the Entity.

"AGREEMENT" means this Limited Liability Company Agreement, including all exhibits attached hereto, as originally executed and as amended from time to time.

"APPROVED BUDGET" has the meaning ascribed to such term in Section 3.1.4

"BOARD" means the board of Managers established in accordance with Section 6.1.

"CAPITAL ACCOUNT" means the capital account to be determined and maintained for each Member pursuant to Section 4.1 throughout the existence of the Company, which shall be interpreted and applied in a manner consistent with Regulations Section 1.704-1(b).

"CAPITAL CONTRIBUTION" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company with respect to the Interest held by such Member reduced by the amount of any liabilities of such Member assumed by the Company in connection with such Capital Contribution or that is secured by any property contributed by such Member as a part of such Capital Contribution.

"CHAIR" means the chairperson of the Board as appointed in Section 6.2.

"CLOSING DATE" means the date of execution of this Agreement or such other date as shall be mutually agreed upon by OXiGENE and Techniclone.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMPANY" means the limited liability company formed pursuant to the Certificate of Formation and this Agreement.

"COMPANY DISCOVERIES" means all inventions, patents, discoveries and intellectual property of any type discovered or developed by the Company. Company Discoveries shall not include any inventions, patents, discoveries and intellectual property of any type discovered or developed by one of the Members after the liquidation of the Company. Use of Company Discoveries in the development of any inventions, patents, discoveries and intellectual property of any type after the liquidation of the Company by a former Member (the "developing Member") must be licensed from the other Member if the developing Member does not have ownership, development and sublicense rights in the Company Discoveries pursuant to Section 14.4(c).

"COMPANY MINIMUM GAIN" has the meaning of "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"CONFIDENTIAL INFORMATION" has the meaning ascribed to such term in Section 2.6(a).

"DEPRECIATION" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes as of the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"DISCLOSER" means the Member, and each of its Affiliates, whose Confidential Information is disclosed or made available to the other Member, and each of its Affiliates (the "Recipient").

"EARLY TERMINATION EVENT" means the determination of the Board to abandon the Plan, including without limitation, the licensing or sale of substantially all of the Technology to third parties, without incurring the risk and expense of development by the Company.

"EARLY TERMINATION PREFERENCE" means

(A) in the event of a decision by the Board to cause an Early Termination Event, the preference equal to 75 percent of all Net Cash From Operations (with the remaining 25% of such net revenues (the "Early Termination Remainder"), for as long as the Early Termination Preference is applicable, to be distributed to OXiGENE in accordance with Section 5.3(d)) derived from any licensing or sale arrangements made in connection with an Early Termination Event, until Techniclone has received total Net Cash From Operations and distributions pursuant to this Early Termination Preference equal to the result obtained by multiplying (i) two by (ii) the difference between (x) $20,000,000 and (y) OXiGENE's cumulative Capital Contributions made pursuant to Section 3.1.2, which preference will be due and payable to Techniclone in accordance with Section 5.3(d); and

(B) in the event of an Early Termination Event authorized by a tie-breaking vote of the Board pursuant to Section 6.2.3, all Net Cash From Operations derived from the Technology and Company Discoveries shall be distributed to Techniclone in proportion to the Applicable Percentage and to OXiGENE in proportion to the difference between 100% and the Applicable Percentage for as long as any Net Cash From Operations are derived from the Technology or the Company Discoveries. The Applicable Percentage shall mean 100% MINUS (50% TIMES the percentage derived by dividing OXiGENE's cumulative Capital Contributions under Section 3.1.2 BY $20,000,000).

"EARLY TERMINATION REMAINDER" has the meaning ascribed to such term under the definition of Early Termination Preference.

"EMPLOYEES OF THE COMPANY" means those persons whose names appear as of any given time or date on a list to be maintained by the Company, with special designation thereon with respect to persons engaged in full or part time operations pursuant to the Plan; provided that the term "Employees of the Company" may include persons employed solely by the Company as well as persons who are or have been employed by OXiGENE or Techniclone.

"ENTITY" means any general partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint venture, trust, estate, business trust, cooperative or association or any other organization that is not a natural Person.

"FIELD" means the field described by the University of Texas patent license agreements and other license agreements identified in Exhibit A and defined in the University of Texas agreements as "Licensed Field". The definition of Field excludes those rights licensed to or in the process of being licensed to Supergen Pharmaceuticals for the use of Vascular Endothelial Growth Factor (VEGF) as a targeting agent under the VTA license agreements and those rights licensed to Scotia Holdings for the use of Photodynamic Therapy (PDT) applications under the VTA license agreements.

"FISCAL YEAR" means the accounting year of the Company determined under Section 15.3.

"GAAP" has the meaning ascribed to such term in Section 6.8.

"GROSS ASSET VALUE" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Board, provided that the initial Gross Asset Value of the assets contributed to the Company pursuant to Section 3.1 shall be as set forth in such Section;

(b) The Gross Asset Values of Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: (i) the acquisition of an additional Interest by any new or existing Member in exchange for more than a DE MINIMIS Capital Contribution; (ii) the distribution by the Company to a Member of more than a DE MINIMIS amount of Property as consideration for an Interest; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-l(b)(2)(ii)(g) provided, however, that the adjustments pursuant to clauses (i) and (ii) above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Board; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-l(b)(2)(iv)(m) and Section 4.1 hereof; provided, however, that the Gross Asset Values shall not be adjusted pursuant to this clause (d) to the extent the Board determines that an adjustment pursuant to clause (b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d).

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (a), (b) or (d) above, such Gross Asset Value shall thereafter be used for purposes of calculating Depreciation with respect to such asset for purposes of determining Profits and Losses.

"INITIAL LICENSING FEE" means the fee of $3,000,000 in cash due from OXiGENE to Techniclone in accordance with Section 3.2(a).

"IND" means the Investigational New Drug Application required by the U.S. Food and Drug Administration ("FDA") in order to begin clinical trials in the United States.

"IRS" means the Internal Revenue Service of the U.S. Department of the Treasury.

"MANAGER" means a person appointed to the Board pursuant to Article 6.

"MEMBER" means each of the parties to this Agreement or its respective successors and permitted assigns (and, collectively, the "MEMBERS").

"MEMBER NONRECOURSE DEBT" has the meaning of "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

"MEMBER NONRECOURSE DEBT MINIMUM GAIN" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability determined in accordance with Regulations Section 1.704-2(i)(3).

"MEMBERSHIP INTEREST" or "INTEREST" means the interest in the Company representing each Member's percentage ownership in, and share of Profits and Losses of, and the right to receive distributions under Sections 5.1 and 14.4 from, the Company. The Membership Interest of each Member is fifty percent (50%), unless adjusted pursuant to Section 3.1.

"NET CASH FROM OPERATIONS" means (a) prior to the contribution in full of OXiGENE's Capital Contribution under Section 3.1.2, all revenues from the operation of the Company's business from whatever source derived (other than cash referred to in Sections 5.3(a) and (b) below), as reduced by cash expenses incurred for such operation, and (b) after the contribution in full of OXiGENE's Capital Contribution under Section 3.1.2, all revenues from the operation of the Company's business from whatever source derived (other than cash referred to in Sections 5.3(a) and (b) below), as reduced by expenses incurred or accrued for such operation, including reasonable reserves for amounts that the Board determines necessary to sustain operations of the Company's business in accordance with the Plan.

"NONRECOURSE DEDUCTIONS" has the meaning set forth in Regulations Section 1.704-2(b)(1).

"NONRECOURSE LIABILITY" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"OPERATING COMMITTEE" has the meaning ascribed to such term in Section 3.1.4.

"OXIGENE CONTRIBUTED TECHNOLOGY" means all of the proprietary rights, technical information, technology and know-how, including inventions, patents, copyrights, trade secrets, methods, processes, technologies, software, clinical data, technical data and the like, certification marks, confidential business information, and all licenses and sublicenses, applications, registrations and renewals regarding any of the foregoing, including any continuing developments or improvements of such information, technology and know-how, owned or

controlled (with the power to license the requisite interest therein without the necessity of obtaining the prior consent thereto of any other person) by OXiGENE as of the Closing Date or developed by, for or on behalf of OXiGENE thereafter, that are included within the next generation of OXiGENE's tubulin binding agents, other than compounds derived from the bush willow Combretum caffrum and analogs thereof, that are used or useful, in combination with either (i) the Techniclone Contributed Technology or (ii) the development of VTA Technology that includes or is based on Techniclone Contributed Technology and possibly the creation of VTA Products solely pursuant to the Plan; OXiGENE Contributed Technology will be licensed to the Company as of the Closing Date pursuant to the OXiGENE License Agreement, as identified on Exhibit B.

"OXIGENE LICENSE AGREEMENT" means the OXiGENE License Agreement to be entered into between the Company and OXiGENE as of the Closing Date in connection with the OXiGENE Contributed Technology that is attached hereto as Exhibit B.

"PENDING MATTERS" means the licensing arrangements in place or in negotiation as more specifically set forth on Exhibit F between Techniclone and Alza Corp., Antisoma PLC, Bristol Meyers Squibb Corp., BZL Corporation, Cytogen Corp., Genentech Inc., Hoffman La Roche, Inc., ILEX Oncology, Inc., Scotia, Smith Kline Beecham/Glaxo and Supergen, Inc. relating to VTA Technology.

"PERSON" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

"PLAN" means the Core Joint Development Plan entered into between OXIGENE and Techniclone in the form of Exhibit C. Both parties acknowledge that this Plan is subject to change or amendment by the Members as the Members perceive the need to expand, contract, modify or amend the methods, costs or means for developing and exploiting the Technology.

"PROFITS" and "LOSSES" mean the net taxable income and net tax loss of the Company computed for each Fiscal Year or other relevant period, as determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this clause (a) shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) (including expenditures treated as described in Code Section 705(a)(2)(B) under Regulations Section 1.704-l(b)(2)(iv)(i)), and not otherwise taken into account in computing Profits and Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to the terms of this Agreement, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(d) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the terms hereof;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-l(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of the Member's interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provisions of this Agreement, any items that are specially allocated by the Company pursuant to Sections 4.2(a) and (b), 4.4 or 4.5 shall not be taken into account in computing Profits or Losses. The amount of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 4.2(a) and (b), 4.4 and4.5 shall be determined by applying rules analogous to those set forth in this definition of Profits and Losses.

"PROPERTY" means any real, personal, tangible or intangible property contributed to or purchased, developed or otherwise acquired and owned by the Company, including any improvements thereto.

"RECIPIENT" has the meaning ascribed to such term under the definition of Discloser.

"REGULATIONS" means the income tax regulations promulgated under the Code, as such regulations are amended from time to time (including corresponding provisions of succeeding regulations).

"SEC" means the Securities and Exchange Commission of the United States.

"SECURITIES ACT" means the Securities Act of 1933, 15 U.S.C. "77a ET SEQ.

"SCIENTIFIC COMMITTEE" shall consist of equal numbers of OXiGENE and Techniclone appointees to implement and suggest changes to the Board regarding scientific aspects of the Plan, including implementation thereof.

"SPONSORED RESEARCH AGREEMENT" has the meaning ascribed to such term in Section 6.1.3.

"TECHNOLOGY" means the Techniclone Contributed Technology and the OXiGENE Contributed Technology owned or developed by the Company.

"TECHNICLONE'S CUMULATIVE PREFERENCE" means distributions to Techniclone pursuant to Section 5.3 (b) and (c) in the aggregate amount of $10,000,000.

