As filed with the Securities and Exchange Commission on July 27, 2015

Registration No. 333-205124

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 5
to
FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

NantKwest, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	2836	43-1979754
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, California 92007
(858) 633-0300
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Patrick Soon-Shiong, M.D., FRCS (C), FACS
Chairman and Chief Executive Officer
NantKwest, Inc.
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, California 92007
(858) 633-0300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Martin J. Waters Daniel R. Koeppen Wilson Sonsini Goodrich & Rosati, P.C. 12235 El Camino Real, Suite 200 San Diego, California 92130 (858) 350-2300	Barry J. Simon, M.D. President and Chief Operating Officer NantKwest, Inc. 2533 South Coast Highway 101, Suite 210 Cardiff-by-the-Sea, California 92007 (858) 633-0300	Sean M. Clayton Charles S. Kim Kristin E. VanderPas Cooley LLP 1333 2nd Street, Suite 400 Santa Monica, California 90401 (310) 883-6400

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

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 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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 this Form is a post effective amendment filed pursuant to Rule 462(d) 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. ☐

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

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

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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Amendment No. 5 to the Registration Statement on Form S-1 (File No. 333-205124) of NantKwest, Inc. is being filed solely for the purpose of filing certain exhibits as indicated in Part II of this Amendment No. 5. This Amendment No. 5 does not modify the prospectus that forms a part of the Registration Statement or Items 13, 14, 15 or 17 of Part II of the Registration Statement. Accordingly, a preliminary prospectus has been omitted.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemization of all estimated expenses, all of which the Registrant will pay, in connection with the issuance and distribution of the securities being registered:

	Amount Paid or to be Paid
SEC registration fee	$ 21,515
FINRA filing fee	28,273
The NASDAQ Global Select Market listing fee	225,000
Printing and engraving expenses	600,000
Legal fees and expenses	1,500,000
Accounting fees and expenses	500,000
Transfer agent and registrar fees and expenses	15,000
Miscellaneous expenses	110,212
Total	$ 3,000,000

Item 14. Indemnification of Directors and Officers

On completion of this offering, the Registrant's amended and restated certificate of incorporation will contain provisions that eliminate, to the maximum extent permitted by the General Corporation Law of the State of Delaware, the personal liability of the Registrant's directors and executive officers for monetary damages for breach of their fiduciary duties as directors or officers. The Registrant's amended and restated certificate of incorporation and bylaws will provide that the Registrant must indemnify its directors and executive officers and may indemnify its employees and other agents to the fullest extent permitted by the General Corporation Law of the State of Delaware.

Sections 145 and 102(b)(7) of the General Corporation Law of the State of Delaware provide that a corporation may indemnify any person made a party to an action by reason of the fact that he or she was a director, executive officer, employee or agent of the corporation or is or was serving at the request of a corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation.

The Registrant has entered into indemnification agreements with its directors and executive officers, in addition to the indemnification provided for in its amended and restated certificate of incorporation and bylaws, and intends to enter into indemnification agreements with any new directors and executive officers in the future.

The Registrant has purchased and currently intends to maintain insurance on behalf of each and any person who is or was a director or officer of the Registrant against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of the Registrant and its executive officers and directors, and by the Registrant of the underwriters, for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

See also the undertakings set out in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities

Since May 1, 2012, the Registrant has issued and sold the following securities:

(1) In May 2012, the Registrant acquired 57,000 shares of Inex Bio, Inc., or Inex Bio, for $248,541, which represented 22.2% of the outstanding shares and 17.4% of the fully-diluted shares of Inex Bio. On March 30, 2015, the Registrant acquired all the remaining outstanding shares of Inex Bio not currently owned by the Registrant for cash consideration of $8,000,000 and the issuance of 3,202,592 warrants to purchase our Class A common stock with an exercise price of $2.00 per share. The warrants were subsequently exercised on April 6, 2015.

(2) On June 20, 2013, the Registrant entered into a securities purchase agreement with Bio IP Ventures LLC, pursuant to which the Registrant sold a secured promissory note in the principal amount of $1,000,000, and 1,851 shares of its Series B preferred stock at a per share price of $0.05, for an aggregate purchase price of $1,000,100. In connection with the April 2014 private placement described in paragraph (4) below, Bio IP Ventures LLC converted the $1,000,000 principal amount of its promissory note into 771,459 “units”. Each “unit” consisted of one share of Registrant’s Series C preferred stock and a warrant to purchase one quarter of a share of Registrant’s common stock at aggregate price of $1.30 per unit. In December 2014, the Series C preferred stock was converted into Class A common stock.

(3) On June 20, 2013, Bio IP Ventures LLC purchased notes from the Registrant’s existing creditors totaling $312,570. In April 2014, these notes were exchanged for 241,135 shares of the Registrant’s Class A common stock.

(4) On June 20, 2013, notes and other payables owed to various of the Registrant’s creditors totaling $949,665 were settled in exchange for 389,437 shares of the Registrant’s Class A common stock.

(5) On December 30, 2013, the Registrant entered into a series of restricted stock purchase agreements for its Class B common stock with certain of its officers and directors as follows: (a) Barry J. Simon, the Registrant’s president, chief executive officer and one of its directors, purchased 3,370,546 shares at a price per share of $0.20, resulting in aggregate proceeds to the Registrant of $682,665 paid in the form of a secured promissory note in the same amount, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note, (b) Hans G. Klingemann, a director of the Registrant and its chief medical and scientific officer, purchased 2,139,378 shares at a price per share of $0.20, resulting in aggregate proceeds to the Registrant of $433,307 paid in the form of a secured promissory note in the same amount, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note, and (c) Steve Gorlin, the executive chairman of the Registrant’s board of directors, purchased 2,022,326 shares at a price per share of $0.20 for aggregate proceeds to the Registrant of $409,599, of which $230,000 was remitted in cash, and $179,599 was applied to the forgiveness of the

Registrant's indebtedness to Mr. Gorlin. The Class B common stock purchased by the officers and directors were subsequently converted into Class A common stock by the Registrant in December 2014.

(6) From March 17, 2014 through March 24, 2015, the Registrant granted to certain of its employees, consultants, directors and other service providers under the Registrant's 2014 Equity Incentive Plan options to purchase an aggregate of 10,229,537 shares of its Class A common stock at exercise prices ranging from $0.22 to $2.00 per share, of which 1,782,317 have been exercised, and 8,447,209 remain outstanding, and issued 129,605 shares of its restricted common stock.

(7) From April 1, 2014 through April 11, 2014, the Registrant entered into a series of subscription agreements with accredited investors pursuant to which the Registrant sold an aggregate of 4,983,525 "units" consisting of 4,983,525 shares of Registrant's Series C preferred stock and 1,245,881 warrants to purchase shares of Registrant's common stock at aggregate price of $1.30 per unit. Palladium Capital Corp. acted as placement agent on the offering and received aggregate commissions of $493,739 and 34,715 shares of the Registrant's Series C preferred stock, which shares were later converted into Registrant's Class A common stock. In December 2014, all outstanding shares of Series C preferred stock were converted into Class A common stock.

(8) On April 1, 2014, notes and other payables owed to various of the Registrant's creditors totaling $1,339,203 were settled in exchange for 1,522,799 shares of the Registrant's Class A common stock.

(9) In April 2014 in conjunction with the closing of the 2014 securities purchase agreement, Palladium Capital Corp. received 763,151 shares of the Registrant's Class B common stock, which were later converted into the Registrant's Class A common stock, and a warrant to purchase 199,341 shares of Class A common stock at an exercise price of $1.62 per share in payment for acting as a placement agent on the 2013 securities purchase agreement.

(10) On December 18, 2014, the Registrant issued and sold to Sorrento Therapeutics, Inc., or Sorrento, an aggregate of 4,557,537 shares of its Class A common stock pursuant to a subscription and investment agreement at a price of $1.76 per share for an aggregate purchase price of $8,000,000. The subscription agreement for such transaction was amended on December 23, 2014 as described in paragraph (6) below, to sell an additional 1,060,789 shares of the Registrant's Class A common stock to Sorrento for an aggregate purchase price of $2,000,000.

(11) On December 23, 2014, the Registrant issued and sold to Cambridge Equities, LP, or Cambridge, an aggregate of 25,191,473 shares of our Class A common stock pursuant to a subscription and investment agreement at a price of $1.89 per share for an aggregate purchase price of $47,495,481. In conjunction with the transaction, Sorrento amended its subscription and investment agreement entered into on December 18, 2014, as described in paragraph (5) above, to purchase an additional 1,060,789 shares of our Class A common stock for an aggregate purchase price of $2,000,000.

(12) On March 24, 2015, the Registrant issued to an officer a warrant to purchase a maximum of 17,589,250 shares of Class A common stock for an exercise price of $2.00 per share.

(13) From May 1, 2012 through July 8, 2015, the Registrant issued an aggregate of 1,782,565 shares of common stock upon the exercise of options for aggregate consideration of $948,240.

(14) From June 10, 2015 through July 8, 2015, the Registrant entered into a series of subscription and investment agreements with accredited investors pursuant to which the Registrant sold an aggregate of 4,063,331 shares of Registrant's common stock at a price per share of $19.20 for aggregate proceeds of $78,004,041.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The Registrant believes these transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D, Regulation S or Rule 701 promulgated under the Securities Act as transactions by an issuer not involving any public offering, outside the United States, or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant or otherwise, to information about the Registrant.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index immediately following the Signature Pages.

(b) Financial Statement Schedules.

All other schedules have been omitted because the information required to be presented in them is not applicable or is shown in the financial statements or related notes.

Item 17. Undertakings

The Registrant hereby undertakes to provide to the underwriters at the closing as specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, 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 of 1933, as amended, 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 Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cardiff-by-the-Sea, State of California, on July 27, 2015.

NantKwest, Inc.

By: /s/ Patrick Soon-Shiong
Patrick Soon-Shiong
Chairman of the Board of Directors 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/ Patrick Soon-Shiong Patrick Soon-Shiong	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	July 27, 2015
/s/ Barry J. Simon Barry J. Simon	President, Chief Operating Officer and Director	July 27, 2015
/s/ Richard Gomberg Richard Gomberg	Chief Financial Officer (Principal Financial and Accounting Officer)	July 27, 2015
* Steve Gorlin	Vice Chairman of the Board of Directors	July 27, 2015
* Michael D. Blaszyk	Director	July 27, 2015
* Henry Ji	Director	July 27, 2015
* Richard Kusserow	Director	July 27, 2015
* John T. Potts, Jr.	Director	July 27, 2015
* Robert Rosen	Director	July 27, 2015
* John C. Thomas, Jr.	Director	July 27, 2015

*By: /s/ Patrick Soon-Shiong
Patrick Soon-Shiong
attorney-in-fact

EXHIBIT INDEX

Exhibit Number	Description
1.1^	Form of Underwriting Agreement, including Form of Lock-up Agreement.
3.1^	Amended and Restated Certificate of Incorporation of the Registrant, as amended, as currently in effect.
3.2^	Form of Amended and Restated Certificate of Incorporation of the Registrant, effective upon the completion of this offering.
3.3^	Bylaws of the Registrant, as currently in effect.
3.4^	Form of Amended and Restated Bylaws of the Registrant, effective upon the completion of this offering.
4.1^	Nominating Agreement by and between the Registrant and Cambridge Equities, LP, dated June 18, 2015.
4.2^	Form of Registration Rights Agreement by and between the Registrant and the Purchasers of Common Stock, dated June 2015.
4.3^	Registration Rights Agreement by and between the Registrant and Cambridge Equities LP, dated December 23, 2014.
4.4^	Registration Rights Agreement by and between the Registrant and Sorrento Therapeutics, Inc., dated December 13, 2014.
4.5^	Form of Subscription and Securities Purchase Agreement among the Registrant and the Subscribers of Series C Preferred Stock, dated as of April 1, 2014.
4.6^	Registration Rights Agreement, among the Registrant and the purchasers of Series B Preferred Stock, dated as of June 20, 2013.
4.7^	Specimen common stock certificate of the Registrant.
5.1^	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
10.1+^	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2+^	2014 Equity Incentive Plan and forms of agreements thereunder.
10.3+^	2015 Equity Incentive Plan and forms of agreements thereunder, effective upon the completion of this offering.
10.4+^	Executive Incentive Compensation Plan, effective upon the completion of this offering.
10.5+^	Amended and Restated Executive Employment Agreement between the Registrant and Patrick Soon-Shiong, effective March 24, 2015.
10.6+^	Executive Employment Agreement between the Registrant and Barry J. Simon, M.D., dated January 1, 2015.
10.7†^	License Agreement between the Registrant and Brink Biologics, Inc., dated June 9, 2015.
10.8†^	License Agreement between the Registrant and Coneksis, Inc., dated June 9, 2015.
10.9†	Joint Development and License Agreement between the Registrant and Sorrento Therapeutics, Inc., dated December 18, 2014.
10.10†^	License Agreement between the Registrant and Intrexon Corporation, dated February 23, 2010.
10.11^	UHN-ZelleRx License Agreement between University Health Network and the Registrant, dated May 9, 2005.

Exhibit Number	Description
10.12†	License Agreement, as amended, between Fox Chase Cancer Center and the Registrant, dated as of July 10, 2004.
10.13†	Rush-ZelleRx License Agreement, between Rush University Medical Center and the Registrant, dated as of March 24, 2004.
10.14†	License Agreement, as amended, between Hans G. Klingemann and the Registrant, dated February 10, 2003.
10.15^	Form of Warrant to Purchase Common Stock issued pursuant to the Securities Purchase Agreement dated April 1, 2014.
10.16^	Common Stock Purchase Warrant issued March 24, 2015 to Patrick Soon-Shiong, M.D.
10.17^	Form of Warrant to Purchase Common Stock issued March 14, 2008.
10.18^	Genomic and Proteomic Services Agreement by and between the Registrant and NantOmics, LLC, dated June 18, 2015.
10.19	Lease Agreement by and between ARE - John Hopkins Court, LLC and the Registrant, dated June 19, 2015.
10.20	Sublease Agreement between Novartis Institute for Functional Genomics, Inc. and the Registrant, dated July 24, 2015.
21.1^	Subsidiaries.
23.1^	Consent of Mayer Hoffman McCann P.C., Independent Registered Public Accounting Firm.
23.2^	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1^	Power of Attorney.

^ Previously filed.
* To be filed by amendment.
+ Indicates management contract or compensatory plan.
† Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.9

JOINT DEVELOPMENT AND LICENSE AGREEMENT

This Joint Development and License Agreement (this "Agreement") is made and entered into as of the 18th day of December, 2014 (the "Effective Date"), by and between CONKWEST INCORPORATED, a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133 ("CONKWEST"), and SORRENTO THERAPEUTICS, INC., a Delaware corporation with offices at 6042 Cornerstone Ct. W., San Diego, Ca 92121 ("SRNE"). CONKWEST and SRNE are sometimes referred to herein individually as a "Party" and together as the "Parties."

