

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

**FORM 8-K**

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

**Date of report (Date of earliest event reported): November 1, 2005**

**ACADIA PHARMACEUTICALS INC.**

(Exact Name of Registrant as Specified in Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**000-50768**  
(Commission File Number)

**06-1376651**  
(I.R.S. Employer  
Identification No.)

**3911 SORRENTO VALLEY BOULEVARD**  
**SAN DIEGO, CALIFORNIA**  
(Address of Principal Executive Offices)

**92121**  
(Zip Code)

**(858) 558-2871**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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

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

**Item 1.01. Entry into a Material Definitive Agreement.**

On November 1, 2005, Robert E. Davis, Ph.D. resigned from his position as Executive Vice President, Drug Discovery and Development of the registrant but will continue to provide services in a reduced role as a consultant. ACADIA is supportive of Dr. Davis's career transition and is pleased to be able to continue to utilize his expertise as a consultant. In connection with the foregoing, the registrant entered into a separation agreement (the "**Separation Agreement**") and a consultant agreement (the "**Consultant Agreement**") with Dr. Davis. Pursuant to the Separation Agreement, Dr. Davis's last day as an employee of the registrant will be November 4, 2005 (the "**Separation Date**"). Commencing on the Separation Date, Dr. Davis will provide consulting services to the registrant, primarily for its clinical development efforts, under the Consultant Agreement.

The description of the Separation Agreement and the Consultant Agreement set forth above is qualified in its entirety by reference to the actual terms of the Separation Agreement and the Consultant Agreement, which are filed as Exhibits 99.1 and 99.2, respectively, to this current report and are incorporated herein by this reference.

**Item 1.02. Termination of Material Definitive Agreement.**

On November 1, 2005, the registrant entered into a separation agreement with Robert E. Davis, Ph.D., the registrant's Executive Vice President, Drug Discovery and Development. The separation agreement terminates the at-will employment of Dr. Davis provided for by the terms of the employment offer letter dated February 1, 2001 between the registrant and Dr. Davis. The separation agreement is described in Item 1.01 of this current report.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits

99.1 Separation Agreement, dated November 1, 2005, by and between the registrant and Robert E. Davis, Ph.D.

99.2 Consultant Agreement, effective November 4, 2005, by and between the registrant and Robert E. Davis, Ph.D.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACADIA Pharmaceuticals Inc.

By: /s/ Thomas H. Aasen

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Thomas H. Aasen  
Vice President, Chief Financial Officer, Treasurer, and Secretary

Date: November 1, 2005

3.

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**INDEX TO EXHIBITS**

- 99.1 Separation Agreement, dated November 1, 2005, by and between the registrant and Robert E. Davis, Ph.D.
- 99.2 Consultant Agreement, effective November 4, 2005, by and between the registrant and Robert E. Davis, Ph.D.

November 1, 2005

Robert E. Davis, Ph.D.  
13272 Glenclyff Way  
San Diego, CA 92130

Dear Bob:

This separation agreement (the "Agreement") sets forth the terms of the agreement between ACADIA Pharmaceuticals Inc. (the "Company") and you.

**1. Resignation.** You are resigning as an employee and from your position as the Company's Executive Vice President, Drug Discovery and Development. Your last day of employment with the Company and your employment termination date will be November 4, 2005 (the "Separation Date").

**2. Accrued Salary And Vacation.** On the Separation Date, the Company will pay you all accrued salary, and all accrued and unused vacation earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to these payments regardless of whether you execute this Agreement.

**3. Health and Life Insurance.** To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA. You will be entitled to convert your current life insurance provided by the Company's life insurance carrier (the "Carrier") to a whole life insurance policy, in accordance with the Carrier's policies. You will be responsible for any payments necessary to continue such insurance coverage.