"TECHNICLONE CONTRIBUTED TECHNOLOGY" means (excluding the Supergen and Scotia fields of use as specified in Exhibit F) all of the proprietary rights, technical information, technology and know-how, including inventions, patents, copyrights, trade secrets, methods, processes, technologies, software, clinical data, technical data and the like, trademarks (whether registered or unregistered), trade names, service marks and certification marks, confidential business information, and all licenses and sublicenses, applications, registrations and renewals regarding any of the foregoing, including any continuing developments or improvements of such information, technology and know-how, owned or controlled (with the unconditional power to license or assign full right, title and interest therein and thereto without the necessity of obtaining the prior consent thereto of any other person) by Techniclone as of the Closing Date, or developed by, for or on behalf of Techniclone thereafter, that is used or useful in the development of VTA Technology and possibly the creation of VTA Products, solely pursuant to the Plan; Techniclone Contributed Technology will be effectively assigned and conveyed to the Company as of the Closing Date pursuant to the Techniclone VTA Assignment Agreement. Techniclone Contributed Technology includes, without limitation, an assignment to the Company of all of the contract rights of Techniclone under the agreements identified in Exhibit A.

"TRANSFER" means any sale, assignment, gift, exchange, pledge, encumbrance, change in beneficial interest of any trust or estate, distribution from any trust or estate, change in ownership of the Members, or any other disposition of all or any part of a Membership Interest, whether voluntary or involuntary.

"VTA ASSIGNMENT AGREEMENT" means the agreement assigning the Techniclone Contributed Technology to the Company in the form of Exhibit E.

"VTA PRODUCTS" means all products created pursuant to the application of VTA Technology in connection with the Plan and produced, manufactured, used or sold, for by or on behalf of the Company or any Person licensed to do so by the Company.

"VTA TECHNOLOGY" means vascular targeting agent technology that is developed pursuant to the Plan, and that includes or is based upon any of the following, or any combination thereof (including any combination with any earlier embodiment of VTA Technology): (i) the OXiGENE Contributed Technology; (ii) the Techniclone Contributed Technology; and (iii) any other technology developed under, pursuant to or in connection with the Plan by, for or on behalf of the Company or any licensee of the Company.
1.2

1.2 INTERPRETATION

(a) When required by the context, the singular includes the plural and vice versa, and the masculine includes the feminine and neuter genders, and vice versa;

(b) Except as otherwise specifically indicated, all references in this Agreement to "Exhibits," "Schedules," "Articles," "Sections" and other subdivisions are to the corresponding Exhibits, Schedules, Articles, Sections or subdivisions of this Agreement as they may be amended from time to time; and

(c) Headings set forth in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

ARTICLE 2

GENERAL PROVISIONS

2.1 NAME

The name of the Company shall be ARCUS THERAPEUTICS LLC. All business of the Company shall be conducted under such name and under such variations thereof as the Board deems necessary or appropriate to comply with the requirements of law in any jurisdiction in which the Company may elect to do business.

2.2 PRINCIPAL PLACE OF BUSINESS; REGISTERED OFFICE AND AGENT

(a) The address and principal place of business of the Company in Delaware shall be Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, or at such other place as the Board may from time to time determine.

(b) The registered office of the Company in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801. The registered agent of the Company to accept service of process is Corporation Trust Company.

2.3 CERTIFICATE OF FORMATION

The Members shall form the Company under and pursuant to the Act by filing a Certificate of Formation for the Company (the "Certificate of Formation") with the Secretary of State of the State of Delaware.

2.4 TERM

The term of the Company shall commence upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware and shall continue until dissolved in accordance with Article 14.

2.5 TITLE TO COMPANY PROPERTY

The Property shall be owned solely by the Company as an entity, and no Member, individually, shall have any ownership interest in any of the Property, subject to the provisions of Section 14.4.

2.6 CONFIDENTIALITY

(a) As used in this Agreement, the term "Confidential Information" means all confidential or proprietary materials or information designated as such in writing by the Discloser, whether by letter or by the use of an appropriate proprietary stamp or legend, prior to or at the time any confidential or proprietary materials or information are disclosed by the Discloser or Recipient. Notwithstanding the foregoing, information or materials which are orally or visually disclosed to the Recipient by the Discloser, or are disclosed in writing or other tangible form without an appropriate letter, proprietary stamp or legend, shall constitute Confidential Information if the Discloser, within thirty (30) days after such disclosure, delivers to the Recipient a written document or documents describing such information or materials and referencing the place and date of such oral, visual or written or other tangible disclosure, and the names of employees or officers of the Recipient to whom such disclosure was made.

(b) The Recipient shall hold in confidence, and shall not disclose to any Person any Confidential Information except in accordance with the last sentence of this Section 2.6(b). The Recipient shall use such Confidential Information only for the purpose for which it was disclosed and shall not use or exploit such Confidential Information for its own benefit or the benefit of another without the prior written consent of the Discloser. The Recipient shall disclose Confidential Information received by it under this Agreement only to those of its employees, agents and consultants, or those of an Affiliate, who have a need to know such Confidential Information in the course of the performance of their duties with respect to the purposes of this Agreement and who are bound by written agreement to protect the confidentiality of such Confidential Information in accordance with the terms hereof.

(c) The obligations of the Recipient specified in Section 2.6 (a) and (b) above shall not apply, and the Recipient shall have no further obligations, with respect to any Confidential Information to the extent that such Confidential Information:

(i) is generally known to the public at the time of disclosure or becomes generally known through no wrongful act on the part of the Recipient;

(ii) is in the Recipient's possession at the time of disclosure otherwise than as a result of any prior confidential disclosure by the Discloser or another or the Recipient's breach of any legal obligation;

(iii) becomes known to the Recipient through disclosure by sources other than the Discloser having no duty of confidentiality with respect to such Confidential Information, whether to the Discloser or another, and having the legal right to disclose such Confidential Information;

(iv) is independently developed by the Recipient without reference to or reliance upon the Confidential Information;

(v) is required to be disclosed by the Recipient to comply with applicable laws or governmental regulations; provided, however, that in such event, the Recipient shall provide prompt prior written notice of such disclosure requirement to the Discloser so that Discloser may seek a protective order or other appropriate remedy, shall take reasonable and lawful actions to avoid and/or minimize the extent of such disclosure, shall furnish only that portion of the Confidential Information which Recipient is advised in writing by counsel is legally required to be disclosed and shall exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information.

The Recipient agrees that the Discloser or the Company, as the case may be, is and shall remain the exclusive owner of the Confidential Information and all patent, copyright, trade secret, trademark and other intellectual property rights therein. No license or conveyance of any such rights to the Recipient is granted or implied under this Agreement. The Company shall be and remain sole owner of the right, title and interest in and to any invention conceived solely by one or more Employees of the Company, regardless of the circumstances of such conception, during the term of this Agreement. Any invention conceived jointly by (a) one or more Employees of the Company and one or more employees of OXiGENE and/or Techniclone or (b) one or more employees of OXiGENE together with one or more employees of Techniclone shall be property of the Company, and the Members will forthwith assign (or cause to be assigned) to the Company their entire right, title and interest in and to such joint invention.

(d) This Section 2.6 shall supersede and cancel that part of the letter agreement dated April 1, 2000, between OXiGENE and Techniclone, regarding Confidential Information.

(e) This Section 2.6 shall survive this Agreement and shall continue in full force and effect for a period of five (5) years after the dissolution of the Company.

2.7 PRESS RELEASES

2.7.1 REGARDING THIS AGREEMENT

Attached hereto as Exhibit H is a form of press release concerning this Agreement and the transactions and other matters contemplated hereby that the Members intend to release jointly, promptly following the execution of this Agreement.

2.7.2 REGARDING FUTURE RELEASES

(a) All future press releases relating to this Agreement and the transactions and other matters contemplated hereby or related hereto shall be made by the Company or jointly by OXiGENE and Techniclone, except that: (i) Techniclone shall have the right to issue press releases relating to Scotia and Supergen, subject to approval in advance by OXiGENE, notice of which shall be sent to OXiGENE for comment or approval, a reasonable amount of time in advance of the proposed specified date of the first publication of such press release, which approval shall not be unreasonably withheld and which comment or approval shall be given within the time specified in the notice to OXiGENE; provided, however, that OXiGENE shall assume no responsibility for the accuracy or

completeness of any press release related to Scotia or Supergen and shall be indemnified by Techniclone from and against any claim, loss, liability or damage arising out of or in connection with any such press release; (ii) any press release that, in the opinion of legal counsel to a Member, is required by law, shall be issued; and (iii) any press release that has previously been reviewed and released by the other Member or the Company or is in the public domain through no fault of the releasing Member may be released by any Member. The contents of each future press release shall be reasonable under the circumstances.

2.7.3 PROCEDURE

A member who wishes to issue or have the Company issue a press release shall prepare such release and deliver it to the other Member for approval. The timing of such delivery shall provide the other Member a reasonable opportunity under the circumstances to review and comment upon the proposed press release. Subject to the proviso contained in Section 2.7.2 hereof, no press release concerning the Company, this Agreement or the transactions and other matters contemplated hereby or related hereto shall be issued by the Company or any Member without the prior approval of each of the Members, which approval shall not be unreasonably withheld.

ARTICLE 3

CAPITAL

3.1 CAPITAL CONTRIBUTIONS

3.1.1 Techniclone'S CAPITAL CONTRIBUTION OF Techniclone CONTRIBUTED TECHNOLOGY

(a) Techniclone shall execute and deliver to the Company the VTA Assignment Agreement.

(b) In consideration for its transfer of the Techniclone Contributed Technology and its other promises and covenants contained herein, Techniclone shall receive the following: (i) the fees described in Section 3.2; and (ii) a fifty percent (50%) Membership Interest and shall have an initial Capital Account balance equal to $30,000,000, the value of the Techniclone Contributed Technology, as mutually agreed upon by the Members.

3.1.2 OXiGENE CAPITAL CONTRIBUTIONS

OXiGENE shall make cash Capital Contributions in the amounts and at the times prescribed in the Approved Budget, which shall not in the aggregate exceed $20,000,000. In consideration of its cash Capital Contribution, its transfer to the Company of a license covering the OXiGENE Contributed Technology, having a value of $30,000,000, as mutually agreed upon by the Members, and its other promises and covenants contained herein, OXiGENE shall receive a fifty percent (50%) Membership Interest and shall have an initial Capital Account balance of $30,000,000. Upon OXiGENE's making each capital contribution prescribed in the Approved Budget, OXiGENE's Capital Account Balance shall be increased in the dollar amount of such payment.

3.1.3 ADDITIONAL CAPITAL CONTRIBUTIONS

After OXiGENE has made its cumulative Capital Contribution under Section 3.1.2 equal to $20,000,000, any additional Capital Contribution required as set forth in the Approved Budget shall be made in the following manner:

(a) First, if the Members so agree, pro rata in proportion to their Membership Interests;

(b) Second, if the Members are unable to agree to make the additional Capital Contributions in proportion to their Membership Interests, then the Members shall negotiate in good faith to determine the additional Capital Contributions to be made by each Member (if any) and the effects thereof for purposes of this agreement and the relationship between the Members.

(c) Any disagreement between the Members as to the effect of a non-pro rata additional Capital Contribution which disagreement continues unresolved for more than thirty (30) days shall be submitted for mediation pursuant to Article 12 in the county and state in which the principal place of business within the United States of the Member making the larger portion of the additional Capital Contribution is located.

3.1.4 APPROVED BUDGET; ANNUAL BUDGET

(a) In connection with the development of the Plan, the Operating Committee shall recommend to the Board, and the Board shall agree upon, an Approved Budget covering the anticipated timing and amounts of the Company's anticipated cash needs and expenditures consistent with the Plan, as then in effect. The initial Approved Budget shall be reviewed periodically, as reasonably determined to be necessary or appropriate by the Members, and shall be subject to modification as agreed upon by both Members from time to time in the light of developments concerning the Plan and the Company.