Recitals

WHEREAS, CONKWEST is an innovative life sciences company that owns all rights, title, and interest in and to certain CONKWEST Existing Rights, including, but not limited to, the CONKWEST Cell Line, CONKWEST Master Cell Bank, and CONKWEST Working Cell Bank, and has the right to grant licenses thereto; and

WHEREAS, CONKWEST has commercialized and is continuing to commercialize the CONKWEST Cell Line and variants thereof for use in a variety of diagnostic and therapeutic applications, including for use in the treatment of cancers and infections; and

WHEREAS, SRNE owns all rights, title, and interest in and to certain SRNE Existing Rights, including but not limited to certain proprietary tissue targeting moiety ("TTM") including but not limited to chimeric antigen receptors and their corresponding genetic sequences (the "SRNE TTM(s)");

WHEREAS, CONKWEST and SRNE desire to exclusively collaborate in a Program (defined below) of any and all Projects, each Project intended to facilitate the joint development of certain TTM modified proprietary effector cell lines, including the CONKWEST Cell Line, CONKWEST Master Cell Bank, CONKWEST Working Cell Bank, NK cell lines, and/or T cell lines (collectively, the "Effector Cell Line(s)"), including any and all TTM-modified Effector Cell Lines and Effector Cell Line derivatives (the "Joint Cell Line(s)") for therapeutic applications (the "Joint Product(s)"); and

WHEREAS, concurrently with the execution of this Agreement, CONKWEST and SRNE are entering into a Subscription and Investment Agreement, in the form attached hereto as Exhibit A (the "Investment Agreement"), and a Registration Rights Agreement, in the form attached hereto as Exhibit B (the "Registration Rights Agreement"). NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "BLA" means the Biological License Application (together with any other required registrations, notifications or forms) for any Joint Product (and/or pre-market approval to make and sell commercially any Joint Product) filed with the FDA.

1.2 “CAR(s)” means a chimeric antigen receptor consisting of a monoclonal antibody or a functional part thereof, a transmembrane domain, and one or more signaling domains capable of activating Effector Cell Line that confers a cell or tissue specificity onto the Effector Cell Line.

1.3 “Clinical Trials” means clinical studies conducted in humans anywhere in the world in accordance with GCPS.

1.4 “Confidential Information” has the meaning set forth in the Mutual Confidentiality Agreement.

1.5 “CONKWEST Cell Line” means [***].

1.6 “CONKWEST Confidential Information” means all Confidential Information that is owned or Rightfully Used by CONKWEST.

1.7 “CONKWEST Existing Rights” means CONKWEST Rights existing as of the Effective Date.

1.8 “CONKWEST Intellectual Property Rights” means all CONKWEST Know-How, CONKWEST Patents, and all other Intellectual Property Rights pertaining to the CONKWEST Cell Line that are owned or Rightfully Used by CONKWEST but which are not Joint Product Rights (including, for clarity, any Developed Intellectual Property Rights that CONKWEST identifies, discovers, invents, acquires, and/or develops after the Effective Date but which are not Joint Product Rights).

1.9 “CONKWEST Know-How” means all Know-How pertaining to the CONKWEST Cell Line that is owned or Rightfully Used by CONKWEST but which is not a Joint Product Right (including, for clarity, any Developed Know-How that CONKWEST identifies, discovers, invents, acquires, and/or develops after the Effective Date but which is not a Joint Product Right). CONKWEST Know-How does not include CONKWEST Patents.

1.10 “CONKWEST Master Cell Bank” means the GMP-certified CONKWEST Cell Line. CONKWEST Master Cell Bank does not include any modifications, derivations, or improvements to the CONKWEST Cell Line.

1.11 “CONKWEST Patents” means the Patents pertaining to the CONKWEST Cell Line that are listed on Schedule 2 hereto, which may be updated from time to time, and any Developed Patents (including patent applications) filed by or on behalf of CONKWEST which are not Joint Product Rights.

1.12 “CONKWEST Rights” means CONKWEST Cell Line, CONKWEST Intellectual Property Rights, CONKWEST Master Cell Bank, and CONKWEST Working Cell Bank.

1.13 “CONKWEST Working Cell Bank” means the GLP and cGMP unmodified CONKWEST Cell Line. CONKWEST Working Cell Bank does not include any modifications, derivations, or improvements to the CONKWEST Cell Line.

1.14 “Copyrights” means all copyrights and other works of authorship, and all rights, title and interests in and to all copyrights, works of authorship, copyright registrations and applications for copyright registration, certificates of copyright and copyrighted interests, and all other rights of any kind or nature therein, arising under any law anywhere in the world.

1.15 “Costs” shall have the meaning specified in Section 2.4(c) hereto.

1.16 “Developed Intellectual Property Rights” means all Developed Know-How, Developed Patents, all other Intellectual Property Rights identified, discovered, invented, acquired, and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party.

1.17 “Developed Know-How” means all Know-How that is identified, discovered, invented, acquired and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party. Developed Know-How does not include Developed Patents. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that Developed Know-How specifically excludes: (i) any Know-How constituting SRNE Existing Rights, and (ii) any Know-How constituting CONKWEST Existing Rights.

1.18 “Developed Patents” means all Patents filed by or on behalf of either Party that claim subject matter identified, discovered, invented, acquired and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that Developed Patents specifically exclude: (i) any Patents constituting SRNE Existing Rights, and (ii) any Patents constituting CONKWEST Existing Rights.

1.19 “Effective Date” means the date stated in the opening paragraph of this Agreement.

1.20 “Effector Cell Line(s)” has the meaning specified in the preamble of this Agreement.

1.21 “Excluded CARs” means the following CARs: [***].

1.22 “Excluded Products” means any products that include an Excluded CAR and/or any product used for or in connection with any of the following: [***]

1.23 “FDA” means the United States Food and Drug Administration or any successor agency having the administrative authority to regulate the approval for marketing of new human pharmaceutical and biological products in the United States, and any equivalent authority in any jurisdictions outside of the United States.

1.24 “Feasibility Work” means any preliminary work required in order for the Steering Committee to select which, if any, Joint Cell Line(s) and/or Joint Product(s) shall be pursued as part of the Program, where such preliminary work may include selection of the CAR(s), creation of the Joint Cell Line(s), and/or generation of in vitro data relating to such Joint Cell Line(s).

1.25 “Final Report” has the meaning specified in Section 5.2 of this Agreement.

1.26 “GCPS” means the then-current Good Clinical Practice Standards, as defined in the U.S. regulations, 21 CFR, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.27 “GLP” means the then-current Good Laboratory Practices, as defined in the U.S. regulations, 21 CFR § 58, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.28 “GMP” means the then-current Good Manufacturing Practices, as defined in the U.S. regulations, 21 CFR §§ 210 and 211, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.29 “Government Authority” means any supranational, national, regional, state or local government, court, governmental agency, authority, board, bureau, instrumentality or regulatory body.

1.30 “Gross Revenue” means gross receipts actually received by or on behalf of a Party from sales of all [***].

1.31 “Infringement Action” has the meaning specified in Section 6.3(b) of this Agreement.

1.32 “Insolvency Event” means with respect to any Party, the occurrence of any one of the following events:

(a) a court of competent jurisdiction shall have entered a decree or order for relief in respect of the Party in an involuntary proceeding under any applicable United States bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Party or of all or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or

(b) the Party shall have commenced a voluntary proceeding under any applicable United States bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or shall have consented to the entry of an order for relief in an involuntary case under any such law, or shall have consented to the appointment

of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Party or of all or any substantial part of its property, or shall have made an assignment for the benefit of creditors; or

(c) the Party shall have failed generally to pay its debts as they become due or shall have taken any corporate action in furtherance of any of the matters referred to in clause (b) above.

1.33 "Intellectual Property Rights" means, collectively, Patents, Know-How, Copyrights, moral rights, and all other like technology and related intellectual property rights anywhere in the world.

1.34 "Joint Cell Line(s)" has the meaning specified in the preamble of this Agreement.

1.35 "Joint IND" means the Investigational New Drug Application (IND) for a Joint Cell Line and/or a Joint Product.

1.36 "Joint Master Cell Bank(s)" means the GMP-certified Joint Cell Line(s).

1.37 "Joint Patents" has the meaning set forth in Section 6.2(d) of this Agreement.

1.38 "Joint Product(s)" has the meaning set forth in the preamble of this Agreement.

1.39 "Joint Product Rights" means the Joint IND associated with a Joint Cell Line or Joint Product, and the Developed Intellectual Property Rights in the Joint Cell Line(s), Joint Master Cell Bank, Joint Working Cell Bank, and Joint Products.

1.40 "Joint Working Cell Bank" means the GLP-certified Joint Cell Line(s).

1.41 "Know-How" means all technical and other information, data, methods, inventions (whether patentable or not and whether or not reduced to practice), trade secrets, and similar proprietary rights and other know-how and trade secret rights arising under any law anywhere in the world.

1.42 "Mutual Confidentiality Agreement" means the Mutual Confidentiality Agreement between CONKWEST and SRNE entered into on November 1, 2014.

1.43 "Party" and "Parties" have the meanings stated in the opening paragraph of this Agreement.

1.44 "Patents" means all patents, patent applications, utility models, including any extension, registration, confirmation, continuation-in-part, reissue, re-examination, supplementary protection certificate or renewals thereof including, without limitation any foreign equivalents thereof, and all rights of any kind or nature therein arising under any law anywhere in the world.

1.45 “Person” means an individual, partnership, firm, corporation, limited liability company, joint venture, association, trust or other entity or any government agency or political subdivision thereof.

1.46 “Phase I Clinical Trial” means a phase I or a phase I/II Clinical Trial in any country that is intended to initially evaluate the safety and/or therapeutic or antigenic effect of a Joint Cell Line in human subjects that would satisfy the requirements of 21 C.F.R. § 312.21(a), as amended, if such Clinical Trial was conducted in the U.S.

1.47 “Phase II Clinical Trial” means a phase II, phase IIb or a phase II/III Clinical Trial in any country that is intended to initially evaluate the effectiveness of a Joint Cell Line for a particular indication under study that would satisfy the requirements of 21 C.F.R. § 312.21(b), as amended, if such Clinical Trial was conducted in the U.S. For clarity, a Phase II Clinical Trial shall not include a phase I/II Clinical Trial.

1.48 “Phase III Clinical Trial” means all tests and studies in patients (other than Phase I and Phase II Clinical Trials) that are intended to provide substantial evidence of efficacy and safety in support of a BLA for a Joint Cell Line, including pivotal trials and all tests and studies that are required by the applicable Regulatory Agency from time to time, pursuant to regulations, guidelines or otherwise, as Phase III Clinical Trials tests and studies for the Joint Cell Line, including the trials referred to in 21 C.F.R. § 312.21(c), as amended, in the case of such Clinical Trials in the U.S.

1.49 “Pre-Approved” means approved by the Steering Committee as set forth in Section 2.1 prior to any development, testing, Regulatory Approval, or commercialization.

1.50 “Primary Party” has the meaning specified in Section 2.4 of this Agreement.

1.51 “Principal Investigator” has the meaning specified in Section 2.4(a)(iii) of this Agreement.

1.52 “Progress Reports” has the meaning specified in Section 5.1 of this Agreement.

1.53 “Program” means a series of Projects.

1.54 “Project” means collaborative research and development by the Parties relating to the use of CONKWEST’s Existing Rights and SRNE’s Existing Rights, the details of which are set forth in Article 2 hereto and in Statements of Work which may be agreed upon by the Parties and which will become part of this Agreement. For purposes of clarity, (i) the Project(s) expressly exclude the Excluded CARs; (ii) the inclusion of any of CONKWEST’s Existing Right(s) and/or SRNE’s Existing Right(s) in a first Project does not preclude the inclusion of such Existing Rights in a subsequent Project that is governed by separate Statement(s) of Work and may be driven by a different Primary Party from the first Project, and (iii) the inclusion of Jointly Developed Products in a subsequent Project that is governed by separate Statement(s) of Work and may be driven by a different Primary Party from the first Project.

1.55 “Regulatory Approval” means, with respect to a state, nation or multinational jurisdiction, (i) any approvals, licenses, registrations or authorizations necessary for the manufacture (where relevant), marketing and sale of a Joint Cell Line or Joint Product in such state, nation or jurisdiction, and (ii) where relevant, pricing approvals necessary to obtain reimbursement from a Government Authority.

1.56 “Research Credit Payment” means the research credit payment by SRNE to CONKWEST for funding the development of any Joint Product(s) to be determined by CONKWEST in the amount of $2,000,000.

1.57 “Revenue” means the sum total of Gross Revenue and Sublicensing Revenue, provided that, for clarity all equity investments and similar consideration received by a Party in connection with a Strategic Transaction shall not and shall not be deemed to be Revenue hereunder.

1.58 “Rightfully Use” means, with respect to any Intellectual Property Rights owned by a Third Party, that a Party has an interest therein sufficient to enable it to (a) use such Intellectual Property Rights and (b) grant to the other Party a license or sublicense to use such Intellectual Property Rights, in either case without violating the terms of any agreement or other arrangement with or Intellectual Property Rights of any Third Party.

1.59 “Secondary Party” has the meaning specified in Section 2.4 of this Agreement.

1.60 “SRNE TTMs” has the meaning set forth in the preamble to this Agreement and includes, but is not limited to, the following initial TTMs: [***].

1.61 “SRNE Confidential Information” means all Confidential Information that is owned or Rightfully Used by SRNE.

1.62 “SRNE Existing Rights” means SRNE Rights existing as of the Effective Date.

1.63 “SRNE Intellectual Property Rights” means all SRNE Know-How, SRNE Patents, and all other Intellectual Property Rights that are owned or Rightfully Used by SRNE but which are not Joint Product Rights (including, for clarity, any Developed Intellectual Property Rights that SRNE identifies, discovers, invents, acquires, and/or develops after the Effective Date but which are not Joint Product Rights).

1.64 “Sorrento Introduced Investor/s” means one or more Third Party investors introduced to Conkwest by an officer or director of SRNE.

1.65 “SRNE Know-How” means all Know-How that is owned or Rightfully Used by SRNE but which is not a Joint Product Right (including, for clarity, any Developed Know-How that SRNE identifies, discovers, invents, acquires, and/or develops after the Effective Date but which is not a Joint Product Right). SRNE Know-How does not include SRNE Patents.

1.66 “SRNE Patents” means the Patents that are listed on Schedule 3 hereto, which may be updated from time to time, and any Developed Patents (including patent applications) filed by or on behalf of SRNE which are not Joint Product Rights.

1.67 “SRNE Rights” means the SRNE TTMs and SRNE Intellectual Property Rights.

1.68 “Statement of Work” means the written description(s) of the research and development activities for accomplishing a Project, a template of which is provided in Schedule 1 of this Agreement.

1.69 “Steering Committee” means a committee made up of representatives from each Party and which is tasked with managing the relationship between the Parties with respect to the Program and overseeing the particular Projects making up the Program.

1.70 “Strategic Transaction” means a financing event, joint venture, merger, acquisition, change in control, equity investment, or initial public offering involving a Party, or a sale of all or substantially all of a Party’s business or assets relating to this Agreement.

1.71 “Sublicensing Revenue” means all fees, consideration, and other amounts, including milestone payments and royalties, actually received by or on behalf of a Party from the licensing or sublicensing of Joint Product Rights, provided that, for clarity, (i) amounts received by a Party in connection with performing sponsored research, (ii) clinical trial costs, (iii) FTE, and (iv) equity investments and similar consideration received by a Party in connection with a Strategic Transaction shall not and shall not be deemed to be Sublicensing Revenue hereunder.

1.72 “Term” has the meaning specified in Section 12.1 of this Agreement.

1.73 “Termination Date” means the effective date of any Termination Notice.

1.74 “Termination Notice” means a written notice delivered by one Party to the other Party of its election to terminate this Agreement pursuant to Article 12 of this Agreement.

1.75 “Third Party” means any Person other than CONKWEST or SRNE.

1.76 “Third Party Rights” has the meaning specified in Section 3.4 of this Agreement.

1.77 “Tissue Targeting Moiety” and/or “TTM” means a molecular moiety and expressed or presented on the surface of a cell that enables the targeting of the cell to specific cells or tissue. The molecular moiety includes but is not limited to a CAR.

1.78 “United States” means the United States of America, including the District of Columbia and the Commonwealth of Puerto Rico.

