Work Order # 2

IRHC-002

This Work Order is issued pursuant to the Master Clinical Study Agreement, between InterMune, Inc. ("InterMune") and The San Mateo Medical Center ("Institution") effective as of February 3, 2005 (the "Agreement"), and is subject to all terms and conditions of the Agreement.

Any capitalized terms not otherwise defined herein will have the same meaning ascribed to them in the Agreement.

Protocol Title and Number:

IRHC-002 " A Phase 3, Randomized, Open-Label Study of the Safety and Efficacy of Two Dose Levels of Daily Interferon Alfacon-1 plus Ribavirin in Hepatitis C Infected Patients Who Failed to Achieve Virologic Response After Previous Pegylated Interferon Alfa plus Ribavirin Therapy and During at Least 24 Weeks of No Treatment in IRHC-001" (The "Study").

A copy of the Protocol is attached hereto as Schedule 1 and incorporated herein by this reference.

Principal Investigator's Name: Joanne Imperial, M.D. ("Investigator")

Investigator(s) Address:
San Mateo Medical Center
222 W. 39th Ave.
San Mateo, CA 94403

A copy of the Investigator's Certification is attached hereto as Schedule 2, must be executed along with this Work Order and is incorporated herein by this reference.

InterMune's Medical Monitor:

Sima Faris-Young, M.D.
Senior Director, Clinical Science
InterMune, Inc.
3280 Bayshore Boulevard
Brisbane, CA 94005

Correspondence to InterMune's Medical Monitor may be addressed to the address listed above.

Study Schedule:

1. Study Initiation

   All contractual and regulatory documentation must be completed, executed and received by InterMune prior to Study initiation. It is anticipated that enrollment for the Study will begin in January 2005. The Study is anticipated to be completed on or about January 2008 (the "Study Completion Date").

2. Enrollment.

   It is anticipated that the Investigator(s) will enroll up to fifteen (15) subjects into the Study (the "Site Maximum"). Subject enrollment is expected to be completed on or before December 2006. If

InterMune and the Investigator wish to increase the Site Maximum, this Work Order must be amended accordingly. No payments will be made for subjects enrolled over the Site Maximum.

Enrollment for the Study will cease at the Institution upon notification of full Study enrollment. Notwithstanding whether the Site Maximum has been reached, the Investigator(s) agrees to immediately cease enrolling subjects upon written notice from InterMune.

3. Study Documentation.

(a) A "Completed Case Report Form" ("Completed CRF") will mean a case report form (i) that has been completed by the Investigator in accordance with all FDA and Study requirements, (ii) for a subject who properly qualified, participated in and completed the Study in accordance with all Study requirements, and (iii) which InterMune determines can be used in all analyses of the Study results.

(b) CRFs must be completed within ten (10) business days after completion of the subject's study visits and be available for monitoring by InterMune or its designee. CRFs must be completed within five (5) business days after completion of the subject's participation in the Study and receipt of subject's test results, if any, and be available for monitoring by InterMune or its designee. In the event that InterMune determines that CRFs are not being completed in a timely manner, the Institution is not complying with the Protocol, or the quality of data is not adequate, payment may be held until an action plan is developed in collaboration with InterMune to address these issues.

(c) Any requests by or on behalf of InterMune for verification, clarification or correction of data on CRFs must be responded to and returned to InterMune within ten (10) business days of Institution's receipt of such request.

(d) Institution will complete all CRFs and resolve all data discrepancies therein within one (1) month of the Study Completion Date. Institution will deliver hard copies of the original Completed CRFs as directed by InterMune. Institution will cooperate with InterMune or its designees should any further information or clarification be required.