(b) Ninety (90) days prior to the end of each Fiscal Year, the Operating Committee shall adopt a new budget for the forthcoming year (each, an "Approved Budget"). Each Approved Budget shall be prepared in accordance with annual budgeting procedures agreed upon in the exercise of their reasonable, good faith business judgment by the Members' delegates on the Operating Committee, taking into account, among other things, (i) the effect on the Company's cash requirements with respect to the Plan and the Company's other activities, pre-clinical development expenses, laboratory and other sponsored research expenses, drug costs (including anti-body humanization expenses), patent fees, clinical trial costs, regulatory expenses, and patent and other related legal expenses; (ii) the Company's requirements and prospects with respect to the development and exploitation of the VTA Technology and the creation, production, marketing and sale of VTA Products; and (iii) furthering the Company's stated purpose.

(c) The Operating Committee shall consist of an equal number of delegates appointed by each Member. The Operating Committee shall be operated under rules consistent with Section 6.2 and Section 6.5, consistent with the Plan, as in effect from time to time.

(d) The Company shall expend its funds and other resources only in a manner that is consistent with the Approved Budget.

(e) Each Member shall bear its own internal general and administrative overhead costs, which costs shall not be allocated to the Company.

3.2 PAYMENTS TO Techniclone

In addition to the Capital Contributions described in Section 3.1.2, OXiGENE shall make payments to Techniclone as follows:

(a) THE INITIAL LICENSING FEE. OXiGENE will pay to Techniclone within three (3) days of the Closing Date the Initial Licensing Fee, of which $2,000,000 will be applied towards the purchase of a number of shares of Techniclone's unregistered common stock derived by dividing such $2,000,000 by the average closing price on the NASDAQ National Market of Techniclone's common stock for the five (5) trading days immediately prior and the five (5) trading days immediately subsequent to the Closing Date (the "Initial Techniclone Shares"), and $1,000,000 of which will be a non-refundable licensing fee.

(b) THE ADDITIONAL LICENSING/MILESTONE FEE. OXiGENE will pay to Techniclone within three (3) days of the filing of the Company's first IND that relates to a drug developed pursuant to the Plan, the Additional Licensing/Milestone Fee, of which $1,000,000 will be applied towards the purchase of an additional number of shares of Techniclone's unregistered common stock derived by dividing such $1,000,000 by the average closing price on the Nasdaq National Market of Techniclone's common stock for the five (5) trading days immediately prior to and the five (5) days immediately subsequent to the filing with the Food and Drug Administration of such IND (the "Additional Techniclone Shares") and $1,000,000 of which will be a non-refundable licensing fee.

3.3 NO WITHDRAWAL OF CAPITAL; NO INTEREST ON CAPITAL

No Member shall be entitled to withdraw or demand the return of any part of such Member's Capital Contributions, except as provided in Article 5 and Article 14. No Member shall have the right to receive interest on its Capital Contribution or its Capital Account.

ARTICLE 4

ALLOCATIONS AND TAX PROVISIONS

4.1 MAINTENANCE OF CAPITAL ACCOUNTS

A Capital Account shall be established and maintained for each Member in accordance with the following provisions:

(a) Each Member's Capital Account shall be increased by (i) the amount of such Member's Capital Contribution, (ii) such Member's allocable share of Profits and any items of the nature of income or gain that are specially allocated pursuant to Sections 4.2(a) or (b), 4.4 or 4.5, and (iii) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member.

(b) Each Member's Capital Account shall be decreased by (i) the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (ii) such Member's distributable share of Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Sections 4.3, 4.4 or 4.5, and (iii) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) Upon the Transfer of all or part of an Interest, the Capital Account of the transferor that is attributable to the transferred Interest shall carry over to the transferee Member in accordance with the provisions of Regulations Section 1.704-l(b)(2)(iv)(1), except as otherwise required to satisfy Regulations Section 1.704-l(b) in connection with a termination of the Company.

(d) In determining the amount of any liability for purposes of maintaining Capital Accounts for the Members, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and the Regulations. In the event the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members), are computed in order to comply with the Code and the Regulations, the Board may make such modification, provided that it is not likely to have any material effect on the amounts distributable to any Member pursuant to Article 14 upon the dissolution of the Company. The Board also shall make (i) any adjustments that are necessary or appropriate to maintain equality between (a) the Capital Accounts of the Members and (b) the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(g) and (ii) any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

4.2 ALLOCATIONS OF PROFITS

After giving effect to the special allocations set forth in Sections 4.4 and 4.5, Profits or items thereof for any Fiscal Year shall be allocated among the Members in the following manner:

(a) First, Profits (or items thereof) to Techniclone in the amount of any distributions made by the Company during the year under Section 5.3 (a).

(b) Second, Profits (or items thereof) to Techniclone in the amount of any distributions made by the Company during the year under Section 5.3 (b).

(c) Third, to the Members in proportion to and in the amount of any distributions made by the Company during the year under Section 5.3(c).

(d) Fourth, to the Members in proportion to and in the amount of any distributions made by the Company during the year under Section 5.3(d).

(e) Fifth, Profits equal to Losses (or items of deduction) previously allocated pursuant to Section 4.3 shall be allocated to the Members who received such Loss allocations in proportion to and in the amount of such prior allocation (reduced by previous allocations of Profits under this Section 4.2(e).)

(f) Thereafter, all remaining Profits shall be allocated to the Members in proportion to their respective Membership Interests.

4.3 ALLOCATION OF LOSSES AND DEDUCTIONS

4.3.1 The Company shall allocate to OXiGENE cumulative losses and items of deduction equal to the cumulative cash capital contributions actually made by OXiGENE under section 3.1.2.

4.3.2 The Company next shall allocate to the Members contributing additional Capital Contributions under Section 3.1.3 any Losses in proportion to the additional Capital Contributions made by each Member, up to the amount of such additional Capital Contributions.

4.3.3 After giving effect to the special allocations set forth in this Section 4.3 and Sections 4.4 and 4.5, Losses for any Fiscal Year shall be allocated among the Members in proportion to their respective Membership Interests.

4.4 SPECIAL ALLOCATIONS

The following special allocations shall be made in the following order and priority:

4.4.1 MINIMUM GAIN CHARGEBACK AND QUALIFIED INCOME OFFSET

No Member shall be allocated Losses or deductions if the allocation causes the Member to have an Adjusted Capital Account Deficit; in such event, such items shall be allocated to the other Members. If a Member for any reason (whether or not expected) receives (1) an allocation of Loss or deduction (or item thereof) or (2) any Distribution, which causes the Member to have an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year shall be allocated to that Member, before any other allocation is made of Company items of Profit or Loss for that taxable year (other than an allocation under Section 4.4.2), in the amount and in proportions required to eliminate the excess as quickly as possible. This Section 4.4.1 is intended to comply with, and shall be interpreted consistently with, the "alternate test for economic effect" and "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

4.4.2 MINIMUM GAIN CHARGEBACKS

In order to comply with the "minimum gain chargeback" requirements of Regulation Sections 1.704-2(f)(1) and 1.704-2(i)(4), and notwithstanding any other provision of this Agreement to the contrary, in the event there is a net decrease in a Member's share of Minimum Gain and Member Nonrecourse Debt Minimum Gain during a taxable year of the Company, such Member shall be allocated items of income and gain for that year (and if necessary, other years) as required by and in accordance with Regulation Sections 1.704-2(f)(1) and 1.704-2(i)(4) before any other allocation is made. It is the intent of the parties hereto that any allocation pursuant to this Section 4.4.2 shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f) and 1.704-2(i)(4).

4.4.3 CONTRIBUTED PROPERTY AND BOOK-UPS

In accordance with Code Section 704(c) and the Regulations thereunder, including Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or demand contributed) to the Company shall, solely for tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of Contribution (or deemed Contribution). If the adjusted book value of any Company asset is adjusted under Regulation Section 1.704-1(b)(2)(iv)(f), subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take into account any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations thereunder. The Board shall select a method as described in Regulation 1.704-3 for making Section 704(c) allocations.

4.4.4 NONRECOURSE DEDUCTIONS

Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their Membership Interests.

4.4.5 MEMBER NONRECOURSE DEDUCTIONS

Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

4.4.6 CODE SECTION 754 ADJUSTMENTS

To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution to a Member in complete liquidation of its Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

4.4.7 ALLOCATIONS RELATING TO TAXABLE ISSUANCE OF INTERESTS

Income, gain, loss or deduction, if any, realized by the Company as a direct or indirect result of the issuance of an Interest by the Company to a Member (the "Issuance Items") shall be allocated among the Members so that, to the extent possible, the Capital Account balance for each Member for any Fiscal Year is equal to the Capital Account balance that would have been maintained for such Member for such Fiscal Year had the Company not realized the Issuance Items.

4.5 OTHER ALLOCATIONS RULES

(a) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Board using any permissible method under Code Section 706 and the Regulations thereunder.

(b) Except as otherwise provided in Section 4.6 with respect to allocations pursuant to Code Section 704(c), for federal income tax purposes, all items of Company income, gain, loss or deduction shall be made in a manner that is consistent with the allocation of Profits and Losses pursuant to this Article 4. The Members are aware of the income tax consequences of the allocations of this Article 4 and hereby agree to be bound by the provisions of this Article 4 in reporting their allocable shares of Company income and loss for income tax purposes.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752- 3(a)(3), the Members' interests in Company profits shall be equal to their respective Membership Interests.

4.6 TAX MATTERS MEMBER

(a) Techniclone shall be the "tax matters partner" (the "Tax Matters Member") for the Company within the meaning of Code Section 6231(a)(7).

(b) The Tax Matters Member shall notify and provide copies to the other Members within five (5) business days (or as soon as reasonably practicable thereafter) of any communication received from any governmental authority regarding any proposed or existing audit, administrative or judicial proceeding, request for information, preliminary discussion or any other formal or informal communication regarding any tax matters pertaining to the Company or any Member. In addition to and not in limitation of the foregoing, the Tax Matters Member shall request, pursuant to Code Section 6223, that the other Members receive notice from the IRS regarding any proceedings or adjustments. The Tax Matters Member shall consult with the other Members concerning all tax matters and shall not take any action in connection with any audit or proceeding, or enter into any agreement with the IRS, that may adversely affect the other Members without their express prior written consent.

(c) The Tax Matters Member shall, upon request of a Member, make an election under Code Section 754 and the applicable regulations thereunder.

ARTICLE 5

DISTRIBUTIONS

5.1 DISTRIBUTIONS; GENERAL

The Board shall cause the Company to distribute, no less frequently than annually, all of the Net Cash From Operations of the Company and any special distributions required under Section 5.3

5.2 ADDITIONAL LIMITATIONS ON DISTRIBUTIONS

No distribution shall be made if it would render the Company insolvent or compromise its ability to operate, giving consideration to OXiGENE's required Capital Contributions. Further, the Board shall not distribute any Property in kind except upon liquidation of the Company.

5.3 DISTRIBUTIONS TO MEMBERS

(a) All licensing fees (which term does not include royalties) and milestone payments received by the Company, whether in cash or in kind, derived pursuant to Techniclone's agreements with Scotia and Supergen, shall be distributed to Techniclone in the form received by the Company. All royalties (other than licensing fees and milestone payments) received by the Company, whether in cash or kind, derived pursuant to Techniclone's agreements with Scotia and Supergen shall be included in Net Cash From Operations and shall be determined, allocated and distributed in the form received by the Company pursuant to Section 5.3(c).

(b) Subject to the first sentence of Section 5.3(a), all revenues derived from Pending Matters (after deducting such expenses associated with the production of such revenues as are reasonably established by Techniclone in connection with the preparation of its financial statements in accordance with GAAP consistently applied) shall be distributed to Techniclone (and shall be credited against the Techniclone Cumulative Preference).