1.79 “Wind Down Procedures” means diligent efforts by each of the Parties to wind down and terminate a Project or the Program as quickly as possible and in a commercially reasonable manner. As a part of the Wind Down Procedures, each Party shall use its best efforts to minimize any further costs and expenses associated with a Project or the Program, as the case may be.

ARTICLE 2

PROJECTS COMPRISING THE PROGRAM BETWEEN THE PARTIES

2.1 Steering Committee. The Steering Committee shall be made up of three (3) members from each Party, with each member having one vote. The Steering Committee shall be tasked with general oversight of the Program and with specific management of each Project making up the Program as set forth in this Section 2.1.

(a) Meetings. The Steering Committee shall meet (i) quarterly during the Term, (ii) at any other intervals as may be mutually agreed, and (iii) otherwise at the request of either Party upon the provision of at least five (5) days prior written notice to the other Party. Meetings may be held in person, by telephone, or by video conference call, and the location of each meeting shall alternate between the offices of the Parties (or any other venue as may be agreed between the Parties in writing).

(b) Quorum. Meetings of the Steering Committee shall require a quorum consisting of at least two (2) members of each Party; provided, however, that a quorum shall only be reached upon full attendance of all Steering Committee members to address any items that would affect the scope or terms or conditions of this Agreement (including any decisions pertaining to the Projects or the Program, or financial terms and conditions). If such quorum is not present within one hour from the time appointed for the meeting, those members who did attend shall jointly issue a notice to re-convene the meeting at the same place and time at least seven (7) days later. If the Steering Committee fails to convene for three consecutive times upon the notice of a meeting, the issues to be discussed and decided by the Steering Committee as provided in the meeting notice shall be finally determined by those members of the Steering Committee in attendance at the next scheduled Steering Committee meeting, regardless of whether the required quorum is met.

(c) Votes; Binding Effect. Any determination of the Steering Committee shall be made by a majority vote of all Steering Committee members in which the quorum requirement set forth in Section 2.1(b) is met and shall be binding upon the Parties. If there is a deadlock in any matter to be decided by the Steering Committee, then the CEOs of each Party shall, if requested by either Party, meet and confer and attempt to resolve such deadlock.

(d) Minutes. The Steering Committee shall keep full and complete minutes of the Steering Committee meetings and each Party shall retain a copy of such minutes for their record. SRNE shall be responsible for preparing and distributing the minutes of the first Steering Committee meeting. Thereafter, minutes shall be prepared by each respective party on an alternating basis. The Party responsible

for preparing the minutes shall provide a copy of such minutes to the other Party and such other Party shall be given the opportunity to review and comment thereon. The minutes shall be filed by Steering Committee and the Parties in accordance with this provision upon the reasonable approval of the Party that did not prepare the minutes.

(e) Responsibilities of the Steering Committee. For each potential Project or Project, as the case may be, the Steering Committee shall be tasked with at least the following action items:

(i) Selecting which potential Projects will be advanced to the stage of performing Feasibility Work;

(ii) For any potential Project, drafting and agreeing upon an initial Statement of Work for carrying out the Feasibility Work for such potential Project, such Statement of Work to include, among other things, the scope of the Feasibility Work, which Party is to carry out the Feasibility Work (assuming a Primary Party has not been identified yet), where the Feasibility Work is to be performed, and allocation of costs between the Parties

(iii) identifying which Party shall be the Primary Party and which Party shall be the Secondary Party, provided that if a potential Project is initiated by a Party in response to actual or potential collaboration with a Third Party, then such Party shall be the Primary Party with respect to such Project;

(iv) drafting and agreeing upon the various Statement(s) of Work for carrying out the Project,

(v) allocating the financial responsibility(ies) for performing such Project among the Primary and Secondary Parties, and

(vi) selecting which, if any, Joint Cell Lines and/or Joint Products shall be pursued as part of such Project.

Each Project shall continue unless and until terminated by the Primary Party, provided that the Secondary Party shall have the right to exercise its option, as set forth in Article 4, for any Project which the Primary Party elects to discontinue.

The Program shall continue for the later of three (3) years or until the last to expire Project.

2.2 Projects; Exclusivity. The Parties hereby agree to exclusively collaborate in the Program for the purpose of jointly developing any and all TTM-modified Effector Cell Lines. The Parties agree that such exclusivity extends to any SRNE Rights or any CONKWEST Rights included in a Project. By way of non-limiting example, SRNE agrees that any monoclonal antibody used to develop a Project CAR shall be used exclusively for that

Project and shall not be the subject of any relationship with a Third Party in any TTM-modified Effector Cell Line-based therapy, excluding the purified recombinant antibody or antibody drug conjugates (ADC) format of the monoclonal antibody. Again by way of non-limiting example, CONKWEST agrees that it shall not work with any Third Party on any TTM-modified Effector Cell Line-based therapy. Further, CONKWEST acknowledges and agrees that CD16 expressing NK-92 cell lines may not be used by Conkwest in connection with TTM without SRNE's express prior written consent, and CONKWEST will not license nor permit or assist any Third Party use TTM in connection with any CD16 expressing NK-92 cell lines. If CONKWEST desires to use CD16 expressing NK-92 cell lines as an Effector Cell Line or otherwise in connection with TTM, then CONKWEST must do so under the terms and conditions of this Agreement and the CD16 expressing NK-92 cell lines shall be and be deemed to be included within the definition "Effector Cell Line" and subject to the exclusive rights of SRNE hereunder. For each Project making up the Program, each Party shall work and collaborate exclusively with the other Party with respect to the subject matter of such Project and shall conduct the Project in accordance with the terms of this Agreement and as set forth in the various Statements of Work as they may be agreed to by the Parties in writing from time to time. During the Term, the Parties agree to work and collaborate exclusively with the other Party with respect to any and all Joint Cell Lines and Joint Products.

2.3 Initial Responsibilities of Each Party. At points in time and in accordance with terms set forth in this Agreement and/or a Statement of Work, as applicable:

(a) CONKWEST shall:

(i) within five (5) business days of the Effective Date of this Agreement, notify SRNE of the names of and contact information for three (3) representatives to serve on the Steering Committee;

(ii) provide to SRNE the CONKWEST Know-How and other information related to the CONKWEST Cell Line, solely to the extent set forth and specified in the applicable Statement of Work;

(iii) supply to SRNE [***] vials of cells from the CONKWEST Working Cell Bank, solely to the extent set forth and specified in the applicable Statement of Work;

(iv) supply to SRNE [***] vials of cells from the CONKWEST Master Cell Bank, solely to the extent set forth and specified in the applicable Statement of Work;

provided, however, that SRNE's use of all materials provided by CONKWEST pursuant to this Section 2.3(a) shall be for the sole purpose of performing the Program in accordance with this Article 2 and subject to the license granted in Article 3 hereto; and

(b) SRNE shall:

(i) within five (5) business days of the Effective Date of this Agreement, notify CONKWEST of the names of and contact information for three (3) representatives to serve on the Steering Committee;

(ii) pay the Research Credit Payment to CONKWEST to fund development of Joint Cell Lines and Joint Products, of which $1,000,000 is payable on December 16, 2015, and of which $1,000,000 is payable on December 16, 2016; provided, however, that any of CONKWEST's portion of development costs, full time employee ("FTE") costs, and laboratory costs for maintaining a CONKWEST lab on SRNE premises, incurred by SRNE shall be itemized on a monthly invoice submitted to CONKWEST and applied to the Research Credit Payment. The Research Credit Payment shall be paid in the form of a full time employee ("FTE"), expense credit by SRNE for CONKWEST's portion of the development costs and a laboratory credit for maintaining a CONKWEST lab on SRNE premises. The rate of each FTE shall be $250,000 until the $2,000,000 Research Credit Payment has been satisfied, and shall be $350,000 thereafter;

(iii) SRNE agrees to purchase shares of common stock of CONKWEST, and CONKWEST agrees to sell shares of its common stock SRNE, in each case pursuant to the terms of the Investment Agreement and MOU. The shares of common stock of CONKWEST sold and issued to SRNE under the Investment Agreement shall have the registration rights set forth in the Registration Rights Agreement;

(iv) permit CONKWEST, at CONKWEST's sole cost, to locate a laboratory on the SRNE premises either using an offset to the Research Credit Payment or by charging CONKWEST the fees as mutually agreed upon, provided that CONKWEST will remain solely liable for its activities and conduct in such laboratory, will comply with all laws, regulations, rules, and guidelines applicable to SRNE's premises, will obtain all necessary Government Approvals for such laboratory, and will fully indemnify, defend, and hold SRNE harmless from and against any and all claims, costs, liabilities, causes of action, and damages arising out of or associated with such laboratory and CONKWEST's conduct therein. If this Agreement is terminated or expires, SRNE shall provide CONKWEST period of one (1) year from the termination or expiration date in which to relocate such laboratory;

(v) provide to CONKWEST the SRNE Know-How and other information related to the SRNE TTM(s), solely to the extent set forth and specified in the applicable Statement of Work; and

(vi) supply to CONKWEST, as soon as it may be available, but no later than three (3) months from the effective date of the Steering Committee approving a Project, an initial supply of the SRNE TTM sequences selected for NK-92 modification in such Project, solely to the extent set forth and specified in the applicable Statement of Work;

provided, however, that CONKWEST's use of such materials provided by SRNE shall be for the sole purpose of performing the Program in accordance with this Article 2 and subject to the license granted in Article 3 hereto.

2.4 Joint Cell Line(s); Joint Product(s). As set forth in this Article 2 and in a Statement of Work(s) to be agreed to by the Parties in accordance with Section 2.1 for each Joint Cell Line and/or Joint Product in a Project, the development, testing, Regulatory Approval, and/or commercialization of such Joint Cell Line and/or Joint Product shall be driven by one Party (the "Primary Party"), with the other Party referred to as the "Secondary Party". Unless indicated to the contrary in the applicable Statement of Work, the Primary Party for a given Project will have the right and authority to initiate and control the development, testing, Regulatory Approval, or commercialization of the Joint Product or Joint Cell Line subject to such Project, including the right to make, have made, use, sell, have sold, import, and otherwise commercialize such Joint Product or Joint Cell Line, and to license and sublicense all applicable Intellectual Property Rights (including Joint Product Rights) with respect thereto. Unless indicated to the contrary in a Statement of Work, the rights and responsibilities of the Primary Party and the Secondary Party for each Joint Cell Line and/or Joint Product shall be as follows:

(a) Rights and Responsibilities of the Primary Party. Unless otherwise agreed to in writing by both Parties for a Project, the Primary Party shall have the following rights and responsibilities:

(i) developing a Statement of Work(s) setting forth a plan for development and testing of any Joint Cell Line and/or Joint Product with milestones and timelines, and presenting the Statement of Work to the Steering Committee for approval;

(ii) creating a budget for implementation of the Statement of Work(s) and presenting the budget to the Steering Committee and CEOs of each Party for approval;

(iii) assigning an internal principal investigator for directing the implementation of the Project (the "Principal Investigator"); provided, however, that if, for any reason, the Principal Investigator becomes unavailable, the Primary Party immediately shall provide the Secondary Party with written notification of the Principle Investigator's unavailability and shall identify a successor, subject to approval by the Secondary Party, which approval shall not be unreasonably delayed or denied;

(iv) providing accurate and timely reports to the Steering Committee regarding progress toward milestones and use of funds;

(v) carrying out the development, testing, Regulatory Approval, and/or commercialization of the applicable Joint Cell Line and/or Joint Product as set forth in the Statement of Work;

(vi) booking the sales as revenue for the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work;

(vii) soliciting and executing out-licensing, discovery, development, marketing and/or distribution deals with a Third Party for the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work, provided that the Secondary Party shall be provided with prior written notice of and right to comment on such deal, such comment to be given fair consideration by the Primary Party; and

(viii) if desired, forming a joint venture with a Third Party for the discovery, development and/or commercialization of the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work, provided, however, that the Secondary Party shall be provided with prior written notice of and right to comment on such joint venture, such comment to be given fair consideration by the Primary Party.

(b) Rights and Responsibilities/Authority of the Secondary Party. Unless otherwise agreed to in writing by both Parties, the Secondary Party shall have the following responsibilities and authority:

(i) paying its pro rata share of all costs associated with the development, testing, Regulatory Approval, or commercialization of such Joint Cell Line and/or Joint Product in accordance with Section 2.4(c) hereto;

(ii) cooperating with the Primary Party and, upon request and at the Primary Party's expense, providing reasonable assistance in connection with the development, testing, Regulatory Approval and/or commercialization of the applicable Joint Cell Line and/or Joint Product;

(iii) cooperating with the Primary Party and, upon request and at the Primary Party's expense, providing reasonable assistance in connection with out-licensing, discovery, development, or commercialization of the applicable Joint Cell Line and/or Joint Product with a Third Party that the Primary Party has a joint venture or licensing deal; and

(iv) attending any meetings with regulatory agencies, including but not limited to the FDA, legal proceedings, or other meetings or proceedings that relate to Joint Product Rights, or its own Intellectual Property or Cell Line(s), e.g., CONKWEST Intellectual Property or CONKWEST Cell Lines, or SRNE Intellectual Property or SRNE TTMs, , as the case may be.

(c) Costs; Revenue. Upon written agreement by the Parties to pursue a Joint Cell Line and/or Joint Product, the Primary Party, as designated by the Steering Committee, shall, unless otherwise agreed to in writing by the Parties:

(i) bear all costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product (collectively, the "Costs"), from the conclusion of the Feasibility Work through commercialization, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of 90% and 10%, respectively; provided, however, that if the Secondary Party shares in the Costs associated with or resulting from the development of such Joint Cell Line and/or Joint Product in an amount of more than 10%, then the Revenue shall be divided among the Parties on a pro rata basis, and further provided, however, that if the Primary Party receives any amounts in connection with (w) performing sponsored research, (x) clinical trial costs, (y) FTE, and (z) equity investments and similar consideration received by a Party in connection with a Strategic Transaction, then the Secondary Party is relieved of its obligation to bear any Costs as of the effective date of any agreement with respect to receipt of such amounts but shall be entitled to its pro rata share of the Revenue as set forth in this Section 2.4(c)(i);

(ii) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase I Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of 60% and 40%, respectively;

(iii) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase II Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of 70% and 30%, respectively;

(iv) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase III Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of 80% and 20%, respectively; or

(v) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to after entering Phase III Clinical Trials but before commercialization, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of 90% and 10%, respectively.

For purposes of clarity, Costs include any costs associated with obtaining Third Party Rights pursuant to Section 3.4 hereto or otherwise which the Primary Party reasonably deems necessary for its development, testing, Regulatory Approval, or commercialization of the Joint Cell Line and/or Joint Product.

The Primary Party for a Project will be entitled to exclusive access to any FTEs which are provided by a Third Party (such as a collaborator) for use in connection with such Project.

2.5 Legal and Regulatory Compliance. In connection with the Program, each Party will (a) perform all of its responsibilities and obligations in a timely, professional, and competent manner in compliance with all applicable laws and, to the extent applicable, GLPs, GCPS and GMPs, and (b) without limiting the generality of the foregoing, comply at all times with the provisions of the Generic Drug Enforcement Act of 1992 and, upon request, certify in writing to the other Party that none of it, its employees, or any person providing services to it in connection with the activities contemplated by this Agreement, have been debarred under the provisions of such Act.

ARTICLE 3

LICENSE GRANTS

3.1 License to CONKWEST Rights. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to SRNE during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non- sublicensable (except as provided in Section 3.3 hereof), right and license, under all of the CONKWEST Rights, to use the CONKWEST Rights solely for the purpose of developing, testing, seeking Regulatory Approval for, and/or commercializing a Pre-Approved Joint Cell Line or Joint Product, including the right and license to make, have made, use, have used, sell, have sold, import, reproduce, modify, publicly perform, publicly display, create derivatives of, and otherwise exploit and commercialize the CONKWEST Rights, but in any event solely for or in connection with a Pre-Approved Joint Cell Line or Joint Product, and solely in the manner and to the extent permitted under the applicable Statement of Work(s) or as set forth in Section 2.4.