Payment Schedule:

A copy of the budget for this Study (the "Budget") is attached hereto as Schedule 3 and incorporated herein by this reference. Payment will be made for work actually performed, in accordance with the payment schedule set forth below. Institution herein acknowledges and agrees that the total compensation due Institution for full, complete, and satisfactory performance of Study in accordance with Protocol and the terms of the Agreement will in no event exceed One Hundred and Thirteen Thousand Five Hundred Thirty Five dollars ($113,535.00), plus screen failures and Pass-through costs, inclusive of all associated costs, fees, and charges, including any relevant or applicable overheads due any party, entity or Investigator ("Maximum Compensation"). Enrollment beyond fifteen (15) subjects may be permitted upon prior written authorization from InterMune.

Payments, beginning with the first treatment visit of the first subject, will be made within thirty (30) days of the end of each calendar quarter as applicable, upon InterMune's receipt of the Completed CRFs for such quarter.

Institution shall be compensated for services performed pursuant to the requirements of the Protocol in the sum of Seven Thousand Five Hundred Sixty Nine dollars ($7,569.00) per eligible subject that completes the treatment period. Amounts are inclusive of any and all applicable fees, overheads and the like in accordance with Schedule 3.

Pass-Through Costs

InterMune will reimburse Institution for its actual, documented costs for the following:

IRB fees upon receipt of an approved invoice.

The Investigator shall use his/her best efforts to recruit only subjects likely to be eligible and sufficiently reliable to complete the entire Study. Compensation for subjects who fail to complete the Study shall be as follows: Any itemized costs, billed according to the Schedule 3, shall be reimbursed by InterMune for eligible incomplete or withdrawn subjects and shall be paid within one (1) quarter of receipt and the acceptance by InterMune of the completed Case Report Forms.

Screen failures will be reimbursed on a per procedure basis up to a maximum of Nine Hundred and Thirty One dollars ($931.00). As used herein, "screen failure" means a potential Study subject who has had one or more screening procedures performed in accordance with the Protocol and, based on the results of such procedures, does not meet the entry criteria for the Study set forth in the Protocol. InterMune agrees to reimburse for up to a maximum of five (5) screen failures.

InterMune may withhold the final payment pending resolution of all data queries and completion of Study closeout procedures. Final payment of any outstanding amounts due under this Work Order will be made following the completion of Study closeout procedures.

Reimbursement will be due following InterMune's receipt of Institution's invoice and documentation of costs for such procedure, and will be made concurrently with the quarterly payment due for the calendar quarter in which InterMune received the applicable invoice and documentation. In no event will InterMune have any direct liability to any party other than Institution in connection with Institution's conduct of the Study (including without limitation any third party vendor), unless otherwise agreed in writing by InterMune.

All payments due to Institution hereunder shall be handled as follows:

Payable to: San Mateo Medical Center
222 W. 39th Avenue
San Mateo, CA 94403

Tax ID Number: 946000532

This Work Order is entered into and made effective as of July 29, 2005. This Work Order will remain in effect until completion of all services described herein, unless earlier terminated in accordance with the Agreement.

Accepted and Agreed to by:

INTERMUNE, INC.