(c) All remaining Net Cash From Operations of the Company shall be distributed in the following manner; (i) until Techniclone has received cumulative distributions under Section 5.3(b) and this 5.3(c) equal to the Techniclone Cumulative Preference, 75% to Techniclone and 25% to OXiGENE; and (ii) after Techniclone has received aggregate distributions equal to the Techniclone Cumulative Preference, to each Member in accordance with its Membership Interests.

(d) Notwithstanding Section 5.3(c), upon the occurrence of an Early Termination Event, prior to any distribution under Section 5.3(c), Net Cash From Operations equal to the Early Termination Preference shall be distributed to Techniclone and the Early Termination Remainder (or the remainder after payment to Techniclone of its Applicable Percentage in Paragraph (B) of the definition of Early Termination Preference shall apply) shall be distributed to OXiGENE, each to the extent and in the amount applicable.

ARTICLE 6

MANAGEMENT AND OPERATION

6.1 MANAGEMENT OF THE COMPANY

6.1.1 MANAGERS

The Members hereby agree that the business, property and affairs of the Company shall be managed exclusively by a board of Managers (the "Board"), which shall be constituted as set forth in Section 6.2. Except for situations in which the direct approval of the Members is expressly required by this Agreement or the Act, the Board shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform or cause to be performed any and all other acts or activities customary or incident to the management of the Company's business, property and affairs. The Board may delegate such of its duties to one or more committees as the Board may establish with the approval of all the persons who are then sitting on the Board.

6.1.2 MEMBERS

The Members shall only have the power to participate in the management of the Company as expressly authorized by this Agreement or the Act. No Member, acting solely in such capacity, is, or shall hold itself out as being, an agent of the Company. Unless expressly and duly authorized in writing to do so by the Board, no Member shall have any power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

6.1.3 COMPANY CONTRACTUAL OBLIGATIONS

(a) Within sixty (60) days after the Closing Date, the Company will agree to terms, to be set forth in a definitive agreement, with the University of Texas and Dr. Philip Thorpe with respect to the research to be conducted by the University of Texas and Dr. Thorpe for or on behalf of the Company and the funding of such research by the Company. Such definitive agreement (the "SPONSORED RESEARCH AGREEMENT") shall be in the form of either a new agreement between and among the Company or Techniclone, on the one hand, and the University of Texas and Dr. Thorpe, on the other hand, or a modification of the existing agreement between and among Techniclone, the University of Texas and Dr. Thorpe (a copy of which is attached hereto as Exhibit G; the "TEXAS/THORPE Agreement"). If the Company is not a party to the Sponsored Research Agreement, Techniclone shall promptly assign its rights, subject to its obligations, under the Sponsored Research Agreement to the Company (such assignment to be in such form as the Company may reasonably require). The Sponsored Research Agreement, whether a new agreement or a modification of the Texas/Thorpe Agreement, shall contain all the terms and conditions that are currently contained in the Texas/Thorpe Agreement, provided however, that the amount and timing of funding shall be as set forth in the Approved Budget.

(b) In addition to the Sponsored Research Agreement, Techniclone shall have the right to enter into one or more agreements with the University of Texas and/or Dr. Thorpe to conduct research outside the Field. The Company's rights and obligations under the Sponsored Research Agreement shall represent the first priority for the use by the Company, the Members and their affiliates of the services of the University of Texas and Dr. Philip Thorpe. Techniclone has and will continue to have the right to enter into one or more agreements with the University of Texas and Dr. Philip Thorpe to conduct research outside the Field provided that such research does not directly involve the Field and does not adversely affect the ability of the University of Texas or Dr. Philip Thorpe to perform the services required of either or both of them under the Sponsored Research Agreement. The Board shall have the authority to determine whether research or other activities referred to in the preceding sentence are outside the Field.

6.2 MANAGEMENT

6.2.1 The Board shall have four (4) Managers, two (2) of whom shall be designated by OXiGENE (the "OXiGENE Managers") and two (2) of whom shall be designated by Techniclone (the "Techniclone Managers"). OXiGENE may remove any OXiGENE Manager or fill any vacancy created by the removal, resignation, death or disability of an OXiGENE Manager and determine the effective date of such replacement. Techniclone may remove any Techniclone Manager or fill any vacancy created by the removal, resignation, death or disability of a Techniclone Manager and determine the effective date of such replacement. The number of Managers shall not be decreased or increased without the unanimous written consent of the Members. The Board shall appoint one Manager to serve as Chair, who shall serve in such capacity for a term of two (2) years. The Board shall attempt to alternate between appointing an OXiGENE Manager and a Techniclone Manager as Chair in each succeeding term; provided, however, a Manager may serve consecutive terms if so appointed by the Board.

6.2.2 Each Manager shall sign an addendum to this Agreement agreeing to be bound by its terms.

6.2.3 In the event of a disagreement between the OXiGENE Managers and the Techniclone Managers, (x) OXiGENE shall have the tie-breaking vote with respect to (i) development activities, including without limitation a decision to abandon the Plan, and (ii) any sublicense agreements, in either case, that directly involve the Plan or its administration by the Company, and (y) Techniclone shall have the tie-breaking vote with respect to any sublicense agreements related to Pending Matters or to any other sublicense not directly related to the Plan.

6.2.4 Subject to the foregoing, Techniclone shall have complete authority to negotiate and enter into sublicensing contracts in connection with any Pending Matters.

6.3 PERFORMANCE OF DUTIES

Each Manager shall perform his or her managerial duties in good faith, in a manner he or she reasonably believes to be in the best interests of the Company and its Members, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, the Managers shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, of the following persons or groups, unless they have knowledge concerning the matter in question that would cause such reliance to be unwarranted and provided that the Manager acts in good faith and after reasonable inquiry when the need therefor is indicated by the circumstances:

(a) one or more officers, employees or other agents of the Company or a Member whom the Manager reasonably believes to be reliable and competent in the matters presented; or

(b) any attorney, independent accountant or other person as to matters that the Manager reasonably believes to be within such person's professional or expert competence.

6.4 DEVOTION OF TIME

A Manager is not obligated to devote all of his or her time or business efforts to the affairs of the Company. A Manager shall devote whatever time, effort and skill as he or she deems appropriate for the operation of the Company.

6.5 MEETINGS OF THE BOARD

The Board shall meet at least once every quarter. In addition, the Board shall meet upon the request of any Manager made to the Chair. Managers may participate in meetings by means of audio or video conferencing equipment through which all Managers participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting. Meetings shall be held at such place and time as agreed to by the Board. The Chair shall provide at least five (5) business days' advance written notice and an agenda of each meeting of the Board to each Manager, unless a Manager waives the advance notice requirement with respect to that Manager. Records of proceedings of the Board shall be prepared by the Chair and shall be subject to the approval of the Board.

6.5.1 Regular meetings of the Board may be held at any place that has been designated from time to time by resolution of the Board. In the absence of such a designation, regular meetings shall be held in alternating years at the principal executive office of one of the Members. Special meetings of the Board may be held at any place that has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, at the principal executive office of one of the Members (which location shall alternate from special meeting to special meeting, starting with Techniclone).

Members of the Board may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another. Participation in a meeting pursuant to this paragraph constitutes presence in person at such meeting.

6.5.2 Regular meetings of the Board may be held without notice if the time and place of such meetings are fixed by the Board.

6.5.3 Subject to the provisions of the following paragraph, special meetings of the Board for any purpose or purposes may be called at any time by any three Managers.

Notice of the time and place of special meetings shall be delivered personally, by e-mail or by telephone to each Member or sent by first-class mail or by telecopier, addressed to each Member at that Member's address as it is shown on the records of the Company. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or by telecopier or by e-mail, it shall be delivered personally or by telephone or by telecopier at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the Manager. The notice shall specify the purpose of the special meeting.

6.5.4 Notice of a meeting need not be given to any Manager who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Manager. All such waivers, consents, and approvals shall be filed with the Company's records or made a part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the Board.

6.5.5 A majority of the Members present, whether or not a quorum is present, may adjourn any meeting to another time and place.

6.5.6 If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Members who were not present at the time of the adjournment.

6.5.7 Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Board.

6.5.8 If a quorum is present at a meeting but fewer than all the Managers designated by a Member are present at such meeting, the Managers designated by such Member who are present shall be entitled to cast the number of votes at such meeting that could have been cast by all the Managers designated by such Member had all such Managers been present at such meeting.

6.6 QUORUM AND VOTING AT MEETINGS OF MANAGERS

(a) QUORUM. One Techniclone member and one OXiGENE member shall constitute a quorum of the Board for the transaction of business.

(b) VOTING. Except as provided in Sections 6.5.8 and 6.6(c), any management decision shall require the approval of the Board, which approval shall exist only upon the affirmative vote of two (2) or more Managers at a meeting of the Board at which a quorum is present.

(C) MEMBERS' CONSENT. The following actions shall require both the approval of the Board and the unanimous written consent of the Members:

(i) The entry by the Company into any business outside the development and sale of the Technology or in a manner inconsistent with the Plan; and

(ii) Any act in material contravention of this Agreement.

6.7 OFFICERS; COMMITTEES

The Board may, but is not required to, establish officers of the Company and prescribe the duties of such officers. The officers of the Company shall be chosen by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service in a manner determined by the Board, or until their respective successors shall be elected. The Board may, but is not required to, establish such teams or committees composed of representatives from the Members or otherwise and delegate to such teams or committees such authority, duties and responsibilities as it deems appropriate. To assist the Board in managing the Company, the Board shall establish an Operating Committee and a Scientific Committee composed of individuals who shall serve for one (1) year terms each, subject to reappointment by the Board. The Operating Committee shall perform such functions as directed by the Board. The Board shall prescribe the duties, responsibilities, operating procedures and deadlines for each such Committee.

6.8 INTERNAL CONTROLS

The Board shall conduct the business of the Company at all times in accordance with high standards of business ethics and devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary to permit preparation by the Company, OXiGENE and Techniclone of financial statements in conformity with U.S. generally accepted accounting principles, to permit preparation of all tax returns and to maintain accountability for assets as set forth in Section 15.1; and (c) access to assets is permitted only in accordance with management's general or specific authorization.

6.9 FINANCIAL AND BUSINESS INFORMATION AND TAX RETURNS

The Board shall make available to all the Members on a regular basis, and as reasonably requested, all such information and/or documents (including Business Documents as defined in Section 6.6(c)(iii)) as may be required to permit the Board and the Members, as the case may be, to make informed judgments with respect to all matters concerning the Company of interest to them.

6.10 BANK ACCOUNTS

All funds of the Company shall be deposited in the name of the Company in such bank accounts as shall be determined by the Board. No withdrawals for cash may be made in excess of $100,000 at any one time without Board approval. Any payment from the accounts may be made or authorized only by an individual who is so authorized by the Board. The funds of the Company shall not be commingled with the funds of any other Person, and the Board shall not employ, or permit any other Person to employ, such funds in any manner except for the benefit of the Company. The Members shall not make deposits into or issue any checks against the Company bank accounts without full, proper and complete supporting records.

6.11 INDEPENDENT ENTERPRISE

The Members agree to cause the Company at all times to be conducted as an enterprise for profit. Except as otherwise agreed to by the Members in writing or provided herein, all commercial transactions between the Company and OXiGENE and/or Techniclone (or their Affiliates) shall be conducted on an arm's-length basis with neither granting to the other terms or conditions more favorable than would be accorded unrelated third parties, except as the Members otherwise agree in writing prior to any such transaction.

6.12 COMPENSATION

No Manager shall be entitled to compensation from the Company for services rendered to the Company as Manager, except that the Company shall reimburse each Manager for reasonable out-of-pocket expenses incurred by the Manager in connection with the Company's business. The previous sentence, however, shall not preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

6.13 FIDUCIARY DUTY

Each Member, Manager and officer shall all have the fiduciary responsibility for the safekeeping and use of all funds and assets (including records) of the Company, whether or not in immediate possession or control, for the exclusive benefit of the Company and its Members.