**4. Separation Payment.** Although the Company has no obligation to do so, if you sign this Agreement, then the Company will pay you, as severance, the equivalent of 3 months of your base salary in effect as of the Separation Date, subject to standard payroll deductions and withholdings (the "Separation Payment"). The Separation Payment shall be made in accordance with the Company's standard payroll timetable. In addition, although the Company has no obligation to do so, if you sign this Agreement, then the Company will reimburse you for the COBRA payments you make for the first 18 months following the Separation Date.

**5. Other Compensation Or Benefits.** You acknowledge that, except as expressly provided in this Agreement, you will not receive any additional compensation, severance, or benefits after the Separation Date.

**6. Expense Reimbursements.** You agree that, within ten (10) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reconcile all outstanding expense items and reimburse you for qualifying expenses pursuant to its regular business practices. In addition, the Company agrees to reimburse your actual documented legal expenses incurred in connection with the review of this Agreement and any related documents, up to a maximum \$7,500.

**7. Return of Company Property.** You agree to return to the Company immediately all Company documents (and all copies thereof) and other Company property that you have had in your possession at any time, including, but not limited to, Company files, notes, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property (provided, that you may keep the laptop computer, monitor and printer provided to you during your employment), credit cards, entry cards, identification badges, and keys; and, any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof).

**8. Proprietary Information Obligations.** Both during and after your employment you acknowledge your continuing obligations under your Inventions and Non-Disclosure Agreement not to use or disclose any confidential or proprietary information of the Company. A copy of your Inventions and Non-Disclosure Agreement is attached hereto as Exhibit A.

**9. Confidentiality.** The provisions of this Agreement will be held in strictest confidence by you and the Company and will not be publicized or disclosed in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement in confidence to your immediate family; (b) the parties may disclose this Agreement in confidence to their respective attorneys, accountants, auditors, tax preparers, and financial advisors; (c) the Company may disclose this Agreement as necessary to fulfill standard or legally required corporate reporting or disclosure requirements; and (d) the parties may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee.

**10. Inside Information Obligations.** You acknowledge your continuing obligations under the Company's Policy Against Trading on the Basis of Inside Information, a copy of which is attached hereto as Exhibit B.

**11. Indemnification.** The Company will indemnify you in accordance with the terms of its Certificate of Incorporation, Bylaws, and the existing indemnity agreement among you and the Company, a copy of which is attached hereto as Exhibit C.

**12. Nondisparagement.** You agree not to disparage the Company, its officers, directors, employees, stockholders, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you will respond accurately and fully to any question, inquiry or request for information when required by legal process. Likewise, the Company agrees to instruct its officers not to disparage you in any manner likely to be harmful to your business or personal reputation; provided that each party will respond accurately and fully to any question, inquiry or request for information when required by legal process.

**13. No Admissions.** You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

**14. Your Release of Claims.** In exchange for the consideration under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company and its directors, officers, employees, stockholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to your employment with the Company or the termination of that employment; (b) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"), and the California Fair Employment and Housing Act (as amended).

**15. Company Release of Claims.** In exchange for the consideration under this Agreement, the Company hereby generally and completely releases you and your heirs, assigns, executors, administrators and successors and each of them from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. Released claims shall not include any claims based on willful misconduct. In addition, released claims shall not include any claims based on obligations created by this Agreement. Although the Company does not release or waive against you any other claims or any "unknown and unsuspected claims" under Civil Code section 1542, the Company is unaware of any such claims which it may have against you.

**16. ADEA Waiver.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the ADEA ("ADEA Waiver"). You also acknowledge that the consideration given for the ADEA Waiver is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA, that: (a) your ADEA Waiver does not apply to any rights or claims that arise after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement; (c) you have twenty-one (21) days to consider this Agreement (although you may choose to voluntarily sign it sooner); (d) you have seven (7) days following the date you sign this Agreement to revoke the ADEA Waiver (in a written revocation sent to me); and (e) the ADEA Waiver will not be effective until the date upon which the revocation period has expired, which will

be the eighth day after you sign this Agreement (the "Effective Date"). You will not receive any of the benefits provided by this Agreement unless and until it becomes effective.