By:_____
Steven B. Porter, M.D., Ph.D.
Senior Vice President of
Clinical Affairs

Date:_____

SAN MATEO MEDICAL CENTER

By:_____
Nancy Steiger
Chief Executive Officer

Date: 9/6/05

Schedule 1 to Work Order # 2

PROTOCOL

	Screening	Baseline	Treatment (Week)													Follow-Up (Week)					Early D/C	
STUDY PROCEDURES	-8 wks to Day -1	Day 1	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 12	Wk 16	Wk 20	Wk 24	Wk 26 Dispense drug only	Wk 30	Wk 36	Wk 42	Wk 48	Wk 52	Wk 60	Wk 68	Wk 72	Early D/C	Total
Informed Consent	$75																							$75
Medical History	$150	$150																						$300
Complete Physical Examination	$200																							$200
Problem-oriented Physical/ Interim Medical History		$50	$50	$100	$50	$50	$50	$50	$50	$100	$100	$100	$50	$100		$50	$100	$50	$100	$50			$50	$100	$1,300
Beck Depression Inventory-2	$50	$50				$50					$50			$50			$50		$50				$50	$50	$400
Dispense Study Drug		$50			$30			$30			$30		$30		$30		$30	$30							$260
Lab Draws/ Specimen Handling	$70	$50	$50	$50	$50	$50	$50	$50	$50	$50	$50	$50	$50	$50		$50	$50	$50	$50	$50	$50	$50	$50	$50	$1,120
Study Coordinator	$200	$150	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$75	$100	$100	$100	$100	$75	$100	$100	$100	$100	$2,400
Subtotal	$745	$500	$200	$250	$230	$250	$200	$230	$200	$250	$330	$250	$230	$300	$105	$200	$330	$230	$300	$175	$150	$150	$250	$300	$6,055
Overhead 25%	$186	$125	$50	$63	$58	$63	$50	$58	$50	$63	$83	$63	$58	$75	$26	$50	$83	$58	$75	$44	$38	$38	$63	$75	$1,514
TOTAL	$931	$625	$250	$313	$288	$313	$250	$288	$250	$313	$413	$313	$288	$375	$131	$250	$413	$288	$375	$219	$188	$188	$313	$375	**$7,569**

IRB fees are payable on a pass-through basis, upon receipt of an approved invoice.

InterMune agrees to reimburse Institution up to a maximum of five (5) screen failures.

Unscheduled visits shall be reimbursed up to $250 (plus overhead) upon receipt of invoice.

Schedule 2 to Work Order # 2

PRINCIPAL INVESTIGATOR'S CERTIFICATION

I acknowledge that I have read this Work Order **# 2** and am aware of and understand its terms and conditions and the terms and conditions of the Agreement referred to therein. I agree to and will comply with all the terms and conditions of the Work Order and the Agreement, both as an individual and as an employee of Institution. Without limiting the generality of the foregoing, I represent and warrant that I will not use any information, data, case report forms and/or any other similar data and information, nor any intellectual property, arising from or relating to the Study for any purpose other than as authorized by the terms of this Agreement.

To the extent that I retain any interest in any intellectual property created or discovered as a result of this Study that relates to InterMune's products, I hereby assign, and automatically will be deemed to have assigned, all such interest to InterMune. I agree to perform, without further compensation other than reimbursement of any reasonable documented expenses, any and all acts necessary to assist InterMune in preparing, filing any patent applications and enforcing any patents covering such intellectual property, or in otherwise perfecting its rights thereto.

I represent and warrant that my entering into and participating in this Study will not conflict with or be a breach of any other agreement to which I am a party or am bound.

I represent and warrant that the Institution or entity identified above is the appropriate entity to receive payment(s) for this Study.

I represent and warrant that I have no financial interests and/or arrangements with InterMune that will require disclosure to the federal Food and Drug Administration ("FDA") in accordance with 21 CFR Part 54, and that I will promptly notify InterMune if any such interests or arrangement later arise.

I represent and warrant that I have not been disqualified by the FDA or otherwise disqualified from serving as a Principal Investigator for this Study, and that I will conduct this Study in accordance with GCP and my independent medical judgment.

I represent and warrant that I have not been debarred under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. §335a(a) and (b). In the event that I: (i) become debarred; or (ii) receive notice of an action or threat of an action with respect to my debarment during the term of this Study, I agree to immediately notify InterMune and Institution and to immediately cease conducting this Study.

I understand that in the event InterMune receives notice or otherwise becomes aware that (i) I have been debarred (ii) a debarment action has been brought against me, or (iii) I have been threatened with a debarment action, InterMune will have the right, at its sole discretion, to (i) terminate immediately my participation in the Study, or (ii) agree with Institution to a substitute Principal Investigator who will assume full responsibility and perform all the remaining activities under this Study.

PRINCIPAL INVESTIGATOR

_____ Date:_____

Joanne Imperial, M.D.