3.2 License to SRNE Rights. Subject to the terms and conditions of this Agreement, SRNE hereby grants to CONKWEST during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non-sublicensable (except as provided in Section 3.3 hereof), right and license, under all of the SRNE Rights, to use the SRNE Rights solely for the purpose of developing, testing, seeking Regulatory Approval for, and/or commercializing a Pre-Approved Joint Cell Line or Joint Product, including the right and license to make, have made, use, have used, sell, have sold, import, reproduce, modify, publicly perform, publicly display, create derivatives of, and otherwise exploit and commercialize the SRNE Rights, but in any event solely for or in connection with a Pre-Approved Joint Cell Line or Joint Product, and solely in the manner and to the extent permitted under the applicable Statement of Work(s) or in Section 2.4.

3.3 Sublicense Rights. The Primary Party in a given Project may, without the consent of the Secondary Party, sublicense any of the rights granted to it in Section 3.1 or 3.2, as the case may be, to a Third Party with respect to the specific Joint Cell Line and/or Joint Product that the Primary Party is responsible for, in which case the Primary Party may only grant sublicenses to those Third Parties that are performing contract services for and on behalf of the Primary Party in relation to one of the items listed in Section 2.4 hereto to the extent necessary to perform such contract services for such Project and consistent with the Program. The Primary Party shall remain responsible for and liable for the conduct of its sublicensees hereunder. Further, the Primary Party may sublicense any of the rights granted to it in Section 3.1 or 3.2, as the case may be, to a Third Party, as long as such Third Party has or assumes the same responsibilities as the Primary Party with respect to such Joint Cell Line and/or Joint Product provided, however, that the Secondary Party shall be provided with prior written notice of and right to comment on such sublicense, such comment to be given fair consideration by the Primary Party.

3.4 Access to Third Party Rights. Nothing in this Agreement will restrict or prohibit a Party from acquiring or obtaining a license to any Intellectual Property Rights of a Third Party ("Third Party Rights"), nor from using any Third Party Rights in the exercise of its rights and obligations under this Agreement. Any and all costs associated with Third Party Rights which are necessary or reasonably useful for either Party to fulfill its obligations in furtherance of one or more Projects making up the Program without violating, misappropriating or infringing on any such Third Party Rights, shall be shared by the Parties at the pro rata share set forth in Section 2.4(c) (including, without limitation, up-front payments, milestone payments, and royalties). The Party obtaining such Third Party Rights shall be required to obtain the right to, and shall, sublicense such Third Party Rights to the other Party. Notwithstanding anything to the contrary in this Section 3.4, in the event the Secondary Party desires to obtain any Third Party Rights that will be subject to the cost sharing provision set forth in Section 2.4(c), then: (i) the Secondary Party shall give the Primary Party written notice at least ten (10) business days prior to the date in which the Secondary Party acquires or licenses such Third Party Rights and provide the Primary Party with a copy of the relevant acquisition or license agreement and any other information reasonably requested by the Primary Party with respect to such Third Party Rights, including the total cost to acquire or license such Third Party Rights, and (ii) the Primary Party shall be entitled to terminate the Project prior to the date the Secondary Party's acquires or licenses the applicable Third Party Rights, in which event, should the Secondary Party acquire or license the applicable Third Party Rights, the Secondary Party shall be deemed to have exercised its option under Article 4 and be deemed the Primary Party with respect to the Project, including with respect to cost sharing.

3.5 Trademark License. Subject to the terms and conditions of this Agreement, each Party hereby grants to the other Party during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non-sublicensable limited license to use the trademarks, service marks, and logos of the granting Party solely in connection with the licensed Party's performance of its rights and obligations under a given Project. Sample uses by the licensed Party of the trademarks, service marks, and logos of the granting Party will be provided to the granting Party upon request for review and approval by the granting Party. The licensed Party will immediately cease

any usage of a trademark, service mark, or logo of the granting Party at any time upon the request of the granting Party if the licensed Party's use is damaging or otherwise harming the granting Party or the value or goodwill of such trademark, service mark, or logo. It is understood and agreed that the granting Party shall retain all right, title and interest in and to its trademarks, service marks, and logos, and all benefits (including, without limitation, goodwill) accruing from a licensed Party's use of such trademarks, service marks, and logos will automatically vest in and inure to the benefit of the granting Party.

ARTICLE 4

OPTIONS

4.1 Option to CONKWEST. To the extent that SRNE is the Primary Party with respect to any Joint Product as set forth in Section 2.4 hereto, in the event that SRNE is unable to, or opts not to, undertake to perform or execute any or all of the responsibilities of the Primary Party set forth in Section 2.4 hereto and any Statements of Work detailing such responsibilities, SRNE hereby grants CONKWEST an exclusive option to undertake to perform or execute such responsibilities of the Primary Party (the "CONKWEST Option"); provided, however, that such CONKWEST Option is subject to Section 4.4 hereto. For purposes of clarity, the CONKWEST Option provides CONKWEST with the option, at its discretion, but not the obligation, to undertake to perform or execute any or all of the responsibilities of the Primary Party. The period of the CONKWEST Option commences on the Effective Date hereof and continues for ninety (90) days from SRNE's written notification to CONKWEST of its inability or option not to undertake to perform or execute such responsibility(ies); provided, however, that if CONKWEST does not exercise the CONKWEST Option within such period of time, then the Parties may enter into an agreement with a Third Party for the performance or execution of such responsibilities on terms as are mutually negotiated and agreed to by the Parties, such negotiation and agreement not be unreasonably withheld or delayed.

4.2 Option to SRNE. To the extent that CONKWEST is the Primary Party with respect to any Joint Product as set forth in Section 2.4 hereto, in the event that CONKWEST is unable to, or opts not to, undertake to perform or execute any or all of the responsibilities of the Primary Party set forth in Section 2.4 hereto and any Statements of Work detailing such responsibilities, CONKWEST hereby grants SRNE an exclusive option to undertake to perform or execute such responsibilities of the Primary Party (the "SRNE Option"); provided, however, that such CONKWEST Option is subject to Section 4.4 hereto. For purposes of clarity, the SRNE Option provides SRNE with the option, at its discretion, but not the obligation, to undertake to perform or execute any or all of the responsibilities of the Primary Party. The period of the SRNE Option commences on the Effective Date hereof and continues for ninety (90) days from CONKWEST's written notification to SRNE of its inability or option not to undertake to perform or execute such responsibility(ies); provided, however, that if SRNE does not exercise the SRNE Option within such period of time, then the Parties may enter into an agreement with a Third Party for the performance or execution of such responsibilities on terms as are mutually negotiated and agreed to by the Parties, such negotiation and agreement not be unreasonably withheld or delayed.

4.3 Clarification. For purposes of clarity, in the event that one of the Options set forth in this Article 4 is not exercised, any use or commercialization of a Joint Product by a Third Party requires the express written consent of both Parties.

4.4 Statement of Work; Separation. In the event that one Party exercises its respective Option granted in Section 4.1 or 4.2 hereto, as the case may be, the Parties hereby agree that the Steering Committee shall prepare, and the Parties shall reasonably negotiate, a Statement of Work that specifically defines such Party's responsibilities, including financial responsibilities, as the new Primary Party and the other Party's responsibilities, including financial responsibilities, as the new Secondary Party, such Statement of Work requiring unanimous written approval by the Steering Committee and, to the extent the Statement of Work details financial obligations, of the CEO of each Party. If the Parties cannot agree on the terms of such Statement of Work, then the Parties hereby agree to reasonably negotiate a separation agreement between the Parties with respect to such Project. For purposes of clarity, the exercise of a Party's Option (or the decision not to exercise such Option) in accordance with the terms of this Article 4 with respect to a specific Project does not affect any rights of the Parties with respect to other Projects that are part of the Program, or with respect to the Program itself.

ARTICLE 5

REPORTS

5.1 Progress Reports. For each Joint Product, quarterly written reports summarizing the progress with respect to such Joint Product ("Progress Reports") shall be submitted by the Primary Party to the Secondary Party.

5.2 Final Report. For each Joint Product, upon completion of any preclinical studies or Phase I-IV Clinical Trials a written report summarizing the data and results thereof ("Final Report") shall be submitted by the Primary Party to the Secondary Party within three (3) months of completion of such studies or Clinical Trials.

5.3 Books and Records. For each Joint Product, each Party shall establish and maintain true and complete books of account, records, royalty statements, license fees, invoices, and other data containing all particulars reasonably necessary for an independent determination of the amounts payable by each of the Parties under this Agreement ("Records"). The Records for each elapsed calendar year during the Term of this Agreement shall be maintained for four (4) years after the end of such year. As to the Records of each Party, the other Party, its accountants, financial officers, attorneys, and outside Certified Public Accountants as chosen by such other Party, shall have the right, during normal business hours and on thirty (30) days prior written notice, not more than once per calendar year, to audit, inspect, copy, and make extracts from all Records to the extent necessary, and for the sole purpose of, verifying the accuracy of any payments made and statements furnished to such other Party. In the event any examination of the Records of one Party by the other Party discloses an underpayment to such other Party: (i) the other Party shall provide written notice to the Party describing the findings; and (ii) the Party shall, within thirty (30) days of receipt of such written notice, pay to the other Party any undisputed

amount of any underpayment, plus all reasonable costs of audit and collection incurred by such other Party. All information obtained by the other Party as a result of the activities performed under this Section 5.3 will be considered Confidential Information of the Party.

ARTICLE 6

INTELLECTUAL PROPERTY

6.1 Existing Rights. SRNE acknowledges that CONKWEST owns all rights, title, and interest in and to the CONKWEST Existing Rights and that, except as expressly set forth in Section 3.1 hereto, SRNE shall have no rights to CONKWEST Existing Rights. CONKWEST acknowledges that SRNE owns all rights, title, and interest in and to the SRNE Existing Rights and that, except as expressly set forth in Section 3.2 hereto, CONKWEST shall have no rights to SRNE Existing Rights.

6.2 Ownership of Joint Product Rights; Patent Prosecution and Maintenance.

(a) Ownership and Inventorship. CONKWEST and SRNE agree that ownership and inventorship with respect to all Developed Intellectual Property Rights shall be determined according to US laws. Notwithstanding such ownership and inventorship, the Parties own an undivided interest in and to all rights, title, and interest in and to the Joint Product Rights as set forth in Section 6.2(c) below.

(b) Disclosure of Intellectual Property. Each Party agrees to promptly disclose information and Know-How resulting from performance of a Project to the other Party on a confidential basis for evaluation.

(c) Ownership of Joint Product Rights. The Parties agree that they own an undivided interest in and to all rights, title, and interest in and to the Joint Product Rights (which, for clarity, excludes any CONKWEST Existing Rights and/or any SRNE Existing Rights incorporated into a Joint Product or Joint Cell Line, and any other Developed Intellectual Property Rights which are not Joint Product Rights). To the extent any Joint Product Rights are or would, as a matter of law, be solely owned by one Party, such Party hereby irrevocably and unconditionally assigns a joint ownership interest in and to such Joint Product Rights to the other Party. Each Party shall execute and deliver (and shall cause its employees and consultants to execute and deliver) all assignments and other documents necessary to assign the Joint Product Rights to the Parties. Neither Party may make, have made, use, have used, sell, have sold, import, export, reproduce, display, transmit, modify, create derivative works of, sublicense, commercialize, and otherwise exploit in any manner the Joint Product Rights without the prior written consent of the other Party other than as set forth in Section 2.4.

(d) Filing and Prosecution of Project Patent Applications.

(i) The Steering Committee shall determine in which countries any patent applications related to any Joint Product Rights shall be filed, prosecuted, and maintained, including corresponding PCT

applications and national phase entry applications, and any and all patent applications, prosecution, issue and maintenance fees related to any divisional, substitute, reissue, continuation, or extension patents that are based thereon (the "Joint Patents"). Unless otherwise agreed in writing, the Primary Party shall pay for any and all fees and costs resulting from drafting, filing, prosecuting, or maintaining such Joint Patents and shall keep the Steering Committee updated on the status of such Joint Patents.

(ii) In the event that the Steering Committee decides not to file a Joint Patent, or decides not to prosecute or maintain any such Joint Patent, then either Party shall have the right to file, prosecute, or maintain such Joint Patent, in which case such Party shall bear all costs and expenses related thereto, including reimbursing the other Party for any costs and expenses paid by such other Party for drafting, filing, prosecuting and/or maintaining such Joint Patent(s).

(iii) The Parties shall reasonably cooperate with each other in preparing and filing all appropriate documentation in connection with any Joint Patents.

(iv) For purposes of clarity, the terms of Section 2.4 hereto apply to rights granted in this Section 6.

6.3 Infringement by Third Parties.

(a) Notice. If any of the CONKWEST Rights, SRNE Rights, or Joint Product Rights are infringed and/or misappropriated by a Third Party, the Party first having knowledge of such infringement and/or misappropriation shall promptly notify the other Party in writing. The notice shall set forth the facts of such infringement and/or misappropriation in reasonable detail.

(b) Litigation of Infringement Actions.

(i) Infringement Actions; CONKWEST Rights. CONKWEST shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any claim, action or proceeding with respect to any infringement and/or misappropriation by a Third Party (an "Infringement Action") of any of the CONKWEST Rights, by counsel of its own choice, in which case SRNE shall reasonably cooperate with CONKWEST at CONKWEST's request and expense in the litigation of such Infringement Action, provided, however, that SRNE shall not be obligated to join in any such Infringement Action. CONKWEST shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an

Infringement Action regarding the CONKWEST Rights, provided that CONKWEST shall have no right or authority to bind SRNE with respect to any such matters without SRNE's express prior written consent.

(ii) Infringement Actions; SRNE Rights. SRNE shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any Infringement Action of the SRNE Rights, by counsel of its own choice, in which case CONKWEST shall reasonably cooperate with SRNE at SRNE's request and expense in the litigation of such Infringement Action, provided, however, that CONKWEST shall not be obligated to join in any such Infringement Action. SRNE shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an Infringement Action regarding the SRNE Rights, provided that SRNE shall have no right or authority to bind CONKWEST with respect to any such matters without CONKWEST's express prior written consent.

(iii) Infringement Actions; Joint Product Rights. With respect to each Joint Product, the Primary Party shall have the initial right, but not the obligation, to institute, litigate and control any Infringement Action with respect to any infringement and/or misappropriation of any of the Joint Product Rights pertaining to such Joint Product, by counsel of its own choice, in which case the Secondary Party shall cooperate with the Primary Party in the litigation of such Infringement Action. If the Primary Party elects not to institute, litigate, or control such Infringement Action, then the Secondary Party shall have the right, but not the obligation, to do so, in which case the Primary Party shall cooperate with the Secondary Party in the litigation of such Infringement Action. The Party that is not controlling such Infringement Action agrees to and hereby consents to be joined to such Infringement Action at any time upon the request of the other Party. The party controlling such Infringement Action shall be responsible for all costs and expenses associated with such an Infringement Action. The Parties shall reasonably cooperate in making all decisions with respect to control of litigation, settlement, consent judgment or other voluntary disposition of an Infringement Action regarding the Joint Product Rights, provided, however, that the Party controlling such Infringement Action shall be entitled to make all final decisions with respect to the foregoing, but further provided that the Party controlling such Infringement Action shall have no right or authority to admit liability on behalf of the other Party without the other Party's express prior written consent. Any damages or other monetary awards recovered in such an Infringement Action shall be applied first to defray all of the costs and expenses incurred in

the Infringement Action. If any balance remains, then the Parties shall retain the balance according to their pro rata share as set forth in Section 2.4 hereto.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations. Each of the Parties represents and warrants to the other as follows:

(a) Due Organization, Good Standing and Power. It is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own, lease and operate its assets and to conduct the business now being conducted by it. It has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) Authorization and Validity of Agreements. The execution and delivery and the performance by it of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action on its part. This Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by general equity principles.