6.14 OTHER ACTIVITIES

The Members may engage in or possess an interest in other business ventures of any nature or description, independently or with others, whether presently existing or hereafter created, other than those that are reasonably within the scope of the Plan.

6.15 NONCOMPETITION

(a) GENERAL. Until dissolution of the Company in accordance with Article 14 or purchase of the Member's Interest in accordance with this Agreement, no Member shall, and each Member shall cause its Affiliates not to, develop, license, research or sell the Technology other than in accordance with the Plan and this Agreement.

(b) EXCEPTIONS. Section 6.15(a) shall not apply to any PENDING MATTER.

6.16 CONFLICTS OF INTEREST

The Managers who represent any Member referred to in Section 6.2 (the "Interested Member") shall not be entitled to vote on any matter that involves (a) a claim by the Company against the Interested Member or an Affiliate of the Interested Member; (b) a claim by the Interested Member or its Affiliate against the Company; (c) the declaration by the Company of a default under any agreement between the Company and the Interested Member or its Affiliate; (d) the exercise by the Company of any right to terminate any agreement between the Company and the Interested Member or its Affiliate based on a default thereunder; (e) the negotiation of any new agreements to be entered into by the Company and such Interested Member or its Affiliate; or (f) any and all disputes between the Company and the Interested Member or its Affiliate. As to matters where the representatives of a Member are not entitled to vote, the representatives of the other Member who are not disqualified may exercise the powers of the Board in accordance with, and subject to the other provisions of, this Agreement. Notwithstanding the foregoing, however, no claim shall be asserted by the Company or by an Interested Member (or its Affiliate) against the other, and no default shall be declared by the Company or an Interested Member (or its Affiliate) with respect to the other, unless such claim or dispute cannot be resolved either by the approval of the Board as provided under Section 6.6 or under Article 12.

6.17 PATENTS

The Company will seek patent protection for any Company Discovery or other patentable information developed by the Company pursuant to the Plan, as to which the Board, upon recommendation of the Scientific Committee, determines such protection is necessary or desirable in order to further the Company's purposes and/or enhance or protect the Company's economic return. Company Discoveries of any type created or perfected pursuant to the Plan shall be the property of the Company until the liquidation and termination of the Company.

6.18 TRADEMARKS

At or shortly after formation each of the Members will grant the Company a nonexclusive, royalty free, worldwide license to use the Member's name and logo in the name of the Company and with the Company's products, product literature (including promotional materials) and services, subject to the terms of reasonable trademark licenses to be negotiated in good faith.

ARTICLE 7

RIGHTS, OBLIGATIONS AND POWERS OF THE MEMBERS

7.1 COMPENSATION OF MEMBERS

Except as may be specifically provided in this Agreement or in any other written agreement between the Company and the Member, no Member shall receive any salary, fee or draw for services rendered to or on behalf of the Company.

7.2 SERVICES

7.2.1 TYPES OF SERVICES

(a) Initially, OXiGENE and its Affiliates are expected to provide the Company with business management, accounting and financial support services in connection with the daily operation of the Company's business. Both Members or their Affiliates are expected to provide the Company with legal advice and related support services in connection with filing of patent applications, protection of intellectual property and support of litigation related to intellectual property matters and with such other services as the Company may require and the Members may agree to provide. The foregoing services that are expected to be provided to the Company shall be subject to the terms of reasonable service agreements to be negotiated in good faith.

(b) OXiGENE agrees to use its commercially reasonable best efforts, consistent with pharmaceutical industry standards and OXiGENE's customary practices in connection with similar matters on its own behalf, to enable and cause the Company to file an IND for a therapeutic agent based on and deriving from the VTA Technology and coming within the framework of the Plan within thirty-six (36) months of the Closing Date, which period shall automatically be extended (i) for an additional period of 18 months if, at the end of such 36-month period, OXiGENE is, in good faith and in a manner consistent with pharmaceutical industry standards and OXiGENE's customary practice in connection with similar matters on its own behalf, working towards the filing of such an IND and (ii) on a day-by-day basis for every day that the failure of OXiGENE to file such IND results substantially from a matter that is within the control of Techniclone.

7.2.2 CHARGES FOR SERVICES

Services supplied to the Company by any Member may be charged on the following basis and shall be paid by the Company within 30 days of submission to the Company of the statement of expenses for such services by the Member seeking reimbursement thereof:

(a) Each Member may charge the Company for actual expenses incurred, including an allocable portion of payroll and reimbursed employee business expenses, in connection with the actual time spent on Company business by employees of the member. Any employee of a Member working on Company business shall maintain detailed time records, in hourly increments, setting forth the identity and nature of the Company's project and specific activities performed and a summary of such time records shall be submitted by the Member to the Company as a prerequisite to reimbursement. If such a summary is provided, the actual records of the Member from which that summary were derived shall be made available upon request to the other Member at reasonable times and places.

(b) If a Member retains a third party to provide consulting or other services to the Company, the Member may charge the Company for providing such services in the amount that the third party charges the Member, provided such charges are reasonable.

(c) Each Member will submit charges for its employees' actual time expended in projects for the Company based on their actual hourly compensation, including the employer's share of FICA and similar employment taxes, for work performed for the Member, but not including indirect costs and overhead. Such charges shall not exceed industry norms for projects of such or similar type.

(d) Any delegate to the Operating Committee may request copies of the time records required by Section 7.2.2(a).

7.3 ADMISSION OF ADDITIONAL MEMBERS

The Board may admit to the Company additional Members, from time to time, subject to the following:

(a) All the Members agree in writing to the admission of the new Member;

(b) The additional Member shall make a Capital Contribution in such amount and on such terms as the Board determines to be appropriate; and

(c) No additional Member shall be admitted if the effect of such admission would be to terminate the Company within the meaning of Code Section 708(b).

ARTICLE 8

LIMITATION UPON LIABILITY; INDEMNIFICATION

8.1 LIMITATION UPON LIABILITY

No Member, Manager, officer or Affiliate thereof shall be liable, responsible or accountable for damages or otherwise to the Company for any act or omission by a Member, Manager, officer or Affiliate thereof performed in good faith and in a manner reasonably believed by him, her or it to be within his, her or its scope of authority granted by this Agreement and in the best interest of the Company. The Member, Manager or Officer shall be liable, however, for an act or omission that constitutes fraud, intentional misconduct, bad faith, gross negligence or a knowing violation of law. The liability of the Members, Managers, officers or Affiliates shall be further limited as set forth in the Act and other applicable law. Any repeal or modification of this Section 8.1 shall not adversely affect any right or protection of a Member, Manager, officer or Affiliate thereof existing at the time of such repeal or modification.

8.2 COMPANY'S DEBTS

The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise (except for the Member's, Manager's or officer's own torts), shall be solely the debts, obligations and liabilities of the Company; and no Member, Manager or officer shall be obligated personally for any such debts, obligations and liabilities of the Company solely by reason of being a Member or acting as a Manager or officer of the Company.

8.3 MEMBER'S DEBTS

The personal debts, obligations and liabilities of any Member, Manager, officer or Affiliate thereof, whether arising in contract, tort or otherwise, shall be solely the personal debts, obligations and liabilities of such Member, Manager, officer or Affiliate and the Company shall not be obligated for such debts, obligations or liabilities.

8.4 FAILURE TO OBSERVE FORMALITIES

A failure to observe any formalities or requirements of this Agreement, the Certificate of Formation or the Act shall not be grounds for imposing personal liability on the Members, Managers or officers for liabilities of the Company.

8.5 INDEMNIFICATION

To the maximum extent and manner permitted under Section 18-108 of the Act, the Company shall indemnify and hold harmless all Members, Managers, officers, employees, their Affiliates and authorized agents of the Company (an "indemnitee") against any liability, loss, damage, cost or expense (including attorneys' fees and costs) actually and reasonably incurred by an indemnitee by reason of the fact that the Person is or was a Member, Manager, officer, employee or Affiliate thereof; provided, however, that the Company shall not indemnify and hold harmless an indemnitee in any of the circumstances identified in Section 8.1 under which a Member, Manager, officer or Affiliate thereof would be liable to the Company. No Member, Manager, officer or Affiliate thereof shall have any personal liability with respect to the satisfaction of any required indemnification of an indemnitee. Any indemnification required hereunder shall be made promptly as the liability, loss or expense is incurred or suffered, and the indemnification provided by this Section 8.5 shall be in addition to any other rights to which those indemnified may be entitled under any agreement, as a matter of law or equity, or otherwise, and shall continue as to a Member, Manager, officer or employee who has ceased to serve in that capacity, and shall inure to the benefit of the heirs, successors, assigns and administrators of the indemnitees.

ARTICLE 9

REPRESENTATIONS, WARRANTIES AND CERTAIN COVENANTS

9.1 REPRESENTATIONS AND WARRANTIES

Each Member hereby represents and warrants to the other Member and to the Company as of the date hereof the following:

9.1.1 ORGANIZATION AND EXISTENCE

Such Member is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated. Such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition, operations or prospects or its ability to perform its obligations hereunder.

9.1.2 POWER AND AUTHORITY

Such Member has the full power and authority to execute, deliver and perform this Agreement, and to own and lease its properties and assets and to carry on its business as now conducted and as contemplated hereby.

9.1.3 AUTHORIZATION AND ENFORCEABILITY

The execution and delivery of this Agreement by such Member and the carrying out by such Member of the transactions contemplated hereby have been duly authorized by all requisite corporate actions, and this Agreement has been duly executed and delivered by such Member and constitutes the legal, valid and binding obligation of such Member, enforceable against it in accordance with the terms hereof, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

9.1.4 NO GOVERNMENTAL CONSENTS

No authorization, consent or approval of, or notice to or filing with, any governmental authority is required for the execution, delivery and performance by such Member of this Agreement.

9.1.5 NO CONFLICT OR BREACH

None of the execution, delivery and performance by such Member of this Agreement, the compliance with the terms and provisions hereof, and the carrying out of the transactions contemplated hereby conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the charter documents, as amended, or bylaws, as amended, of such Member or any order, writ, injunction, judgment or decree of any court or governmental authority against such Member or by which it or any of its proprieties is bound, or any loan

agreement, indenture, mortgage, note, resolution, bond, or contract or other agreement or instrument to which such Member is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder or will result in the imposition of any lien upon any of its properties.

9.1.6 NO PROCEEDINGS

There are no suits or proceedings pending (other than those disclosed on Schedule 9.1.6 attached hereto), or to the knowledge of such Member, threatened in any court or before any regulatory commission, board or other governmental administrative agency against or affecting such Member that could have a material adverse effect on the business or operations of such Member, financial or otherwise, or on its ability to fulfill its obligations hereunder.

9.1.7 NO COMPETITION

No Member shall take any action to develop, research, exploit or sell the Technology other than through the Company or as contemplated herein.