**17. Section 1542 Waiver.** In granting the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**" You hereby expressly waive and relinquish all rights and benefits under that section and any law or legal principle of similar effect in any jurisdiction with respect to the releases granted herein, including but not limited to the release of unknown and unsuspected claims granted in this Agreement.

**18. Miscellaneous.** This Agreement, including Exhibits A, B and C, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations, including but not limited to, the Employment Offer agreement entered into between you and the Company on or about February 1, 2001. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified so as to be rendered enforceable. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California as applied to contracts made and to be performed entirely within California. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and facsimile signatures will suffice as original signatures.

**19. Arbitration.** To ensure rapid and economical resolution of any disputes which may arise under this Agreement, you and the Company agree that any and all disputes or controversies of any nature whatsoever (with the sole exception of disputes relating to Section 7 of this Agreement), arising from or regarding the interpretation, performance, enforcement or breach of this Agreement shall be resolved by confidential, final and binding arbitration (rather than trial by jury or court or resolution in some other forum) conducted by Judicial Arbitration and Mediation Services, Inc. ("JAMS") in San Diego, California, under the then-existing JAMS rules. The prevailing party in such arbitration proceedings shall be entitled to recover from the other party reasonable attorneys' fees and other recoverable costs incurred in connection with such arbitration proceeding unless prohibited by law. Nothing in this Agreement shall prevent either party from seeking to obtain injunctive relief in court to preserve the status quo or prevent irreparable harm pending the conclusion of any such arbitration. Notwithstanding the foregoing, you and the Company each have the right to resolve any issue or dispute involving confidential, proprietary or trade secret information, or intellectual property rights, by court action instead of arbitration.



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We wish you the best in your future endeavors.

Sincerely,

ACADIA Pharmaceuticals Inc.

By: /s/ ULI HACKSELL  
**Uli Hacksell, CEO**

**I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT, WHICH INCLUDES A RELEASE AND WAIVER OF CLAIMS:**

/s/ ROBERT E. DAVIS  
Robert E. Davis, Ph.D.

November 1, 2005  
Date

**CONSULTANT AGREEMENT**

**THIS AGREEMENT**, effective November 4, 2005 (the "Effective Date"), by and between **ROBERT E. DAVIS, PH.D.**, an individual (hereinafter "CONSULTANT"), and **ACADIA PHARMACEUTICALS INC.**, a Delaware corporation with a place of business at 3911 Sorrento Valley Boulevard, San Diego, California 92121 (hereinafter "ACADIA").

**WHEREAS**, CONSULTANT has expertise in the specific field identified in Appendix A; and

**WHEREAS**, ACADIA desires to engage the services of CONSULTANT for the purpose of consulting with ACADIA as described in Appendix A.

**NOW, THEREFORE, ACADIA and CONSULTANT agree as follows:**

**1. TERM**

ACADIA hereby retains CONSULTANT and CONSULTANT hereby accepts this retainer as a consultant to ACADIA for the period of time specified in Appendix A. Thereafter, this Agreement may be extended for subsequent additional terms if ACADIA and CONSULTANT so agree in writing.

**2. AREA OF CONSULTATION**

CONSULTANT shall consult with and advise ACADIA as specified in Appendix A. CONSULTANT shall also provide, when reasonably requested to do so by ACADIA, time during the term hereof for conferences, consultations and monitoring, with the days for conferences and consultations to be scheduled at such times and at such places as are mutually convenient to both parties.

**3. OTHER EMPLOYMENT**

- 3.1 CONSULTANT represents that CONSULTANT's performance of all the terms of this Consultant Agreement will not breach any agreement to keep in confidence any confidential information acquired by CONSULTANT from any third party. CONSULTANT also represents to ACADIA that CONSULTANT has not entered into, and CONSULTANT agrees that CONSULTANT will not enter into, any agreement, either written or oral, in direct or indirect conflict with any of the terms of this Agreement.
- 3.2 CONSULTANT agrees that the duties required in connection with any employment or independent contract will not prevent proper performance by CONSULTANT of the consulting services contemplated in this Agreement.