(c) Absence of Conflicts. The execution, delivery and performance of this Agreement, and the consummation by it of the transactions contemplated hereby, do not and will not:

(i) violate any applicable laws, regulations, orders, writs, injunctions or decrees of any applicable Government Authority;

(ii) conflict with, or result in the breach of any provision of, its charter or bylaws;

(iii) result in the creation of any lien or encumbrance of any nature upon any property being transferred or licensed pursuant hereto; or

(iv) violate, conflict with, or result in the breach or termination of, or constitute a default under (or event which with notice, lapse of time or both would constitute a default under) any permit, contract or agreement to which it is a party or by which its properties or businesses are bound.

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

(e) Employee Obligations. All of its employees, officers and consultants have legal obligations requiring, in the case of employees and officers, assignment to it of all inventions made during the course of and as a result of their association with it and obligating all such individuals to maintain as confidential the confidential information of it, as well as the Confidential Information of a Party or a Third Party which it may receive.

(f) Compliance with Laws. It will obtain and maintain all necessary Regulatory Approvals for carrying out its work under a Project and, in carrying out its work under a Project such work shall be carried out in compliance with (i) any applicable laws including, without limitation, federal, state, or local laws, regulations, or guidelines governing the work at the site where such work is being conducted, and (ii) GLPs, GCPS and GMPs, to the extent applicable thereto.

(g) It will comply at all times with the provisions of the Generic Drug Enforcement Act of 1992 and will, upon request, certify in writing to the other that none of it, its employees, or any person providing services to it in connection with the activities contemplated by this Agreement have been debarred under the provisions of such Act.

(h) Exclusivity. It will exclusively collaborate with the other Party with respect to the subject matter of this Agreement as set forth in Section 2.2.

7.2 CONKWEST's Representations and Warranties. CONKWEST hereby represents and warrants to SRNE as follows:

(a) Existing Rights. CONKWEST exclusively owns all right, title, and interest in and to the CONKWEST Existing Rights, and to the knowledge of CONKWEST, the CONKWEST Existing Rights, and the use thereof in accordance with the terms of this Agreement, do not and will not infringe upon, misappropriate, or otherwise violate any Third Party Rights.

(b) No Infringement. No Person has asserted a claim, formal or informal, against CONKWEST that (i) challenges the validity of CONKWEST's interest in any component of the CONKWEST Existing Rights, (ii) alleges that CONKWEST's use of any component of the CONKWEST Existing Rights infringes, misappropriates or violates any Third Party Rights, or (iii) seeks to enjoin or restrain CONKWEST's use of the CONKWEST Existing Rights in any manner that would interfere with the Program. To the best of CONKWEST's knowledge, no Person has a meritorious basis for such a claim. To the best of CONKWEST's knowledge, no Person has infringed, misappropriated or violated CONKWEST's rights with respect to any component of the CONKWEST Existing Rights.

(c) Licenses. CONKWEST has the right to grant to SRNE the license to CONKWEST Rights granted pursuant to Section 3.1 hereto.

(d) Exclusivity. CONKWEST shall not use Effector Cell Line(s), nor any modification, derivative, or improvement of the CONKWEST Cell Line or other Effector Cell Line(s), with any TTM in any relationship with a Third Party, unless such rights to a TTM or Effector Cell Line are acquired or obtained pursuant to Section 3.4.

7.3 SRNE's Representations and Warranties. SRNE hereby represents and warrants to CONKWEST as follows:

(a) Existing Rights. SRNE exclusively owns all right, title, and interest in and to the SRNE Existing Rights, and to the knowledge of SRNE, the SRNE Existing Rights, and the use thereof in accordance with the terms of this Agreement, do not and will not infringe upon, misappropriate, or otherwise, violate any Third Party Rights.

(b) No Infringement. No Person has asserted a claim, formal or informal, against SRNE that (i) challenges the validity of SRNE's interest in any component of the SRNE Existing Rights, (ii) alleges that SRNE's use of any component of the SRNE Existing Rights infringes, misappropriates or violates any Third Party Rights, or (iii) seeks to enjoin or restrain SRNE's use of the SRNE Existing Rights in any manner that would interfere with the Program. To the best of SRNE's knowledge, no Person has a meritorious basis for such a claim. To the best of SRNE's knowledge, no Person has infringed, misappropriated or violated SRNE's rights with respect to any component of the SRNE Existing Rights.

(c) Licenses. SRNE has the right to grant to CONKWEST the license to SRNE Rights granted pursuant to Section 3.2 hereto.

(d) Exclusivity. SRNE shall not use any TTM in any relationship with a Third Party for any TTM-modified Effector Cell Line(s), or the Joint Cell Line(s) or the Joint Product(s) thereof, unless such rights to a TTM or Effector Cell Line are acquired or obtained pursuant to Section 3.4.

ARTICLE 8

DISCLAIMER AND WAIVER

8.1 Responsibility and Control. CONKWEST and SRNE shall each be solely responsible for the safety of its own employees, agents, licensees or sublicensees with respect to efforts employed under the Program to the extent such safety concern was not caused by the other Party's negligence or willful misconduct.

8.2 LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFIT. EXCEPT WITH RESPECT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, EACH PARTY'S TOTAL AGGREGATE LIABILITY IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO ONE MILLION U.S. DOLLARS ($1,000,000).

8.3 Disclaimer. SRNE accepts the CONKWEST Rights with the knowledge that they are experimental in nature, may have hazardous properties, and hereby covenants to comply with all applicable laws and regulations relating to the handling, use, storage and disposal of such CONKWEST Rights. CONKWEST accepts the SRNE Rights with the knowledge that they are experimental in nature, may have hazardous properties, and hereby covenants to comply with all applicable laws and regulations relating to the handling, use, storage and disposal of such SRNE Rights. **EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7, THE CONKWEST CELL LINE AND THE SRNE TTMs ARE PROVIDED "AS-IS". EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7, NEITHER PARTY MAKES ANY REPRESENTATIONS, AND EXTENDS NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND EACH PARTY HEREBY DISCLAIMS SAME. CONKWEST MAKES NO REPRESENTATION WITH RESPECT TO THE UTILITY, EFFICACY, NONTOXICITY, SAFETY OR APPROPRIATENESS OF USING THE CONKWEST RIGHTS. SRNE MAKES NO REPRESENTATION WITH RESPECT TO THE UTILITY, EFFICACY, NONTOXICITY, SAFETY OR APPROPRIATENESS OF USING THE SRNE RIGHTS.**

ARTICLE 9

CONFIDENTIALITY

9.1 Obligations of the Parties. The terms of the Mutual Confidentiality Agreement apply to this Agreement and all materials, information, and Know-How of any kind exchanged between the Parties hereunder.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 Indemnity. Each Party (the "Indemnitor") shall defend, indemnify and hold the other Party and its affiliates, and their officers, directors, employees, agents, contractors, and customers (the "Indemnitee Parties") harmless from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from any claims, suits, demands, actions and other proceedings by any Third Party to the extent resulting from (a) any recklessness or willful misconduct by or on behalf of the Indemnitor in the performance of its activities contemplate by this Agreement, (b) any breach (or alleged breach) of any representation or warranty by the Indemnitor hereunder, or (c) any violation by the Indemnitor (or any of its employees or agents) of, or failure to adhere to, any applicable law, regulation or order in any country, in each case other than those certain losses, liabilities, damages and expenses to the extent arising out of the recklessness or willful misconduct of the other party.

10.2 Indemnity Procedure. In the event an Indemnitee Party seeks indemnification hereunder, it shall inform the Indemnitor of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit the Indemnitor to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration) and shall cooperate as requested (at the expense of the Indemnitor) in the defense of the claim. The indemnity obligations under this Section 10 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the prior express written consent of the Indemnitor, which consent shall not be unreasonably withheld or delayed.

10.3 Insurance. Each Party shall maintain commercial general liability insurance, including contractual liability insurance and products liability insurance against claims regarding its activities contemplated by this Agreement, in such amounts as it customarily maintains for similar products and activities. Each Party shall maintain such insurance during the term of this Agreement and thereafter for so long as it maintains insurance for itself covering such activities.

ARTICLE 11

PUBLICITY

11.1 Disclosure of Agreement. Subject to the terms of the Mutual Confidentiality Agreement, neither Party may release any information to any Third Party regarding the terms of this Agreement without the prior written consent of the other Party. Without limitation, this prohibition applies to press releases, educational and scientific conferences, investor updates, promotional materials, governmental filings and discussions with public officials, the media, securities analysts and investors. However, this provision does not apply to any disclosures regarding this Agreement or related information made to (i) a Party's professional advisors, (ii) in connection with a Strategic Transaction, or (iii) Government Authority which may be required by law, including requests for a copy of this Agreement or related information by tax authorities. If any Party to this Agreement determines a release of information regarding the terms of this Agreement is required by

law (including releases that may be required to be filed with the SEC), that Party will notify the other Party as soon as practicable and give as much detail as possible in relation to the disclosure required. The Parties will then cooperate with respect to determining what information should actually be released.

11.2 Publications. During the term of this Agreement, each Party shall provide the other Party with an opportunity to review and comment upon any proposed abstracts, manuscripts or proposed presentations that relate to a Project at least sixty (60) days prior to their intended submission for publication and agrees, upon request, not to submit such an abstract or manuscript for publication until the Parties have reasonably agreed upon whether or not to file for patent protection for any material in such publication which the other Party believes to be patentable. Upon one Party's reasonable request, the other Party shall delete from its abstracts, manuscripts or presentations any reference to such Party's Intellectual Property Rights to the extent such Party's Intellectual Property Rights contain trade secrets and/or submitted but not yet published patent filings of such Party.

11.3 Data. Notwithstanding anything to the contrary set forth in this Agreement or the Mutual Confidentiality Agreement, any and all data and technical information pertaining to the Effector Cell Lines, SRNE TTMs, Joint Cell Lines, or Joint Products, or to any Phase I Clinical Trial, Phase II Clinical Trial, or Phase III Clinical Trial, may be shared by either Party, with: (i) any Third Party in connection with Strategic Transaction or other strategic relationship between the disclosing Party and such Third Party, (ii) to the extent necessary to obtain any required Regulatory Approval, and (iii) to any Government Authority to the extent required to comply with any applicable law or regulation; provided, however, that such Party sharing such data and technical information shall, to the extent permitted by applicable law, only share such data and technical information with a Third Party under a confidentiality agreement no less protective than the terms and conditions of this Agreement, and further provided that the Party sharing such data and technical information with such Third Party shall be liable and responsible for the conduct of such Third Party disclosees hereunder.

ARTICLE 12

TERM AND TERMINATION

12.1 Term. The term of this Agreement (the "Term") shall begin as of the Effective Date and shall (i) expire upon completion of the Program, or (ii) continue until terminated in accordance with Article 2 or this Article 12.

12.2 Termination.

(a) Dissolution or Insolvency Event. Either Party may terminate this Agreement effective immediately upon delivery of a Termination Notice if the other Party (i) is dissolved under applicable corporate law and there is no successor to such Party's business or assets relating to this Agreement, or (ii) becomes subject to an Insolvency Event.

(b) Default. If either Party believes the other is in default of any of its material obligations under this Agreement, including failing to comply with a Statement of Work, it may give notice of such default to the other Party, which Party shall have sixty (60) days in which to remedy such default. If such alleged default is not remedied in the time period set forth above, the Party alleging default may terminate this Agreement immediately upon delivery to the defaulting Party of a Termination Notice. The non-defaulting Party's right to terminate this Agreement shall not be construed as an exclusive remedy.

12.3 Wind Down Procedures. In the event of termination of a Project, the Program, or this Agreement, as the case may be, pursuant to Section 12.1 or 12.2, the Project, Program, or Agreement shall be discontinued as of the Termination Date and the Parties shall in good faith commence the Wind Down Procedures promptly upon delivery of the Termination Notice. As part of such Wind Down Procedures, (i) SRNE shall return to CONKWEST all CONKWEST Existing Rights, excluding CONKWEST Cell Lines embodied in a Joint Cell Line, and (ii) CONKWEST shall return to SRNE all SRNE Existing Rights, excluding SRNE TTM-modified Joint Cell Lines. The Primary Party for the specific Joint Cell Lines and/or Joint Products that have been generated shall have sole discretion to either continue or discontinue the development of the specific Joint Cell Lines and Joint Products. No new Project, however, shall be initiated by either Party.

12.4 Surviving Rights/Obligations. This Agreement shall continue until terminated in accordance with this Article 12. Further, the provisions of Section 2.3(b)(iii), 2.4, and this 12.4, and of Articles 1 (Definitions), 6 (Intellectual Property), 7 (Representations and Warranties), 8 (Disclaimer and Waiver), 9 (Confidentiality), 10 (Indemnification and Insurance), 11 (Publicity), and 13 (Miscellaneous) of this Agreement, together with any provisions required for the interpretation or enforcement of any of the foregoing, shall survive the termination or expiration of this Agreement. Termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of either Party prior to such termination.

ARTICLE 13

MISCELLANEOUS

13.1 Agency. Neither Party is, nor shall be deemed to be, an employee, agent, partner or legal representative of the other Party for any purpose. Neither Party shall have the right, power or authority to enter into any contracts in the name of, or on behalf of, the other Party, nor shall either Party have the right, power or authority to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

13.2 Assignment. Neither Party may assign this Agreement or any of its rights, duties, or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement without the consent of the other

Party (a) to an affiliate of the assigning Party, or (b) to a Third Party in connection with a Strategic Transaction. Any purported assignment in violation of the foregoing shall be void. Any permitted assignee shall assume all obligations under this Agreement.

13.3 Further Actions. Each Party agrees, subsequent to the execution and delivery of this Agreement and without any additional consideration, to execute, acknowledge and deliver such further documents and instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.4 Force Majeure. If any Party is impeded in fulfilling its undertakings in accordance with this Agreement by labor conflict, unforeseen acts of nature, including but not limited to flood, fire, storm etc., accident, war, mobilization or unforeseen military call-up of a large magnitude, requisition, confiscation, commandeering, legislative or judicial or regulatory action, riot, insurrection, sabotage, terrorism, explosion, general shortage of transport, goods or energy and faults or delays in deliveries from sub-contractors or suppliers caused by any circumstances referred to in this Section 13.4, the impediment shall be considered a Force Majeure and the Party shall be excused from liability for delays due to such reasons, provided always that it notifies the other Party without undue delay after such a circumstance has occurred and provides the other Party with an estimate of the length of time during which it is probable that it will be unable to comply with said obligation(s). Where applicable, the Parties agree to set in place without delay any means to enable them to prevent a rupture in the supply of any Product likely to have deleterious consequences for public health. In the event that the case of Force Majeure should last more than ninety (90) days, any Party shall have the option to suspend application of this Agreement, which will resume automatically upon termination of the Force Majeure.

13.5 Notices. All notices, demands, waivers, instructions, consents and other communications hereunder shall be in writing, shall be effective upon receipt, and shall be deemed given if delivered personally or by facsimile transmission (receipt verified), telexed, mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to CONKWEST, addressed to:

CONKWEST INCORPORATED
Attn: Barry J. Simon, M.D., Chief Executive Officer
2533 South Coast Highway 101, Suite 210,
Cardiff-By-The-Sea, CA 92007-2133
Telephone: (858) 633-0300
Fax: (858) 380-1999

With copy to:

PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
Attn: Alicia M. Passerin, Ph.D., Esq.