9.2 ADDITIONAL REPRESENTATIONS AND WARRANTIES OF Techniclone

Techniclone hereby represents and warrants to OXiGENE as of the date hereof, that (a) it owns all right, title and interest in and to, or controls with the power unconditionally to license or assign without the further consent of any other Person and subject to the consent of the University of Texas, all of the Techniclone Contributed Technology, (b) except for the Pending Matters, the Techniclone Contributed Technology is free and clear of any liens, claims or encumbrances, (c) to its knowledge, there is no material and unauthorized use, infringement or misappropriation of any of its rights in the Techniclone Contributed Technology, (d) to its knowledge, use of the Techniclone Contributed Technology will not infringe upon the rights of any third party, (e) Exhibit A contains a complete and accurate list of all the licenses that are owned or controlled by Techniclone and that are related to the Field, (f) the Field as described herein is the entire Field known to Techniclone that is necessary for the Company to effectuate its intended purposes relative to the Plan, (g) the scope of the Field, insofar as it relates to the Company's intended purposes relative to the Plan, is not adversely affected by the exclusion therefrom of existing or contemplated licenses pursuant to the Pending Matters, (h) all of the Pending Matters are accurately identified in Exhibit F and true and complete copies of all the licensing arrangements in place or in negotiation with respect thereto have been delivered to OXiGENE, (i) Exhibit G is a true and complete copy of the Texas/Thorpe Agreement, such agreement is a valid and binding obligation of each party thereto, enforceable in accordance with its terms and Techniclone is not, and to the best of Techniclone's knowledge each of the other parties to the Texas/Thorpe Agreement is not, in breach or violation of or default under such agreement, and (j) to the best of Techniclone's knowledge, the OXiGENE Contributed Technology and the Techniclone Contributed Technology, when combined and subjected to the Company's operations contemplated under the Plan, will be adequate to permit the Company to achieve its stated purposes relative to the Plan and is all the Technology known to Techniclone that is owned or controlled by it and OXiGENE that is or may be used or useful with respect to the development of the Technology.

9.3 ADDITIONAL REPRESENTATIONS AND WARRANTIES OF OXiGENE

OXiGENE hereby represents and warrants to Techniclone as of the date hereof, that (a) it owns or controls (with the power to license the requisite interest therein without the necessity of obtaining the prior consent thereto of any other party), all of the OXiGENE Contributed Technology (except technology that is not the subject of patents), (b) the OXiGENE Contributed Technology is free and clear of any liens, claims or encumbrances, (c) to its knowledge, there is no material and unauthorized use, infringement or misappropriation of any of its rights in the Oxigene Contributed Technology, (d) to the best of its knowledge, use of the OXiGENE Contributed Technology within the Licensed Field (as defined in the OXiGENE License Agreement) will not infringe upon the rights of any third party, (e) to the best of OXiGENE's knowledge, the OXiGENE Contributed Technology and the Techniclone Contributed Technology, when combined and subjected to the Company's operations contemplated under the Plan, will be adequate to permit the Company to achieve its stated purposes relative to the Plan and (f) it has the financial ability to fund in full its capital contribution as set forth in section 3.2(a).

9.4 WARRANTY OF STATEMENTS

No representation or warranty of either Member, or any exhibit, document, statement, certificate or schedule pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make statements or facts contained therein not misleading. The representations and warranties of the Members set forth in this Agreement and in any exhibit, document, statement, certificate or schedule furnished or to be furnished pursuant hereto shall be true on and as of the Closing Date as though such representations and warranties were made on and as of Closing Date.

9.5 COVENANTS

Each Member hereby agrees that:

9.5.1 Techniclone shall file a registration statement under the Securities Act, covering the offer and sale of the Initial Techniclone Shares as promptly as practicable after the Closing Date, shall use its best efforts to have such registration statement declared effective by the U.S. Securities and Exchange Commission as promptly as practicable thereafter and shall cause the final prospectus included in such registration statement to remain current for 180 days after its effectiveness. If the registration is in connection with an underwritten offering, OXiGENE agrees to become a party to, and abide by the terms of, any underwriting agreement that contains terms and provisions customary under the circumstances.

9.5.2 Techniclone shall file a registration statement under the Securities Act covering the offer and sale of the Additional Techniclone Shares as promptly as practicable after the date on which the first IND that is described in Section 3.2(b) hereof is filed, shall use its best efforts to have such registration statement declared effective by the U.S. Securities and Exchange Commission as promptly as practicable thereafter and shall cause the final prospectus included in such registration statement to remain current for 180 days. If the registration is in connection with an underwritten offering, OXiGENE agrees to become a party to and abide by the forms of, any underwriting agreement.

9.5.3 Each registration statement filed by Techniclone hereunder shall be prepared carefully by it and shall, when it is filed and when it becomes effective, comply as to form with all the requirements of the Securities Act and will not include any untrue statement of a material fact or fail to make any statement necessary so that the statements made in the registration statement are not misleading in any material respect; provided, however, that Techniclone shall have no responsibility with respect to any information included in a registration statement that is provided by OXiGENE in writing to Techniclone specifically for inclusion in such registration statement.

9.5.4 OXiGENE shall timely provide to Techniclone all such information concerning OXiGENE and its plan of distribution for the securities included in any registration statement filed by Techniclone hereunder as Techniclone shall reasonably request, and shall cooperate in all reasonable respects with Techniclone in connection with the matters contemplated by this Section 9.5.

9.5.5 OXiGENE and Techniclone shall exchange mutual, customary indemnification agreements in connection with each registration statement filed by Techniclone pursuant to this Section 9.5.

9.6 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND CERTAIN COVENANTS

The respective representations and warranties of the Members shall survive the Closing Date and continue in full force and effect for a period thereafter equal to five (5) years following the Closing Date. The Covenants set forth in this Section 9 shall survive the Closing Date without limitation.

ARTICLE 10

CONDITIONS PRECEDENT TO CLOSING

10.1 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE MEMBERS

All the obligations of any Member under this Agreement are subject to the fulfillment, at or prior to the Closing Date, of each of the following conditions:

10.1.1 NO MISREPRESENTATIONS

Neither Member shall have discovered, learned or been made aware of any material error, misstatement or omission in the representations and warranties made by the other party in Article 9.

10.1.2 COMPLIANCE WITH AGREEMENT

Each Member shall have performed and complied with all terms, covenants and conditions required by this Agreement prior to the Closing Date.

10.1.3 NO LITIGATION

No suit, action or proceeding against any Member shall be pending or threatened before any court or governmental agency in which such suit, action or proceeding seeks to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the transactions contemplated hereby.

10.1.4 ADDITIONAL DOCUMENTS

Each Member shall have delivered to the other Member such other instruments and documents as may be, in the opinion of counsel for the other Member, reasonably necessary to effectuate the transactions contemplated by this Agreement, and all legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the other Member.

10.1.5 GOVERNMENTAL APPROVAL AND CONSENTS

All necessary notifications and filings, if any, required to be made in or with respect to any relevant country will have been made and all necessary governmental approvals, if any, shall have been received and the prescribed waiting periods will have expired or been terminated. No governmental entity shall have indicated its objection to, or its intent to challenge as violative of any federal, state or foreign laws, any of the transactions contemplated by this Agreement or any related documents. In the event a governmental entity places a condition on its approval of the transaction as contemplated by this Agreement or any related documents that has a material effect on the proposed business of the Company, the Members shall attempt to negotiate a mutually agreeable modification to this Agreement.

10.1.6 AGREEMENTS

The Members and the Company have entered into, and duly executed, the Plan. The Company and Techniclone have entered into, and duly executed, the VTA Assignment Agreement. The Company and OXiGENE have entered into, and duly executed, the OXiGENE License Agreement.

10.2 DELIVERY TO OXiGENE

Techniclone shall have delivered to OXiGENE each of the following at or prior to the Closing Date:

10.2.1 Confirmation in form and substance reasonably satisfactory to OXiGENE evidencing receipt of the Techniclone Contributed Technology specified in Section 3.1;

10.2.2 Duly executed certificate from an officer of Techniclone that the representations and warranties of Techniclone contained in Article 9 are true and correct as of the Closing Date.

10.3 DELIVERY TO Techniclone

OXiGENE shall have delivered to Techniclone each of the following at or prior to the Closing Date:

10.3.1 Confirmation in form and substance reasonably satisfactory to Techniclone evidencing receipt of its OXiGENE's Contribution specified in Section 3.1; and

10.3.2 Duly executed certificate from an officer of OXiGENE that the representations and warranties of OXiGENE contained in Article 9 are true and correct as of the Closing Date.

10.4 CLOSING

The closing hereunder shall occur on the Closing Date at such time and place as may be mutually agreed upon by the parties. At the closing, each party shall deliver such documents, instruments and materials as are called for by this Agreement or as may be reasonably required in order to carry out the provisions and purposes hereof, all of which shall be satisfactory in substance and form to legal counsel for each party.

ARTICLE 11

INDEMNIFICATION

11.1 INDEMNIFICATION

11.1.1 Techniclone shall indemnify and hold OXiGENE, the Company and their respective Managers, officers, employees and agents harmless from and against any and all claims, liabilities, losses, costs, damages and expenses, including costs of investigation, court costs and reasonable attorneys' fees, to which any of them may become subject arising from or in any manner connected with, directly or indirectly, any material misstatement, error or omission in any representation or warranty of Techniclone contained in this Agreement (without effect on Techniclone's liability under the various instruments and documents to be executed in connection herewith).

11.1.2 OXiGENE shall indemnify Techniclone, the Company and their respective Managers, officers, employees and agents to the same extent that OXiGENE is being indemnified pursuant to Section 11.1(a) above.

11.2 MECHANISM FOR INDEMNIFICATION

The Member seeking indemnification hereunder ("Indemnified Member") shall give written notice to the indemnifying Member ("Indemnifying Member") of its indemnification claims hereunder, specifying the amount and nature of the claim, and giving the Indemnifying Member the right to contest any such claim represented by counsel of its choice; if any such claim is made hereunder by the Indemnified Member and such claim arises from the claims of a third party against the Indemnified Member and the Indemnifying Member does not elect to undertake the defense thereof by written notice within fifteen (15) days after receipt of the original notice from the Indemnified Member, the Indemnified Member shall be entitled to indemnity pursuant to the terms of this Agreement to the extent of its payment in respect of such claim. To the extent that the Indemnifying Member undertakes the defense of such claim in good faith by proceeding diligently at its expense, and without materially impairing the financial conditions or operations of the Indemnified Member, the Indemnified Member shall be entitled to indemnity hereunder only if, and to the extent that, such defense is unsuccessful as determined by a final judgment of a court of competent jurisdiction or is settled with the consent of the Indemnifying Member. The Member defending a third-party claim shall have the right to choose its own counsel.

ARTICLE 12

DISPUTE RESOLUTION

12.1 DISPUTE

Subject to Section 6.2.3, in the event of any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or if there is a deadlock among the Managers with respect to any management decision (a "Dispute"), then upon the written request of either Member that includes a summary of the Dispute, the Company shall submit the Dispute to Mediation pursuant to Section 12.2.

12.2 MEDIATION

Any Dispute that the Members are unable to resolve shall be submitted by any Member to nonbinding mediation administered by the American Arbitration Association (the "AAA") under its Commercial Mediation Rules. The mediation will be held in Boston, Massachusetts, if initiated by Techniclone and in Orange County, California, if initiated by OXiGENE. The Members will mutually determine the mediator from a list of mediators obtained from the American Arbitration Association office located in the city in which the proceeding will take place. If the Members are unable to agree on the mediator, the mediator will be selected by the American Arbitration Association with a preference for selecting a retired federal district judge or state superior court judge as the mediator. Any mediation initiated under this Section will be concluded within 30 days of the filing by a Member of a written request to the AAA for mediation. Each Member will pay its own costs plus an equal share of the cost of the mediator and the mediation facilities.

12.3 ARBITRATION

If a Dispute is not resolved through Mediation under Section 12.2 above or if both Members waive Mediation, such Dispute shall be submitted by any Member to binding arbitration administered by the AAA under its Commercial Arbitration Rules, including the AAA's Optional Procedures for Large, Complex

Commercial Disputes, to the extent not modified by this Section 12.3, before a single arbitrator. The Members will mutually determine the arbitrator from a list of arbitrators obtained from the American Arbitration Association office located in the city in which the Mediation took place. If the Members are unable to agree on the arbitrator, the arbitrator will be selected by the American Arbitration Association with a preference for selecting a retired federal district judge or state superior court judge as the arbitrator.