**4. CONTROL**

- 4.1 Except as otherwise provided in this Agreement, CONSULTANT retains the sole and exclusive right to control or direct the manner or means by which the work herein is to be performed.
- 4.2 CONSULTANT understands and agrees that no payroll or employment taxes of any kind shall be withheld or paid by ACADIA. Payroll and employment taxes referred to in this paragraph include, but are not limited to FICA, FUTA, federal personal income tax, state personal income tax, state disability insurance tax, and state unemployment tax.

**5. CONFIDENTIALITY**

- 5.1 ACADIA possesses certain confidential information and related know-how (hereinafter referred to as "INFORMATION"), developed by ACADIA, and is prepared to disclose directly or indirectly the same to CONSULTANT for the purpose of CONSULTANT's technical input.
- 5.2 CONSULTANT agrees to hold in confidence, for a period of ten (10) years from the date first written above, INFORMATION disclosed to CONSULTANT by ACADIA, and CONSULTANT shall not disclose INFORMATION to anyone or use the INFORMATION except for the purpose of this Agreement. This Agreement imposes no obligation on the CONSULTANT with respect to that portion of the INFORMATION that the CONSULTANT is able to demonstrate by written evidence:
  - (a) was generally known to the public prior to the effective date of this Agreement; or
  - (b) becomes generally known to the public through no unlawful or unauthorized act or omission of CONSULTANT, nor in violation of this Agreement; or
  - (c) was independently developed by CONSULTANT prior to the effective date of this Agreement; or
  - (d) was disclosed to CONSULTANT by a third party who has the right to make such disclosure.

If CONSULTANT is requested to produce any of the Information pursuant to a legal or governmental proceeding, CONSULTANT shall give ACADIA adequate prior notice of such requirement and shall use his reasonable efforts to assist ACADIA in objecting to such request. If CONSULTANT is compelled to disclose any of the INFORMATION pursuant to such legal or governmental proceeding, CONSULTANT shall use his reasonable efforts to assist ACADIA in

obtaining confidential treatment for such disclosed INFORMATION. Any INFORMATION so disclosed shall still be subject to the terms of this Agreement.

- 5.3 CONSULTANT shall use his best efforts but in no event less than a reasonable degree of care to ensure that all necessary precautions are taken to safeguard and preserve the confidential status of the INFORMATION.
- 5.4 During the life of this Agreement or upon its termination, CONSULTANT agrees to return to ACADIA, upon its request, any tangible written, printed, visual or digital media, or any other materials or substances, containing INFORMATION, including all copies and excerpts thereof. The return of such media or materials shall not affect the obligations of CONSULTANT as to confidentiality or non-use as set forth herein.
- 5.5 Disclosure of INFORMATION under this Agreement will create no license, right, interest, or ownership in any such INFORMATION in CONSULTANT. This Agreement does not obligate the parties to enter into a further agreement or business relationship.

## **6. INTELLECTUAL PROPERTY RIGHTS**

### **6.1 Inventions.**

- (a) All legal rights to any and all inventions, discoveries, improvements, designs, ideas, materials, machines, devices, and the like ("Inventions"), whether or not patentable, developed by CONSULTANT in his/her capacity as a consultant for ACADIA under this Agreement shall be considered proprietary and confidential and to be owned by ACADIA. CONSULTANT agrees to promptly disclose all Inventions made by CONSULTANT under this Agreement to ACADIA and to assign worldwide rights to all Inventions to ACADIA upon request. CONSULTANT agrees not to disclose the Inventions to a third party or to use the Inventions for CONSULTANT's own benefit without the prior express written consent of ACADIA.
- (b) CONSULTANT agrees to provide ACADIA with all information and materials, and sign all papers and the like necessary to obtain and maintain patents or other rights to the Inventions in any and all countries designated by ACADIA. The writing, designation of countries and filing will be done by ACADIA. Prosecution of applications and maintenance of patent or other rights will be done by ACADIA. All costs and expenses related to prosecution of applications or maintenance of patents or other rights will be paid by ACADIA.