38th Floor, One Oxford Centre
Pittsburgh, PA 15219
Telephone: (412) 263-2000
Fax: (412) 261-0915

If to SRNE, addressed to:

Sorrento Therapeutics, Inc.
Attn: Henry Ji, Ph.D., President & Chief Executive Officer
6042 Cornerstone Court, Suite B
San Diego, CA 92121
Telephone: (858) 210-3701
Fax: (858) 210-3759

13.6 Amendment. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

13.7 Waiver. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party, which waiver shall be effective only with respect to the specific obligation and instance described therein.

13.8 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

13.9 Descriptive Headings. The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.10 Governing Law. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Delaware, without regard to its choice of law rules.

13.11 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In such event, the Parties shall substitute for such invalid or prohibited provision a valid and enforceable provision consistent with the spirit and objective of such invalid or prohibited provision.

13.12 Entire Agreement of the Parties. This Agreement, including the Schedules hereto, and the Mutual Confidentiality Agreement constitute and contain the complete, final and exclusive understanding and agreement of the Parties as to the matters covered herein and supersede any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof.

13.13 Jointly Prepared. This Agreement has been prepared jointly and shall not be strictly construed against either Party.

13.14 Third Party Rights. This Agreement is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the Parties and, where expressly provided, their affiliates.

13.15 Bankruptcy. The Parties agree that all rights and licenses granted under this Agreement are rights and licenses in "intellectual property" within the scope of Section 101(35A) (or its successors) of Section 101 of the United States Bankruptcy Code, or its successors (collectively, the "Bankruptcy Code") or any other similar law in any jurisdiction. Each Party, as a licensee hereunder, shall have and may fully exercise all rights available to it under the Bankruptcy Code or any other similar law in any jurisdiction, including, without limitation, under Section 365(n) or its successors.

13.16 Board Seat. For as long as SRNE beneficially holds at least 250,000 shares of common stock of CONKWEST (subject to adjustment for stock splits, stock dividends, recapitalizations and the like), SRNE shall have the right to appoint one individual to serve as a member of the Board of Directors of CONKWEST (the "Board Representative") having observation rights; provided, however, that such Board Representative shall receive full voting rights upon the closing of a private financing round for common stock of CONKWEST within six (6) months of the Effective Date of this Agreement, further provided that at least $10,000,000 of such gross proceeds is from one or more SRNE Introduced Investors. Henry Ji, Ph.D., the current Chief Executive Officer of SRNE, shall be the initial Board Representative and appointed to the Board of Directors of CONKWEST effective as of the Effective Date.

[—remainder of page intentionally left blank—]

[SIGNATURE PAGE TO JOINT DEVELOPMENT AND LICENSE AGREEMENT]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

CONKWEST INCORPORATED		SORRENTO THERAPEUTICS, INC.	
By:	/s/ Barry Simon	By:	/s/ Henry Ji
Name:	Barry Simon	Name:	Henry Ji
Title:	President and CEO	Title:	President and CEO

SCHEDULE 1

SAMPLE STATEMENT OF WORK

This Statement of Work ("**SOW**") by and between CONKWEST INCORPORATED, a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133 ("CONKWEST"), and SORRENTO THERAPEUTICS, INC., a Delaware corporation with offices at 6042 Cornerstone Ct. W., San Diego, Ca 92121 ("SRNE") (each a "Party" and together the "Parties") is attached to and part of that certain Joint Development and License Agreement entered into between the Parties on December [•], 2014 (the "**Agreement**"). All of the terms and conditions of the Agreement are incorporated herein by reference. To the extent of any conflict between this SOW and the Agreement, the terms of this SOW shall prevail.

I. Joint Development. This SOW refers to the joint development of the following subject matter by the Parties as part of the Project described in the Agreement:

[INSERT DESCRIPTION OF JOINT CELL LINE(S), JOINT PRODUCTS, OTHER JOINT MATERIALS OR SUBJECT MATTER TO BE DEVELOPED UNDER THIS SOW]

II. Identification of the Primary and Secondary Parties; Responsibilities. For purposes of the Joint Development described in Paragraph I of this SOW (the "Joint Development"), the Steering Committee has determined that _____ shall be the Primary Party and that _____ shall be the Secondary Party.

A. Responsibilities of the Primary Party.

[INSERT LIST OF RESPONSIBILITIES, INCLUDING DELIVERABLES TO BE DELIVERED UNDER THIS SOW AND INCLUDE TIME LINE FOR COMPLETING SUCH RESPONSIBILITIES/DELIVERING SUCH DELIVERABLES, ASSOCIATED LABOR RATES, ANY ANTICIPATED WORK BY THIRD PARTIES, ETC.]

B. Responsibilities of the Secondary Party.

[INSERT LIST OF RESPONSIBILITIES, INCLUDING DELIVERABLES TO BE DELIVERED UNDER THIS SOW AND INCLUDE TIME LINE FOR COMPLETING SUCH RESPONSIBILITIES/DELIVERING SUCH DELIVERABLES, ASSOCIATED LABOR RATES, ANY ANTICIPATED WORK BY THIRD PARTIES, ETC.]

III. Budget; Allocation of Costs; Payment Terms. The budget attached hereto as Schedule A, which is a part of this SOW, has been agreed to by the Parties. Any and all Costs associated with or resulting from the Joint Development shall be allocated between the Parties as follows:

[INSERT COST ALLOCATION OR INDICATE THAT THE COST ALLOCATION IS AS SET FORTH IN THE AGREEMENT]

[INSERT PAYMENT TERMS]

IV. TERM; TERMINATION. The term of this SOW shall commence on _____ ("Effective Date" and shall continue for _____ ("Initial SOW Term") unless sooner terminated by either Party in accordance with the terms of the Agreement. This SOW shall automatically renew for additional _____ year terms at the same terms and conditions (each, a "Renewal SOW Term") upon the expiration of the Initial SOW Term and each Renewal SOW Term. The Initial SOW Term and the Renewal SOW Term, if any, shall be collectively referred to as the "SOW Term".

The Parties have caused this SOW to be executed by their respective duly authorized representatives.

CONKWEST INCORPORATED	SORRENTO THERAPEUTICS, INC.
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

THIS IS A SAMPLE SOW - DO NOT SIGN

SCHEDULE 2

CONKWEST PATENTS

[***]

SCHEDULE 3

SRNE PATENTS

[***]

SCHEDULE 4

[INSERT EXECUTED MOU]

EXHIBIT A

INVESTMENT AGREEMENT

EXHIBIT B

REGISTRATION RIGHTS AGREEMENT

Exhibit 10.12

LICENSE AGREEMENT
BETWEEN
ZELLERX CORPORATION AND FOX CHASE CANCER CENTER

This License Agreement ("Agreement"), dated as of July 10, 2004, between Fox Chase Cancer Center, a not for profit institution ("Fox Chase"), and ZelleRx Corporation, an Illinois corporation ("ZelleRx").

Purpose and Intent

WHEREAS, Fox Chase has the right to license the Licensed Patents and ZelleRx desires exclusive license rights to the Licensed Patents for commercialization in all fields and Fox Chase is willing to grant such exclusive license in accordance with the terms and conditions hereinafter set forth;

Therefore, in consideration of the foregoing and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

A. "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. "Control" (and with correlative meanings, the terms "controlled by" and "under common control with") shall mean beneficial ownership of fifty one percent (51%) or more of the outstanding securities or the ability to otherwise elect a majority of the board of directors or other managing authority.

B. "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

C. "Field" means all fields of use.

D. "Inventor(s)" means the inventor(s) named in the Licensed Patents.

E. "Licensed Patents" means the patent applications listed on Schedule A attached hereto, and all patents applications claiming priority therefrom, and including all divisions, continuations, continuations in part, foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications, provided that Licensed Patents shall not include any patent applications and any patents issuing from patent applications filed in countries (i) that ZelleRx elects not to file in pursuant to Paragraph 4. A. and (ii) where ZelleRx's rights are terminated under Paragraph 4. C.

F. "Licensed Product" means any product covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

G. “Improvement” means any modification of a Licensed Product provided practicing such modification, if unlicensed, would infringe one or more Valid Claims of the Licensed Patents. “Improvement” does not mean or include developments in respect to components, materials, or processes that are useful in practicing the inventions of the Licensed Patents, but that do not themselves infringe at least one of the licensed Valid Claims of the Licensed Patents.

H. “Royalties” means all amounts payable under Paragraph 3 of this Agreement.

I. “Net Sales” means the aggregate amount invoiced for Sales of Licensed Products hereunder, less the following deductions:

(1) Discounts (including price adjustments related to commercial programs), returns, allowances, and wholesaler charge-backs allowed and taken, but in any case only in amounts consistent with reasonable and customary industry standards;

(2) Commissions to persons other than Affiliates;

(3) Import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, but not state, federal or foreign income taxes;

(4) Freight, handling, transportation and insurance prepaid or allowed; and

(5) Amounts allowed or credited on retroactive price reductions or rebates.

Any refund of any of the foregoing amounts (including any reversal of a bad debt allowances, whether arising from amounts received in settlement of bad debts or otherwise) previously deducted from Net Sales shall be appropriately credit upon receipt thereof.

Licensee may, at its option, allocate the above deductions from Sales of Licensed Products based upon accruals estimated reasonably and consistent with Licensee’s standard business practices. If Licensee elects to utilize such accruals, actual deductions will be calculated and, if applicable, adjustments will be made on an annual basis.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Produce and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

J. "Sublicensee" means any person, company or other entity granted a sublicense by ZelleRx under Paragraph 2. D. below, including Affiliates of the Sublicensee.

K. "Sublicense" means any agreement entered into by ZelleRx with any third party which grants such third party license rights to the Licensed Patents and/or Licensed Products.

L. "Technical Information" means Fox Chase's rights in all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) that have not become the subject of a Licensed Patent, in Fox Chase's possession relating to Licensed Patents.

M. "Territory" shall mean worldwide.

N. "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court of governmental body of competent jurisdiction, in a ruling that is unappealable or unappealed within the time allowed for appeal; which has not been rendered unenforceable through disclaimer or otherwise; and which has not been lost through an interference proceeding.

2. Grant of License and Reservation of Research Rights.

A. Grant. Fox Chase hereby grants to ZelleRx and its Affiliates an exclusive license to make, have made, use, import, export, offer to sell, and sell Licensed Products within the Field and within the Territory provided that Fox Chase retains the right to make and use the Licensed Product for non-commercial research purposes only.

B. Grant. Fox Chase hereby grants to ZelleRx and its Affiliates an exclusive (except as otherwise specified in 2.E.) license to use the Technical Information within the Field and within the Territory, provided that Fox Chase retains the right to make and use the Technical Information for non-commercial research purposes only.

C. Grant. Fox Chase further grants to ZelleRx and its Affiliates licenses of the scope specified in 2.A. of this Agreement in respect to patent applications and patents on any Improvements that are first conceived and actually or constructively reduced to practice prior to the expiration of this Agreement, and as to which Fox Chase has or shall have the right to grant such licenses (i) without payment or other obligation to a third party or (ii) if the third party agrees that ZelleRx may assume any such payment or other obligation to a third party and ZelleRx does so assume such obligation.

D. U.S. Government Rights. ZelleRx or its Affiliates acknowledge that pursuant to Public Laws 96-517, 97-256 and 98-620, codified at 35 U.S.C. 200-212, the United States government retains certain rights in intellectual property funded in whole or part under any contract, grant or similar agreement with a Federal agency. Pursuant to these laws, the government may impose certain requirements regarding such intellectual property, including but not limited to the requirement that products resulting from such intellectual property sold in the United States must be substantially manufactured in the United States. The License is expressly subject to all applicable United States government rights as provided in the above-mentioned laws and any regulations issued under those laws, as those laws or regulations may be amended from time to time.

E. Sublicense. ZelleRx shall have the exclusive right to grant to third parties sublicenses to the rights granted ZelleRx under Paragraph 2.A., 2.B., and 2.C., on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except for Affiliates of a Sublicensee or except for the purpose of having Licensed Products made for the Sublicensee. ZelleRx shall provide Fox Chase with a copy of each executed Sublicense within thirty (30) days of the execution thereof.

ZelleRx shall be responsible for the payment to Fox Chase of all royalties payable pursuant to the provisions of Section 3 hereof by Affiliates and Sublicensees under all third party sublicenses granted by ZelleRx.

Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9. A., the Sublicense shall automatically terminate effective ninety (90) days following the termination of this Agreement without the necessity of any notice from Fox Chase to the Sublicensee. In each case, Fox Chase agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from Fox Chase granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the Sublicense with ZelleRx. If no agreement is reached within the ninety (90) days, Fox Chase shall have no further obligation to the Sublicensee.

F. Warranties. Fox Chase warrants that it has the power and authority to enter into this Agreement and to make the grants of licenses set forth in Section 2 herein. Fox Chase also warrants that the inventions claimed in the Licensed Patents were not developed with the use of United States government or other funds that limit, in any manner, any right granted in this Agreement, with respect to such inventions. Fox Chase also warrants that, except for owned or licensed patents, it is unaware of any third party patent or patents which would be infringed by the use of the Licensed Product.

3. Royalties and Other Payments.

A. 1. Royalties. As consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Fox Chase, or its designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Fox Chase [***]% of any royalties received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees.

2. Milestone Payment. As further consideration of the investment by Fox Chase in the licensed technology, ZelleRx agrees to pay Fox Chase $[***] upon a successful "A" Round of funding.

3. Royalties on Sales to the U.S. Government. No royalties shall be owing on any Licensed Products produced for or under any Federal government agency contract pursuant to the reservation of rights referenced in Section 2.D of this Agreement, but only to the extent that ZelleRx can show that the Federal government received a discount on Licensed Product sales, which discount is equivalent to or greater than the amount of any such royalty that would otherwise be due. Any sales for Federal government purposes shall be reported under Section 3.D of this Agreement by providing (i) a Federal government contract number; (ii) identification of the Federal government agency; and (iii) a description as to how the benefit of the royalty-free sale was passed on to the Federal government.

B. Calculation of Royalties. Royalties shall be payable to Fox Chase by check and in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first sale of Licensed Products is made by ZelleRx, its Affiliates, or its Sublicensees. Each payment shall be accompanied by a statement showing the calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and ZelleRx shall provide copies of receipts for such taxes to Fox Chase along with each Royalty payment. Any necessary conversion of currency into United States dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, (or any other objective source of exchange rate information as may be mutually agreed upon by Fox Chase and ZelleRx) on the last day of the calendar quarter in which such transaction occurred.

C. Reduction of Royalties. (1) If ZelleRx, its Affiliate or Sublicensee, in exercising its rights under this Agreement is sued for infringement of a patent by a third party for an act which, but for the practice or use of the Licensed Products, would not infringe the rights of the third party, ZelleRx may credit its expenses in defense or settlement of such infringement against [***] of royalties accruing under this Agreement. (2) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed [***], such credits being limited to royalties accruing upon the affected Licensed Products. (3) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties and the total royalties, including those payable to Fox Chase hereunder, exceed [***] of Net Sales, the amount due and payable to Fox Chase and the unaffiliated third parties hereunder may be reduced proportionally such that total royalties equal [***] of Net Sales, but in no event shall the royalty payable to Fox Chase with respect to such Licensed Products be less than [***] of Net Sales of therapeutics and [***] for all other uses.

D. Taxes. Fox Chase shall pay any and all taxes levied on account of royalties or other payments receives, directly or indirectly under this Agreement. If applicable laws require that taxes be withheld, ZelleRx shall (a) deduct these taxes from the remittal amount, (b) pay the taxes to the proper taxing authority, and (c) send proof of payment to Fox Chase within forty-five (45) days following that payment.