12.3.1 PLACE OF ARBITRATION

The arbitration will be held in Boston, Massachusetts, if initiated by Techniclone and in Orange County, California, if initiated by OXiGENE.

12.3.2 GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without giving effect to any conflict of law rules. The Members acknowledge that this Agreement evidences a transaction involving interstate commerce. The United States Arbitration Act shall govern the interpretation, enforcement and proceedings pursuant to the Arbitration under Section 12.3 of this Agreement.

12.3.3 PROVISIONAL REMEDIES

Prior to the selection of the arbitrator required under Section 12.3 of this Agreement, any Member may seek a provisional remedy necessary to prevent irreparable harm (including, without limitation, injunction, attachment or other similar remedy) or may seek to enforce the provisions of Section 2.7 by initiating a demand for arbitration in accordance with the provisions of Section 12.3 (whether or not the mediation pursuant to Section 12.2 has been completed) and by proceeding pursuant to the AAA's Optional Rules for Emergency Measures of Protection. Once an arbitrator has been selected in accordance with Section 12.3, a party seeking a provisional remedy shall proceed in accordance with Article 21 of the AAA's International Arbitration Rules.

12.3.4 ENFORCEMENT OF AWARD

The Members agree that judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction thereof including, but not limited to, the state courts of California and Massachusetts and the U.S. federal courts located therein to which the Members hereby consent to submit to jurisdiction for purposes of enforcement of any arbitration award.

ARTICLE 13

TRANSFERS OF MEMBERSHIP INTERESTS

13.1 OVERALL RESTRICTIONS

The Company will be owned on the Closing Date by two (2) entities that have the technical compatibility and financial stability that are major elements contributing toward the prospect of the future success of the Company. Each Member is entering into and performing its obligations under this Agreement in reliance upon the unique and particular know-how, personnel, assets and services being contributed and performed by the other Member. Except in accordance with the terms of this Agreement, no Member shall Transfer all or any part of its Membership Interest, or any interest therein, unless the Member (a) obtains the prior written consent of the other Member ("Nontransferring Member"), which consent may not be unreasonably withheld, and (b) provides satisfactory evidence to the Company that such Transfer shall not violate applicable securities laws. Unless such prior requirements are met, the proposed Transfer may not take place, and any attempted Transfer in derogation hereof shall be deemed null and void. Notwithstanding the foregoing, a Member may transfer all or part of its Membership Interest within or among the members of its "affiliated group" within the meaning of Section 1504(a)(1) of the Code. If for any reason any clause or provision of this Section 13.1 should be held unenforceable, invalid or in violation of law by any court or tribunal, then the Non-transferring Member shall have the right, exercisable in writing within ninety (90) days of the date of final determination of invalidity or unenforceability, to purchase the Membership Interest Members such transferring Member purported to Transfer, pursuant to the terms of Section 13.3.

13.2 ADDITIONAL RESTRICTIONS

Upon the occurrence of any of the following events with respect to a Member ("Occurrence Member") (wherein there is not a continuity of proprietary interest of the shareholders of the Member who owned the shares of the Member prior to the occurrence of such event): (a) any transfer of substantially all of its assets, (b) a liquidation or dissolution, or (c) any insolvency or bankruptcy proceeding, the Member that is not involved with such an occurrence shall have the right, exercisable in writing within sixty (60) days after the later of (i) receipt of written notice of such occurrence and (ii) the conclusion of the appraisal contemplated in Section 13.3, to purchase the Occurrence Member's entire Membership Interest pursuant to the terms of Section 13.3 or to dissolve the Company pursuant to the terms of Article 14. The Occurrence Member shall notify the other Member in writing of any occurrence described in clauses (a), (b) or (c) of this Section 13.2 at the earliest time practicable.

13.3 PURCHASE PRICE AND PAYMENT DATE

For purposes of Sections 13.1 and 13.2, the purchase price to be paid for the Membership Interest of the transferring Member or Occurrence Member shall be computed as follows:

13.3.1 Within sixty (60) days after the occurrence of an event described in Section 13.2, the Members shall jointly appoint an investment banking firm or failing this joint action, each shall designate an investment banking firm. Within thirty (30) days after their appointment, the designated investment banking firms shall designate an additional investment banking firm (the "Neutral Investment Banker") (collectively, the Neutral Investment Banker and the two investment banking firms designated by the Members being referred to as the "Three Investment Bankers"). The failure by any Member to appoint an investment banking firm within the time allowed shall be deemed equivalent to appointing the other Member's investment banking firm as the jointly appointed investment banking firm. Within sixty (60) days after the appointment of the jointly appointed investment banking firm or the Neutral Investment Banker, as the case may be, the jointly appointed investment banking firm or the Three Investment Bankers, by a majority vote, shall render their appraisal of the fair market value of the Membership Interest being purchased, which appraisal shall be binding and conclusive. The Company shall bear all appraisal expenses.

13.3.2 The payment date of the purchase price pursuant to this Section 13.3 shall not be later than sixty (60) days after the sixty (60) day period set forth in Section 13.3(a).

13.4 CHANGE OF CONTROL

13.4.1 In the event of a Change in Control (as defined below) of either Member (the "Acquired Member"), the other Member shall have the option to purchase the Membership Interest of the Acquired Member in accordance with the procedure set forth in Section 13.3.

13.4.2 For purposes of this Section 13.4, a "Change in Control" occurs when (a) any Person becomes, after the date hereof, the beneficial owner, directly or indirectly, of more than 50% of the outstanding securities of the Acquired Member having a right to vote in the election of Directors or (b) the Acquired Member is involved in a reorganization, merger or consolidation, except a "Change in Control" will not have occurred if, after the transaction, 50% or more of the outstanding voting securities of the corporation acquiring the Acquired Member's voting securities or resulting or surviving from the reorganization, merger or consolidation are owned by the Acquired Member's shareholders in the same proportion as they own the Acquired Member's voting securities immediately prior to such transaction.

13.5 ADMISSION OF SUBSTITUTED MEMBERS

Subject to the other provisions of this Section 13, a transferee of an Interest may be admitted to the Company as a substituted Member only upon satisfaction of the following conditions:

13.5.1 The Members unanimously consent to such admission, which consent may be given or withheld in the sole discretion of each Member;

13.5.2 The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the Board may reasonably request as may be necessary or appropriate to confirm such transferee as a Member and bind such transferee by the terms and conditions of this Agreement; and

13.5.3 The transferee pays or reimburses the Company for all reasonable legal, filing and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Interest.

13.6 SPECIFIC PERFORMANCE

Each of the Members acknowledges that the rights and obligations provided by this Section 13 are of unique value to it and that the payment of monetary damages could not adequately compensate the other Member for any breach of the obligations set forth herein. Accordingly, the rights of the Members set forth in this Section 13 shall be specifically enforceable in accordance with their terms.

ARTICLE 14

SALE, DISSOLUTION AND LIQUIDATION

14.1 EVENTS OF DISSOLUTION

14.1.1 The Company shall be dissolved upon the mutual written consent of the Members.

14.1.2 The Company shall be dissolved upon the occurrence of any of the events set forth in Section 13.2 if the Member that is not the Occurrence Member shall not have exercised the purchase option provided in Section 13.2 and shall have requested, within sixty (60) days after such occurrence, that the Company be dissolved.

14.1.3 The Company may be dissolved for federal and Delaware income tax purposes, but preserved in nominal form for Delaware state law purposes, by either Member upon the bankruptcy, receivership or insolvency of the other Member or the Company, or upon the material breach of this Agreement by the other Member.

14.1.4 The Members recognize that the Company may be dissolved by order of a court of competent jurisdiction pursuant to ss.18-802 of the Act.

14.1.5 Either Member may cause the Company to be dissolved if the material requirements of Section 7.2.1(b) are not satisfied.

14.1.6 The Company shall be dissolved upon the abandonment of the Plan, unless both Members agree to continue the existence of the Company.

14.2 FINAL ACCOUNTING AND TAX RETURNS

Upon the dissolution of the Company, a complete and accurate accounting shall be made by the Company's independent certified public accountants from the date of the last previous accounting to the date of dissolution, and all required tax returns shall be timely filed in connection therewith.

14.3 LIQUIDATION

Upon the dissolution of the Company, each Member shall appoint an individual to act as a liquidator to wind up the Company (and, if either Member fails to appoint such individual within sixty (60) days after the written request of the other Member, the individual that shall have been appointed by such other Member within such sixty (60) day period shall act as the liquidator) (the individuals so appointed shall be referred to collectively as the "Liquidator"). The Liquidator shall have full power and authority to take full account of the Company's assets and liabilities and to wind up and liquidate the affairs of the Company in an orderly and business-like manner as is consistent with obtaining the fair value thereof upon dissolution. The Company shall engage in no further business thereafter other than as necessary to operate on an interim basis, collect its receivables, pay its liabilities and liquidate its assets.

14.4 DISTRIBUTIONS IN LIQUIDATION

14.4.1 Upon dissolution of the Company and the liquidation of the assets of the Company pursuant to this Article 14, the Liquidator shall wind up the affairs of the Company and liquidate the assets as promptly as is consistent with obtaining fair value therefor and cause the remaining assets of the Company, including proceeds of sales or other dispositions in liquidation of assets, to be applied in accordance with the following priorities:

14.4.2 First, to payment of the debts and obligations of the Company to its creditors (other than a Member), including sales commissions and other expenses incident to any sale of the assets of the Company;

14.4.3 Second, to the establishment of such reserves as the Liquidator may deem reasonably necessary for any unliquidated contingent or unforeseen liabilities or obligations of the Company;

14.4.4 Third, to the payment in full of loans (including for this purpose, accrued interest thereon through the date of payment) to the Company by the Members, pro rata, according to the relative amount of such unpaid loans (including for this purpose, accrued interest thereon through the date of payment) and then to the payment in full of any other debts and obligations of the Company to its Members (e.g., under service agreements), pro rata, according to the relative amount of such debts and obligations;

14.4.5 Fourth, to the Members having positive Capital Accounts pro rata in accordance with their relative positive Capital Accounts (as determined after taking into account all Capital Account adjustments for the Company's Fiscal Year during which such liquidation occurs), until all such positive Capital Accounts are reduced to zero;

14.4.6 Fifth, among the Members in proportion to their respective Membership Interests; and,

14.4.7 Notwithstanding the foregoing provisions of this Section 14.4, upon liquidation of the Company, Company Discoveries shall be the joint property of each Member. Each Member shall have joint and non-exclusive rights to develop or sublicense the Company Discoveries; provided, however, that Techniclone shall have exclusive ownership, development and sublicense rights in the Company

Discoveries until Techniclone has received cumulative distributions equal to the Early Termination Preference; and provided further that the OXiGENE Contributed Technology shall be distributed in kind to OXiGENE and the Techniclone Contributed Technology shall be distributed in kind to Techniclone, each at the value set forth in Section 3.1.

The reserves established pursuant to clause (ii) of this Section 14.4(a) shall be paid over by the Liquidator to a bank or other financial institution to be held in escrow for the purpose of paying unliquidated, contingent or unforeseen liabilities or obligations, and, at the expiration of such period as the Liquidator deems advisable, such reserves shall be distributed to the Members or their assigns in the priority set forth in clauses (iii) and (iv) of this Section 14.4(a). Distributions to the Members pursuant to this Section 14.4(a) shall be made within the time period prescribed by Regulations Section 1.704-1 (b)(2)(ii)(b).