6.2 Trademarks.

CONSULTANT agrees not to use any of ACADIA's trademarks or trade names without the prior express written consent of ACADIA.

**7. COMPENSATION**

- 7.1 ACADIA shall pay CONSULTANT, and CONSULTANT agrees to accept for the services to be performed under this Agreement, compensation as specified in Appendix A. This sum is the maximum amount due under this Agreement for consultant work during the initial term of the Agreement except for travel expenses as specified in subsection 7.2, unless agreed otherwise in writing by the parties. Travel time is not compensable.
- 7.2 Upon receipt by ACADIA of copies of receipts or other appropriate evidence of expenditures by CONSULTANT, ACADIA shall reimburse CONSULTANT for (i) reasonable travel expenses (airfare, ground transportation, lodging and meals) for travel incurred by CONSULTANT at the request of ACADIA in rendering services hereunder and (ii) other reasonable expenses related to the provision of services under this Agreement.
- 7.3 CONSULTANT's federal I.D. or social security number, if applicable, is as specified in Appendix A. It is agreed that CONSULTANT is responsible for the payment of any taxes. ACADIA will report consulting fee payments as required by applicable federal, state or local tax law or regulations.

**8. HOLD HARMLESS, LIMIT OF LIABILITY**

Except as provided in the next sentence, ACADIA shall not be liable for any personal injury to CONSULTANT or any damage to any personal property belonging to or in the custody or possession of CONSULTANT. The provisions of the preceding sentence shall not apply to any claim shown to arise from the sole negligence of ACADIA. Nothing in this Section 8 shall be deemed a limitation Section 11 of the Separation Agreement (as defined below).

**9. NOTICE**

Any notice required or permitted by the terms of this Agreement shall be made in writing by mail, overnight delivery service or facsimile, prepaid and properly addressed, or delivered by hand to ACADIA or CONSULTANT at the respective addresses first given above or in Appendix A, as the case may be, or at such other addresses as either party hereto may designate by notice pursuant hereto. Any such notice shall be deemed to have been given upon receipt.

**10. ASSIGNMENT**

- 10.1 This Agreement is personal to CONSULTANT and CONSULTANT shall therefore have no right authority to assign this Agreement or any portion thereof

or otherwise delegate performance under this Agreement without the prior written consent of ACADIA.

- 10.2 This Agreement may be assigned by ACADIA as part of the sale of all or substantially all of its business for which CONSULTANT is acting as a consultant hereunder. CONSULTANT agrees that if this Agreement is assigned to any third party, all the terms and conditions of this Agreement shall remain between such other third party and CONSULTANT with same force and affect as if said Agreement had been made with such third party in the first instance.

## **11. TERMINATION**

- 11.1 If either party hereto breaches any of the terms or conditions of this Agreement or the Separation Agreement among the parties, dated as of November 1, 2005 (the "Separation Agreement"), the other party may, at such party's option, terminate this Agreement immediately upon written notice to the breaching party upon which event all rights of the breaching party shall terminate upon the effective date of termination specified in such notice, provided that the alleged breaching party is provided notice of such breach and reasonable opportunity to cure such breach, not to exceed 30 days, if possible. In the event of such termination by ACADIA, CONSULTANT shall be entitled to payment for services performed and expenses incurred prior to the effective date of the termination. In the event of such termination by CONSULTANT, CONSULTANT shall be entitled to payments described in Exhibit A, as if CONSULTANT completed the services for the complete Term.
- 11.2 CONSULTANT may, at his option for any reason or no reason, terminate this Agreement upon 30 days' written notice to ACADIA upon which event all rights under this Agreement shall terminate upon the effective date of termination specified in such notice. In the event of such termination, CONSULTANT shall be entitled to payment for services performed and expenses incurred prior to the effective date of the termination.