E. Blocked Currency/Royalty Rates. If by reason of any restrictive exchange laws or regulations, ZelleRx or its Affiliates or Sublicensees shall be unable to convert to U.S. dollars amounts equivalent to the royalties payable hereunder in respect of Licensed Products sold for funds other than U.S. dollars, such royalty payments shall be deferred until such restrictive practices are lifted so as to permit such conversion, or until Fox Chase, at his option, designates a bank of Fox Chase's choice in the country in question, where such royalties may be legally remitted in trust for Fox Chase, in local currency.

If in any country where Licensed Products are manufactured or sold, rates of royalties provided for herein are prohibited by law or regulation, ZelleRx shall pay such royalties at the highest rate permitted in that country for licenses of the type herein granted, and shall be deemed in compliance with its royalty payment obligations hereunder in so doing.

F. Records. ZelleRx shall, and shall require its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due Fox Chase hereunder can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, ZelleRx shall permit, and shall require its Sublicensees and Affiliates of either to permit, accountants designated by Fox Chase, to whom ZelleRx has no reasonable objection, to examine its books and records at a time convenient for Fox Chase and ZelleRx for the purpose of verifying the accuracy of the written statements submitted by ZelleRx and sums paid or payable. Fox Chase may conduct such examination no more than once in any calendar year. After completion of any such examination, Fox Chase shall promptly notify ZelleRx in writing of any proposed modification to ZelleRx's statement of sums due and payable. If ZelleRx accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of Fox Chase, except that if such examination discloses a discrepancy of ten percent (10%) or more in the amount of Royalties and other payments due Fox Chase, then ZelleRx shall reimburse Fox Chase for the cost of such examination.

G. Overdue Payments. Payments due to Fox Chase under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due Fox Chase on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by Fox Chase of interest under this Paragraph shall not constitute a waiver by Fox Chase of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents; Patent Costs.

A. Prosecution and Maintenance. On and after the Effective Dave, ZelleRx shall be solely responsible for the preparation, filing, prosecution and maintenance of the Licensed Patents and Improvements. ZelleRx shall cause its patent counsel to provide Fox Chase with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to Fox Chase at least sixty (60) days prior to the expiration of the corresponding Paris Convention priority date to allow Fox Chase to suggest that additional countries be added to the list or that one or more countries be deleted from the list. ZelleRx agrees to file applications in the additional countries requested by Fox Chase unless it otherwise notifies Fox Chase under Paragraph 4.B. Fox Chase agrees to cooperate, and agrees to use his best efforts to require his Affiliates to cooperate, with ZelleRx in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be necessary for the same and by promptly executing such documents as ZelleRx may reasonably request in connection therewith. Fox Chase and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with ZelleRx under this Paragraph. ZelleRx will provide Fox Chase drafts of all documents received or prepared by ZelleRx, and with copies of all documents received by ZelleRx, in the prosecution and maintenance of the Licensed Patents. ZelleRx shall provide drafts and copies in a timely manner to allow Fox Chase an opportunity to comment and request changes in ZelleRx's documents. ZelleRx agrees to consider including all reasonable comments of Fox Chase.

B. Fox Chase's Rights to Prosecute and Maintain Patents. ZelleRx shall notify Fox Chase in writing of any country(ies) where it either previously declared its intention to file under Paragraph 4.A. and subsequently decided not to file in such country (ies) or previously filed and decided to abandon the patent application or issued patent. Such notice shall be given so as to allow Fox Chase a reasonable time within which to file, or continue prosecution, or maintenance of the application or patent, whichever is relevant. In all cases where Fox Chase elects to file, or continue prosecution, or otherwise avoid abandonment in countries where ZelleRx either does not now intend to file or is not going to continue the prosecution or otherwise avoid abandonment, Fox Chase shall file, prosecute and maintain the applications and patents in Fox Chase's name and at Fox Chase's expense. Such patents shall not be included in the definition of Licensed Patents for all purposes of this Agreement.

Upon written request of either party, ZelleRx and its patent counsel shall meet with Fox Chase regarding any material issues related to prosecution and maintenance of Licensed Patents, provided that neither party shall have any obligation to have more than one such meeting in any 30 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

5. Due Diligence.

A. Upon written request of Fox Chase, ZelleRx shall meet with Fox Chase regarding any material issues related to progress in the commercialization of Licensed Products, provided that ZelleRx shall not have any obligation to have more than one such meeting in any 180 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

B. ZelleRx shall use its best efforts to develop for commercial use and to market Licensed Products as soon as practical, consistent with the Development Plan, which Development Plan will be delivered to Fox Chase within 12 months after the date of this Agreement.

C. ZelleRx shall provide to Fox Chase, on the Effective Date and on each anniversary thereafter, written progress reports, setting forth in such detail as Fox Chase may reasonably request: (a) the progress of the development, evaluation, testing and commercialization of each Licensed Product; and (b) the Licensee's strategic alliances with industry counterparts that, in the best judgment of ZelleRx, represent effective and beneficial business relationships for a Licensed Product, it being understood however, that to the extent any such information shall be covered by a confidentiality agreement between ZelleRx and an industry counterpart, Fox Cahse shall be deemed to have acknowledge that information covered by the terms of such confidentiality agreement need not be disclosed. ZelleRx shall also notify Fox Chase in writing within thirty (30) days after the first commercial sale of each Licensed Product.

D. ZelleRx shall provide to Fox Chase (1) a current Business Plan concurrently with delivery of this Agreement; (2) copies of all quarterly and annual financial statements concurrently with distribution of the Board of Directors of ZelleRx and (2) at least semi-annually, an update with respect to the Licensed Products and Licensed Patents.

6. Disclaimer of Warranties; Indemnification, Insurance.

A. Disclaimer of Warranties. Except with respect to a material misrepresentation or fraud by Fox Chase in this agreement, and except for Fox Chase's specific representations in Paragraph 2.E, Fox Chase makes no representations or warranties of any kind, express or implied, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by Fox Chase to ZelleRx, its Sublicensees or Affiliates of either, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Patents.

B. Indemnification. ZelleRx agrees, and agrees to require its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless Fox Chase from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities

associated therewith by ZelleRx, its Sublicensees or Affiliates of either, or any use, by one or more of them, of information provided by Fox Chase to ZelleRx, its Sublicensees or Affiliates of either. ZelleRx agrees and agrees to require each of its Sublicensees and Affiliates of either to agree not to sue Fox Chase in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith, by one or more of them. Fox Chase shall be entitled to participate at his option and expense through counsel of his own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. ZelleRx shall not, and shall require in any sublicense that its Sublicensees and Affiliates of sublicensees shall not enter into any settlement affecting any rights or obligations of Fox Chase or which includes an express or implied admission of liability, negligence or wrongdoing by Fox Chase, without the prior written consent of Fox Chase.

C. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by ZelleRx, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by Fox Chase. Fox Chase shall not, except for his intentional misconduct or gross negligence or use other than as permitted by the grants in Sections 2.A and 2.B hereof, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to ZelleRx, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though Fox Chase may have been advised of the possibility of such injury, loss or damage. ZelleRx shall not, and shall require in its sublicenses that all Sublicensees and Affiliates of either not make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

7. Confidentiality.

A. Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products and Improvements shall be considered as confidential (“Confidential Information”) and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of five (5) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, ZelleRx may disclose Confidential Information belonging to Fox Chase to potential Sublicensees and for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Confidential Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, d) is on advice of counsel, required by law to be disclosed to a governmental

agency, or e) the disclosure of such information that is reasonably considered necessary for the commercial exploitation of the license granted herein. Notwithstanding the forgoing, ZelleRx may disclose Confidential Information to its Affiliates and Sublicensees, provided such Affiliates and Sublicensees agree to be bound by the same confidentiality provisions as set forth herein.

B. Publications. Fox Chase shall provide to ZelleRx copies of any proposed written publication by Fox Chase containing any Confidential Information of ZelleRx and, to the extent Fox Chase is aware of them, proposed publications containing any Confidential Information of ZelleRx by persons working with or for Fox Chase. ZelleRx agrees to provide copies of any proposed written publication of ZelleRx, its Sublicensees and Affiliates of either of them, containing any Confidential Information of Fox Chase, to Fox Chase. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication or the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a Licensed Patent or an action filed by a third party asserting infringement by a Licensed Product the following shall apply;

A. Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any Licensed Patent or the filing of an action by a third party asserting infringement by a Licensed Product. Upon notice of any such infringement or the filing of such action by a third party, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

B. ZelleRx's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Patents within the Field, ZelleRx shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx agrees to notify Fox Chase of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow Fox Chase the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Fox Chase. ZelleRx shall keep Fox Chase timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding against infringes which ZelleRx initiates. Fox Chase shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Fox Chase for his reasonable third party out-of-

pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Fox Chase may be represented by counsel in any such legal proceedings, at Fox Chase's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(2) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8. B. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Fox Chase's rights to the Licensed Patents or to grant any infringer any rights to the Licensed Patents without Fox Chase's written consent.

(3) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by ZelleRx shall belong to ZelleRx. If the amounts recovered by ZelleRx exceed ZelleRx's reasonable third party out-of-pocket fees and expenses, ZelleRx shall reimburse Fox Chase for Fox Chase's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be subject to Royalty payments in accordance with Paragraph 3.

C. Fox Chase's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Patents within the Field which Fox Chase wishes to prosecute, Fox Chase shall first notify ZelleRx in writing and request that ZelleRx bring an action or proceeding against the infringing third party. If ZelleRx declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice, Fox Chase shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as Fox Chase may reasonably request. If the amounts recovered by Fox Chase exceed his reasonable third party out-of-pocket fees and expenses, Fox Chase agrees to pay ZelleRx for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, Fox Chase shall share with ZelleRx [***]% of all amounts recovered of every kind and nature. Amounts recovered by Fox Chase shall not give rise to Royalty payments under Paragraph 3.

(2) Before abandonment with prejudice of any proceeding under Paragraph 8.C.(1), Fox Chase shall consult with ZelleRx and, at ZelleRx's election and expense, shall allow ZelleRx to prosecute the action.

D. ZelleRx's Obligation to Defend Against Third Party Infringement Action.

(1) If a third party brings an infringement action against Fox Chase or ZelleRx, individually or jointly, asserting that the Licensed Products infringe one or more of the third party's patents, ZelleRx agrees to notify Fox Chase of its

intention to defend against such action and in sufficient time to allow Fox Chase the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Fox Chase. ZelleRx shall keep Fox Chase timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding. Fox Chase shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Fox Chase for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Fox Chase may be represented by counsel in any such legal proceedings, at Fox Chase's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(2) The defense or settlement of any action or proceeding under Paragraph 8. D. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Fox Chase's rights to the Licensed Patents without Fox Chase's written consent.

9. Termination.

A. Term. Unless terminated earlier, this Agreement shall expire on the expiration date of the last to expire of the Licensed Patents unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof.

B. Fox Chase's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, Fox Chase shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(1) If ZelleRx fails to make any Royalty or other payment when due, this Agreement shall terminate effective sixty (60) days after Fox Chase's written notice to ZelleRx to such effect, unless ZelleRx makes such payment within the sixty (60) days.

(2) If ZelleRx fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective sixty (60) days after Fox Chase's written notice to ZelleRx describing such failure, unless ZelleRx cures such failure within the sixty (60) days, or is diligently working to cure any such obligation that is not curable within sixty (60) days, as can be reasonably confirmed by an objective third party.

(3) If ZelleRx shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if ZelleRx makes an assignment of all or substantially all of its assets for the benefit of its creditors Fox Chase may terminate this Agreement by written notice effective as of the (i) date of filing by ZelleRx of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable.

(4) If ZelleRx shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9. B. (3). above or upon completion of a merger or sale or transfer of assets or otherwise, with or to a successor, where the successor assumes the duties and obligations under this Agreement, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of ZelleRx with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of ZelleRx.

C. ZelleRx's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, ZelleRx may terminate this Agreement at any time by giving Fox Chase ninety (90) days prior written notice.

D. Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as ZelleRx's obligation to pay Royalties and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the record keeping required by Paragraphs 3. F. and J.

10.Miscellaneous.

A. Marking. ZelleRx shall and agrees to require its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

B. Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither ZelleRx nor Fox Chase shall, without having first fully complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

C. Entire Agreement, Amendment, Waiver. This Agreement together with the Schedules attached hereto, and that certain Material Transfer Agreement dated _____, constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof. The above mentioned Material Transfer Agreement, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the term of the present Agreement will prevail.

D. Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with

confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to Fox Chase: Fox Chase Cancer Center
Office of Business Development
333 Cottman Avenue
Philadelphia, PA 19111-2497

If to ZelleRx: ZelleRx Corporation
600 S. Hoyne
Chicago, Illinois 60612
Attn: President

E. Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder. Except as provided in the preceding sentence, and except for sublicensing permitted as to ZelleRx hereunder, neither Party may assign or delegate any right or obligation hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. Subject to the agreement of ZelleRx to continue paying royalties to Fox Chase in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents, Fox Chase shall, upon commencement by ZelleRx of a Phase III trial of a Licensed Product in the United States, assign all of its right, title and interest in and to the Licensed Patents to ZelleRx and shall promptly execute and any and all applications, assignments, and other instruments that ZelleRx shall deem necessary to complete such assignment, provided that Fox Chase shall retain the right to make and use the Licensed Product and Technical Information for research purposes only.

F. Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state.

G. Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party's sole discretion. ZelleRx agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using the Fox Chase name in any commercial activity, marketing, advertising or sales brochures.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

Fox Chase Cancer Center

By: /s/ Patricia Harsche
Its: Vice President Planning and
Business Development

ZelleRx Corporation

By: /s/ Gary Keller
Its: President

First Amendment
to the License Agreement between
ZelleRx Corporation.
and
Fox Chase Cancer Center

This First Amendment (this "Amendment 1") to the License Agreement between ZelleRx Corporation ("Company") and Fox Chase Cancer Center ("FCCC") is made effective by the parties on April 10, 2008 (the "Amendment 1 Effective Date").

RECITALS

WHEREAS, FCCC and Company entered into a License Agreement effective July 10, 2004 (the "License"). Pursuant to the terms and conditions of the License, FCCC granted to Company an exclusive, worldwide right and license, with the right to grant sublicenses, to make, have made, use and sell Licenses Product(s). In consideration of this exclusive license granted, Company agreed to pay to FCCC royalties based on the Net Sales of Licensed Products and a Milestone Payment upon a successful "A" round of funding.

WHEREAS, Company and FCCC wish to amend the License to include additional consideration to FCCC.

NOW, THEREFORE, the parties agree as follows:

1. Unless otherwise defined in this Amendment 1, all capitalized terms shall have the same meaning as set forth in the License, as amended.

2. Paragraph 3.A.1 is hereby replaced in its entirety with the following:

3. A. 1. Royalties. As consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Fox Chase, or its designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Fox Chase [***]% of any royalties or other compensation received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees. ZelleRx shall also pay Fox Chase [***]% of any compensation received by ZelleRx or its Affiliates from Sublicensees or from other third parties for any other use of Licensed Patents as described in Appendix A, Licensed Products, Improvements, or Technical Information.

3. Paragraph 3.A.2 is hereby replaced in its entirety with the following:

3.A.2 Milestone Payments. As further consideration of the investment by Fox Chase in the licensed technology, ZelleRx agrees to pay Fox Chase $20,000 upon successful closing of an aggregate cash amount of $1MM in its "B" round of financing.