14.4.8 In the event the Liquidator determines that an immediate sale of part or all of the Company assets would cause undue loss to the Members, the Liquidator, in order to avoid such loss, may either (i) defer liquidation of any assets of the Company for a reasonable time, except those assets necessary to satisfy Company debts and obligations, or (ii) distribute the assets in kind to the Members. If any assets of the Company are to be distributed in kind, such assets shall be valued and shall be deemed sold at their fair market value and any gain or loss deemed realized shall be allocated to the Capital Accounts of the Members for purposes of applying this Section 14.4 as if such gain or loss had actually been fully realized. Any assets that are to be so distributed shall be distributed on the basis of the fair market value thereof and any Member entitled to an interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled. The fair market value of such assets shall be determined by an appraiser to be selected by the Liquidator or by agreement of all the Members. In the event of such distribution in kind, the distributee Member shall not thereafter sell or otherwise Transfer or dispose of any interest in any assets so distributed which it holds as a tenant-in-common without first offering such interest in writing to the other tenant-in-common upon the same terms and conditions and for the same price as such proposed sale or Transfer. The other tenant-in-common shall have thirty (30) days after the receipt of such offer within which to accept the same and shall have the right to acquire such interest. If the other tenant-in-common shall fail to accept such offer within such period of time, such distributee Member shall be free to sell the interest in such assets upon the terms and conditions described in the offer disclosed to the other tenants-in-common free of any further rights of first refusal.

14.4.9 During the period, if any, that Techniclone has exclusive ownership, development and sublicense rights to develop or sublicense the Company Discoveries pursuant to the first proviso of the second sentence of subsection 14.4(a)(vi), Techniclone will (i) promptly pay to OXiGENE, no less often than annually, the Early Termination Remainder, and (ii) provide OXiGENE with quarterly unaudited financial statements and annual audited financial statements.

14.5 DEFICIT CAPITAL ACCOUNTS

Except as may otherwise be required by law, notwithstanding anything to the contrary contained in this Agreement, to the extent that any Member has a Deficit Capital Account balance upon dissolution of the Company, that balance shall not be an asset of the Company and that Member shall not be obligated to contribute any amount to the Company to bring the balance of that Member's Capital Account to zero.

14.6 TERMINATION OF COMPANY AND AGREEMENT

Upon the completion of the distributions in liquidation of the Company as provided in this Article 14, (a) the Liquidator shall take all actions as may be appropriate to finally dissolve and liquidate the Company and (b) this Agreement shall terminate.

ARTICLE 15

ACCOUNTING AND REPORTS

15.1 BOOKS AND RECORDS

15.1.1 Procedures. The Board shall implement standard procedures with respect to accounting, financial reporting and management information, including, without limitation, statements reflecting Company distributions, earnings, Profits and Losses, residual value of Company Property and taxable income.

15.1.2 Records. At all times during the term of the Company, the Board shall keep or cause to be kept full and accurate books, records and accounts, which shall, in reasonable detail, accurately and fairly reflect each transaction of the Company. Each Member and its representatives shall have access to such books, records and documents during reasonable business hours and may inspect and make copies of any of them. The Board may delegate to a third party or Member the duty to maintain and oversee the preparation of such records and books of account. The Board shall maintain all such books and records for the six (6) most recent Fiscal Years or until such year is closed for tax audit purposes.

15.1.3 Audit of Company's Statements. The Company will engage and pay for an external accounting firm to audit its financial statements at least annually, which firm may, but need not be, the external accounting firm for one or both of the Members. Since it is anticipated that one Member, as chosen by the Board (the "Accounting Services Provider"), will provide accounting services to the Company, the Board is advised that, whenever practicable, it should appoint the primary external accounting firm which provides services to the Accounting Services Provider. The Member which is not the Accounting Services Provider shall have the right, during regular business hours and upon reasonable advance notice, to review the audited financial statements and the related work papers and findings of the external accounting firm supporting the financial statements or request another external accounting firm to perform such examination, the cost of which shall be borne by the party requesting the examination.

15.1.4 Examination of Member Transactions. Each Member shall keep comprehensive books and records relating to (i) such Member's reimbursements under this Agreement and (ii) any compensation or reimbursements under any agreement with the Company, on a full accrual basis of accounting in accordance with generally accepted accounting principles for the three (3) most recent Fiscal Years. Either Member, upon reasonable advance notice to the other Member, may examine or engage an external accounting firm to examine the accuracy of revenues, billings and supporting documentation of the other Member for services or payments to or from the Company during the prior three (3) Fiscal Years, including under the Sponsored Research Agreement, the OXiGENE License Agreement

and any other agreements involving the Company and the other Member. The Member requesting the review shall, for purposes of such review, utilize the other Member's regular outside certified public accounting firm. The cost of such examination shall be borne by the Member requesting the examination; however, in the event such examination reveals information that deviates by 5% or more from the information previously provided to the Member requesting the examination, the cost of the examination shall be borne by the other Member.

15.2 ACCOUNTING METHOD

The books and records of the Company shall be kept in accordance with GAAP applied on a consistent basis from year to year.

15.3 FISCAL YEAR

Unless otherwise determined by unanimous vote of the Board, the Company shall use the calendar year as its fiscal year for all financial reporting and tax purposes (the "Fiscal Year").

15.4 REPORTS; TAX RETURNS

(a) Copies of all accounts, reports and other writings pertaining to the business of the Company furnished by a Member, the Company or the Company's accountants to any Member or regulatory agency shall contemporaneously be delivered to all Members.

(b) Prior to March 15 of each year, the Board shall provide to the Members regular annual audited financial statements prepared by independent, nationally recognized certified public accountants as chosen under Section 15.l(c), which shall include a statement of profits and losses, changes in financial position and a balance sheet for the year then ended, as well as such other appropriate financial information reasonably requested by the Board or Members.

(c) The Board shall cause to be prepared and filed, on the Company's behalf and at the Company's expense, all federal, state and other tax returns required to be filed, and shall submit the same to the Members for review and approval not less than thirty (30) days prior to the respective due dates for such returns (including any extensions thereof), but, with respect to the Company's United States federal income tax information return, in no event later than May 15 of each year. Apportionment data for state returns will be provided by June 1 of each year.

(d) Within thirty (30) days of the end of each calendar month (or sooner if available) the Company shall provide unaudited financial statements prepared in accordance with GAAP to each Member .

(e) Within thirty (30) days after the end of each calendar quarter, the Company shall provide unaudited quarterly financial statements showing the quarterly and annual financial results of the Company and comparing such financial results to the projections of income and expenses in the Approved Budget.

15.5 REQUIRED GOVERNMENTAL FILINGS

The Board shall cause the Company to file, on or before the dates the same may be due, giving effect to extensions obtained, all reports, returns and applications that may be required by any governmental or quasi-governmental body having jurisdiction.

ARTICLE 16

GENERAL PROVISIONS

16.1 NOTICES

Any notice, request, instruction or other document to be given hereunder by a Member to another Member hereto shall be in writing, delivered in person, or mailed by certified or registered mail, return receipt requested, or transmitted by facsimile transmission with electronic confirmation of receipt to the addressee's address or facsimile number set forth below (or such other address or facsimile number as the party changing its address specifies in a notice to the other parties):

If to Techniclone:

Techniclone Corporation
14282 Franklin Ave.
Tustin, CA 92780
Phone: (714) 508-6000
Facsimile: (714) 838-9433

with a copy to:

Jeffers, Shaff & Falk, LLP
18881 Von Karman Ave., Suite 1400
Irvine, CA 92612
Attention: Mark R. Ziebell
Phone: (949) 660-7700
Facsimile: (949) 660-7799

If to OXiGENE:

OXiGENE INC
One Copley Place, Suite 602
Boston, MA 02116
Phone: (617) 536-9500
Facsimile: (617) 536-4700

with a copy to:

Cadwalader, Wickersham & Taft
100 Maiden Lane
New York, NY 10038
Phone: (212)504-6000
Facsimile: (212)504-6666
Attention: Gerald Eppner

Notices shall be deemed to have been given on the date of service, if served personally on the party to whom notice is to be given, or on the first day after transmission by facsimile transmission, if transmitted by facsimile as set forth above, or on the fifth day after mailing, if mailed as set forth above.

16.2 WAIVER

No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Member against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

16.3 SEVERABILITY

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

16.4 WAIVER OF PARTITION

No Member, either directly or indirectly, shall take any action to require partition of the Company or any of its assets or properties. Notwithstanding any provisions of applicable law to the contrary, each Member (and its successors and assigns) hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to its Membership Interest, or with respect to any assets or properties of the Company, except as expressly provided in this Agreement.

16.5 FURTHER ASSURANCES

Each Member shall execute such deeds, assignments, endorsements, evidences of transfer and other instruments and documents and shall give further assurances as shall be necessary to perform its obligations hereunder and shall execute such estoppel and other documents as are reasonably requested by any other Member regarding the status of the Company.

16.6 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other jurisdiction.

16.7 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

16.8 LIMITATION ON RIGHTS OF OTHERS

This Agreement is entered into between the Members for the exclusive benefit of the Company, its Members, and their successors and permitted assigns. This Agreement is not intended for the benefit of any creditor of the Company or any other Person. Except to the extent provided by applicable statute, and then only to that extent, no creditor or third party shall have any rights under this Agreement or under any other agreement between the Company and any Member with respect to any contribution to the Company or otherwise.

16.9 SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Members and their respective successors and permitted assigns.

16.10 ENTIRE AGREEMENT; AMENDMENT

This Agreement constitutes the entire agreement between the Members with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Members (and their Affiliates) with respect to the subject matter hereof, including the Confidential Disclosure and Preliminary Invention Rights Agreement dated April 1, 2000 countersigned between OXiGENE and Techniclone regarding confidential information (which is superseded and replaced by Section 2.7). This Agreement may be amended only in writing signed by all the Members.

16.11 EXPENSES

Except as otherwise provided herein or agreed to in writing by the Members or their Affiliates, each Member shall bear its own costs and expenses, including legal fees, associated with carrying on its business as a Member hereof.

16.12 CONSTRUCTION

This Agreement has been submitted to the scrutiny of, and has been negotiated by, all Members hereto and their counsel, and shall be given a fair and reasonable interpretation in accordance with the terms hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

16.13 DISCLAIMER OF AGENCY

This Agreement does not create any entity or relationship beyond the scope set forth herein, and except as otherwise expressly provided herein, this Agreement shall not constitute any Member the legal representative or agent of the other, nor shall any Member or any Affiliate of a Member have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of or on behalf of any other Member, its Affiliates, the Company or its Affiliates.

16.14 RIGHTS AND REMEDIES

The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights, other than the right of partition, the Members may have by law, statute, ordinance or otherwise.

16.15 ATTORNEYS' FEES

In the event of a dispute between the Manager and Members, or the Members arising out of this Agreement that is arbitrated or litigated, the nonprevailing party shall pay the reasonable costs and attorneys' fees of the prevailing party, including the reasonable costs and attorneys' fees incurred in the appeal of any final or interlocutory judgment.

IN WITNESS WHEREOF, the Members hereto have executed this Limited Liability Company Agreement of ARCUS THERAPEUTICS LLC as of the day and year first above written.

OXiGENE INC.	TECHNICLONE CORPORATION
By: /S/ BJORN NORDENVALL	By: /S/JOHN BONFIGLIO
Bjorn Nordenvall	John Bonfiglio
President and Chief Executive Officer	President

EXHIBIT 23.2

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-3 and related Prospectus of Techniclone Corporation for the registration of 4,405,167 shares of its common stock and to the incorporation by reference therein of our report dated July 2, 1999, with respect to the consolidated financial statements and schedule of Techniclone Corporation included in its Annual Report (Form 10-K) for the year ended April 30, 1999, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Orange County, California
June 29, 2000

EXHIBIT 23.3

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Techniclone Corporation on Form S-3 of our report dated June 15, 1998, except for Note 12, as to which the date is July 17, 1998 (which expresses an unqualified opinion and includes an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern), appearing in the Annual Report on Form 10-K of Techniclone Corporation for the year ended April 30, 1999 and to the reference to us under the heading "Experts" in the prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Costa Mesa, California
June 30, 2000