## **12. INDEPENDENT CONTRACTOR**

Notwithstanding anything to the contrary in this Agreement, CONSULTANT's status with ACADIA shall be at all times during the terms of this Agreement that of an independent contractor. Nothing in this Agreement shall be construed to give CONSULTANT the power or authority to act, make representation for or on behalf of, or to bind or commit ACADIA. Notwithstanding the foregoing, CONSULTANT's status as an independent contractor will be deemed a continuation of service as a consultant under ACADIA's 1997 Stock Option Plan and 2004 Equity Incentive Plan (collectively, the "Option Plans"). As long as this Agreement is in effect and services are being rendered hereunder, CONSULTANT will be entitled to continued vesting under any and all options granted under the Option Plans.

## **13. ARBITRATION AND APPLICABLE LAW**

Any dispute, controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the arbitration provision set forth in the Separation Agreement.

**14. SURVIVAL**

The covenants and agreements set forth in Sections 5, 6, 13, 14, 15 and 16 shall survive any termination or expiration of this Agreement and shall remain in full force and effect regardless of the cause of termination.

**15. VALIDITY OF PROVISIONS AND SEVERABILITY**

15.1 If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction,

- (a) Such provision shall be deemed amended to conform to applicable law of such jurisdiction so as to be valid and enforceable, or, if it cannot be so amended without materially altering the intent of the parties, it will be stricken;
- (b) The validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction;
- (c) The remainder of this Agreement will remain in full force and effect.

15.2 Subject to Section 10, this Agreement will bind the heirs, personal representatives, successors and assigns of both you and ACADIA, and inure to the benefit of both you and ACADIA, their heirs, successors and assigns. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California as applied to contracts made and to be performed entirely within California. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and facsimile signatures will suffice as original signatures.

**16. ENTIRE AGREEMENT**

This Agreement, including Appendix A, sets forth the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be modified except by a writing signed by authorized representatives of the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement as of the Effective Date.

ACCEPTED AND AGREED TO:

**ACADIA PHARMACEUTICALS INC.**

**CONSULTANT**

By: /s/ ULI HACKSELL  
Name: Uli Hacksell, Ph.D.  
Title: Chief Executive Officer

By: /s/ ROBERT E. DAVIS  
Robert E. Davis, Ph.D.



**APPENDIX A**

**NAME OF CONSULTANT:** Robert E. Davis, Ph.D.

**MAILING ADDRESS:**

**TELEPHONE NUMBER:**

**E-MAIL ADDRESS:**

**TAXPAYER ID:**

**CHECKS MADE PAYABLE TO:** Robert E. Davis

**GENERAL FIELD OF EXPERTISE:** Drug discovery and development.

**SPECIFIC SERVICES TO BE PROVIDED:** Consulting with respect to the development of the ACADIA's ACP-103 and ACP-104 programs. CONSULTANT shall also advise ACADIA with respect to technical evaluations of the foregoing and other compounds in connection with business development activities.

**TERM OF THE AGREEMENT:** Three years from the Effective Date; renewable for an additional one-year period upon the written agreement of both parties.

**PAYMENT TERMS:** \$100,000 per year for 50 full days of work. CONSULTANT shall be paid in equal monthly installments. CONSULTANT shall provide invoices to ACADIA setting forth the days services were provided. Additional days beyond the 50 days will be approved in advance by ACADIA's CEO and will be upon written terms mutually agreed to by the parties.

**ACADIA CONTACT:** Daniel Van Kammen

**TITLE:** Vice President

**TELEPHONE NUMBER:** 858-558-2871

**FAX NUMBER:** 858-558-2872