4. Paragraph 10.D will be updated as to ZelleRx Corp's address for notification as follows:

If to ZelleRx: ZelleRx Corporation
PO Box 3861
Rancho Santa Fe, CA 92067
Attn: President

5. Appendix A shall be updated as follows

[***]

6. Except as specifically modified by this Amendment 1, all of the provisions of the License remain in full force and effect. The License, as amended, and this Amendment 1 constitutes the entire agreement between FCCC and ZelleRx and supersedes all other agreements and understandings between the parties with respect to the subject matter of the License, as amended, and this Amendment 1. This Amendment 1 will be binding upon, and will inure to the benefit of, the parties and their respective successors and permitted assigns. This Amendment 1 may be executed in one or more counterparts, all of which will be considered one and the same agreement. This Amendment 1 will be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to conflict of laws provisions.

4. IN WITNESS THEREOF, the parties have executed this Amendment 1 through their duly authorized representatives as set forth below, and this Amendment 1 shall be attached to, and shall become a part of, the License between the parties.

Fox Chase Cancer Center

By: /s/ Kurt A. Schwinghammer
Kurt A. Schwinghammer, Ph.D.
Director of Business Development
Office of Business Development

Date: April 15, 2008

ZelleRx Corporation

By: /s/ Barry Simon
Barry Simon, MD
President & CEO, ZelleRx Corp

Date: 5/1/08

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.13

RUSH- ZELLERX LICENSE AGREEMENT

This License Agreement ("Agreement"), dated March 24, 2004, between Rush University Medical Center, an Illinois not-for-profit corporation ("RUSH"), and ZelleRx, an Illinois for profit corporation ("LICENSEE").

Purpose and Intent

RUSH has the right to license the Licensed Intellectual Property. LICENSEE desires to obtain exclusive rights to such Licensed Intellectual Property for commercialization in certain fields and RUSH is willing to grant a license to such. Therefore the parties agree as follows.

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

A. "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. Control shall mean the right to control, or actual control of, management of such other entity, whether by ownership of voting securities, by agreement, or otherwise.

B. "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

C. "Improvement(s)" means any Trial Data Intellectual Property and Other Intellectual Property that is not in existence as of the Effective Date.

D. "Licensed Intellectual Property" means Trial Data Intellectual Property and Licensed Other Intellectual Property. "Trial Data Intellectual Property" means information set forth in the IND filing(s) and all study data used in preparing, or referred to in, such IND filing(s) with respect to the NK-92 Trials listed on Appendix A attached hereto in existence as of the Effective Date. Trial Data Intellectual Property also will include information and data from current NK-92 Clinical Trials and those completed prior to the Effective Date, including but not limited to clinical outcomes and all case report forms. Access to source documents shall be provided as part of the license granted with respect to Trial Data Intellectual Property. "Other Intellectual Property" means all information, other than Trial Data Intellectual Property, disclosed to LICENSEE, relating to, without limitation, cell production including cell expansion technologies, cell culture media optimization, culture techniques, quality assurance and quality control as well as all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) in RUSH's possession that have not become the subject of a patent application, that originate from the laboratory of Dr. Hans Klingemann at RUSH or from the NK-92 Trials listed on Appendix A whether or not recorded in lab notebooks or reduced to practice and/or disclosed to RUSH's Office of Intellectual Property as of the Effective Date.

E. “Licensed Patents” means any patent applications and all patents claiming priority therefrom, and including all divisions, continuations, continuations in part (but only inasmuch as they are supported by the study data and know-how), foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications and incorporating any portion of previous Licensed Intellectual Property and/or Improvements. Licensed Patents shall not include any applications and any patents issuing from applications filed in countries (i) that LICENSEE elected not to file in pursuant to Paragraph 4.A and (ii) where LICENSEE’s rights are terminated under either Paragraph 4.B or Article 9.

F. “Licensed Product” means any product or process containing or using the Licensed Intellectual Property or Improvement in its development or any product or process covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

G. “Net Sales” means the gross sales for Licensed Products, less the following amounts directly chargeable to such Licensed Products: (1) trade, quantity or cash discounts and retroactive price reductions or rebates actually allowed and taken (including price adjustments related to commercial programs), allowances (including reasonable bad debt allowances) and wholesaler charge-backs allowed and taken, but in any of the foregoing cases only in amounts consistent with reasonable and customary industry standards; (2) amounts repaid or credited to customers on account of rejections or returns; (3) freight, handling and other transportation costs, including insurance charges, (4) commissions to persons other than affiliates; (5) import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, and other governmental charges based directly on sales, turnover or delivery of such Licensed Products and actually paid or allowed by LICENSEE and its Affiliates or any Sublicensee, but not state, federal or foreign income taxes. For Licensed Products consumed by LICENSEE, its Affiliates or any Sublicensee, the price used to calculate Net Sales shall be equal to the average of the sales price of the same or a substantially similar Licensed Product, whichever is relevant, sold to the consumer’s three largest customers during the same time period. If LICENSEE or a Sublicensee or Affiliates of either of them include a Licensed Product as part of selling a service, licensing a method of use or other means of deriving commercial benefit from Licensed Products, the parties agree to negotiate in good faith to determine a method of calculating a running royalty equivalent to the running royalty set out in this Agreement on Net Sales. Net Sales shall be calculated on sales to end users and not on sales between LICENSEE and its Affiliates or Sublicenses, or on Licensed Products used for internal testing and research purposes by LICENSEE and/or its Affiliates.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Product and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

H. "Non-renal Field" means the use of the NK-92 cells including all variants for the treatment and diagnosis of cancer, wherein the cancer is neither melanoma nor renal cancer.

I. "Renal Field" means use of the NK-92 cells including all variants for the treatment of melanoma or renal cancer in patients.

J. "Royalties" means all amounts payable under Paragraphs 3.B and 3.0 of this Agreement.

K. "Sublicense" means any agreement entered into by LICENSEE with any third party for which rights to the Licensed Patents and/or Licensed Products are granted.

L. "Sublicensee" means any person, company or other entity granted a sublicense by LICENSEE under Paragraph 2.B below, including Affiliates of the Sublicensee. Sublicensee excludes persons, companies or other entities owned in part or wholly, controlled by or under common control by LICENSEE.

M. "Territory" means worldwide.

N. "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, and has not been found admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise; provided, however, that if the holding of such court or agency is later reversed by a court or agency with overriding authority, the claim shall be reinstated as a Valid Claim with respect to Product made after the date of such reversal.

O. "ZelleRx Patents" means only those patents and patent applications owned by LICENSEE which are selected by LICENSEE and RUSH by mutual agreement and set forth on Appendix C hereto, as amended from time-to-time, and including all divisions, continuations, continuations in part, foreign counterparts, and any patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications, and any improvements thereto. The parties may by agreement amend Appendix C hereto from time-to-time to add ZelleRx Patents as and when they either publish or are disclosed confidentially to RUSH pursuant to Paragraph 7.A hereto.

2. GRANTS OF LICENSE AND RESERVATION OF RESEARCH RIGHTS

A. Grants. RUSH hereby grants to LICENSEE and its Affiliates: (i) an exclusive license under the Trial Data Intellectual Property to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory, (ii) an exclusive license under the Other Intellectual Property to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory, and (iii) an exclusive license under the Licensed Patents to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory.

B. Sublicense. LICENSEE shall have the exclusive right to grant sublicenses to third parties to all rights granted LICENSEE under Paragraph 2.A on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except to Affiliates of the Sublicensee, or except for the purpose of having Licensed Products made for the Sublicensee or Affiliate. LICENSEE shall provide RUSH with a copy of each executed Sublicense within thirty (30) days of the execution thereof. Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9.A, the Sublicense shall automatically terminate effective the same date without the necessity of any notice from RUSH to the Sublicensee. In each case, RUSH agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from RUSH granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the license with LICENSEE. If no agreement is reached within the ninety (90) days, RUSH shall have no further obligation to the Sublicensee.

C. Reservation of Rights. Subject to the termination of the LICENSEE’s grant of a license to RUSH pursuant to Paragraph 2.F hereof, RUSH reserves for itself the worldwide right to practice the inventions contained within the Licensed Intellectual Property, Licensed Patents and/or Improvements to make, have made and use, Licensed Products within the Renal and Non-Renal Fields for all educational and non-commercial, non-competitive research purposes it may choose in its own discretion and without any payment therefor. Further, RUSH reserves for its personnel the worldwide right to practice the inventions in the Licensed Intellectual Property, Licensed Patents and/or Improvements to make, have made and use Licensed Products within the Renal Field and Non-renal Field for all non-commercial educational and research purposes it may choose in its own discretion and without any payment therefor. In addition, if the inventions claimed in any Licensed Patents were made with the use of funds, by RUSH, from the United States government, there is reserved from the rights granted hereunder the worldwide right of the United States government to use and to practice or have practiced the inventions claimed in the Licensed Patents to make, have made, and use Licensed Products in any field of use for its own purposes in such manner as it deems fit without any payment therefore, provided however, that no grant pursuant to this

sentence shall be deemed to be greater than expressly required under Public Law 96517 or 98-620. For proposed clinical research after the Effective Date using the Licensed Intellectual Property and/or any Licensed Products that is performed at RUSH by its personnel and not under a Sponsored Research Agreement by LICENSEE, LICENSEE shall have the right of review of such proposed clinical research and RUSH shall not initiate such proposed clinical research unless LICENSEE has provided RUSH with written approval.

D. Improvements not sponsored by LICENSEE. For Improvements developed by RUSH after the Effective Date and not under any sponsored research program by LICENSEE or under a sponsored research program of an unaffiliated third party, LICENSEE shall have an exclusive, 6 month option (the “6 Month Option Period”) to negotiate a good faith license for rights to such Improvements. This License can include an amendment to this Agreement if deemed appropriate by RUSH. During the 6 Month Option Period, LICENSEE shall be responsible for the payment of patent costs, if any, incurred by RUSH in the filing of patent applications to protect the Improvement(s). If at the end of the 6 Month Option Period, a license or amendment has not been executed by the Parties, RUSH will have the right to offer licenses to third parties with no further obligation to LICENSEE. This provision is subject to any restrictions placed on the Improvements by nature of any United States government funding source being used to conceive or reduce to practice said Improvements.

E. Improvements sponsored by LICENSEE. For Improvements developed by RUSH after the Effective Date and under a sponsored research program between LICENSEE and RUSH, LICENSEE shall have an exclusive, 12 month option (the “12 Month Option Period”) to negotiate a good faith license for rights to such Improvements. This License can include an amendment to this Agreement if deemed appropriate by RUSH. During the 12 Month Option Period, LICENSEE shall be responsible for the payment of patent costs, if any, incurred by RUSH in the filing of patent applications to protect the Improvement(s). If at the end of the 12 Month Option Period, a license or amendment has not been executed by the Parties, RUSH will have the right to offer licenses to third parties with no further obligation to LICENSEE. This provision is subject to any restrictions placed on the Improvements by nature of any United States government funding source being used to conceive or reduce to practice said Improvements.

F. Grant to RUSH. To the extent permitted by applicable law, LICENSEE hereby grants to RUSH a nonexclusive, royalty-free, revocable, paid-up sublicense under the ZelleRx Licensed Patents within the Renal Field and the Non-renal Field for non-competing, non-commercial research done in accordance with a plan agreed upon by the Parties, said sublicense to be valid until this Agreement is terminated pursuant to Section 9 hereof. LICENSEE further agrees to waive any claim of infringement for research done at RUSH prior to the Effective Date.

3. Royalties and Other Payments

A. License Payments. As consideration for the license granted in Paragraph 2.A (ii) of this Agreement, LICENSEE shall: [***].

B. Royalties. As consideration for the licenses granted in Paragraphs 2.A (i) of this Agreement, LICENSEE shall [***].

In the event that, with respect to Net Sales of Licensed Products in the Renal Field, LICENSEE is paying royalties to unaffiliated third parties and the total royalties, including those payable to RUSH hereunder, exceed 5 percent (5%) of Net Sales, the amount due and payable to RUSH hereunder shall be proportionally reduced, but in no event shall the royalty payable to RUSH be less than [***] of Net Sales. (For example, if [***].

As partial consideration for the licenses granted in Paragraph 2.A.(i) and 2.A.(iii) of this Agreement, LICENSEE shall pay RUSH a Royalty equal to [***] of Net Sales of Licensed Products in the Non-renal Field and for diagnosis in the field of cancer by LICENSEE.

In the event that, with respect to Net Sales of Licensed Products in the Non-renal Field and for diagnosis in the field of cancer, LICENSEE is paying royalties to unaffiliated third parties and the total royalties, including those payable to RUSH hereunder, [***] of Net Sales, the amount due and payable to RUSH hereunder shall be proportionally reduced, but in no event shall the royalty payable to RUSH be less than [***] of Net Sales.

As partial consideration for the licenses granted in Paragraph 2.A(i) and 2.A(iii) of this Agreement, LICENSEE shall pay to RUSH the following milestone payments: [***].

No royalties shall be owing on any Licensed Products produced for or under any United States government agency contract pursuant to the reservation of rights referenced in Section 2.C. of this Agreement, but only to the extent that LICENSEE can show that the United States government received a discount on Licensed Product sales, which discount is equivalent to or greater than the amount of any such royalty that would otherwise be due. Any safes for United States government purposes shall be reported under this Agreement by providing: (1) a United States government contract number; (2) identification of the United States government agency; and (3) a description as to how the benefit of the royalty-free sale was passed on to the United States government.

C. Minimum Royalties. If the total Royalties payable under Paragraph 3.B and amounts payable under Paragraph 3.D for any calendar year beginning with the year of first anniversary of the Effective Date and ending with the fifth anniversary of the Effective Date are less than US$10,000, LICENSEE shall pay RUSH the difference between such amount and the actual Royalties due. If the total Royalties for any calendar year after the fifth anniversary of the Effective Date until termination of the Agreement are less than US$25,000, LICENSEE shall pay RUSH the difference between such amount and the actual Royalties due. Such payment shall be made at the same time the payment for Royalties for the fourth quarter for such year is due.

D. Sublicense Royalties. The following sublicense royalties apply:

(1) For all Sublicenses under this Agreement within the Renal Field, LICENSEE shall make payments according to the terms contained in Paragraphs 3.B, 3.D(2), 3.D(3) or [***] of all compensation, whichever is greater as and when received by LICENSEE from the Sublicensee;

(2) For each Sublicense granted by LICENSEE that is within the Non-renal Field and is granted in the field of cancer therapy, LICENSEE shall pay to RUSH [***] of all compensation as and when received by LICENSEE from the Sublicensee; and

(3) For each Sublicense granted by LICENSEE that is in the Non-Renal Field and is granted in the field of diagnosis of cancer, LICENSEE shall pay to RUSH [***] of all compensation as and when received by LICENSEE from the Sublicensee.

Payments shall be made (or assigned as relevant) to RUSH within thirty (30) days of receipt by LICENSEE. For this purpose compensation includes all fees, minimum royalties, milestone payments and other cash payments of any kind and any in kind payments or equity amounts taken in lieu of cash, but does not include research and development fees paid for services rendered by LICENSEE to a Sublicensee or cash delivered to LICENSEE in exchange for securities of LICENSEE under a co-development agreement or for assets other than the sublicense shall not constitute compensation for purposes of this Section. Provided further that if LICENSEE or an Affiliate provides a sublicense to any third party in exchange for any license or sublicense or covenant not to sue granted back to LICENSEE so as to permit it to make Licensed Products, the value of said license, sublicense or covenant shall be offset against compensation, provided further that if LICENSEE contributes a sublicense to a joint venture that intends to develop Licensed Products or combination Licensed Products, then the contribution by any third party to the joint venture of cash, securities or other assets also shall not constitute compensation. Subject to the foregoing limitations, it is the intent and agreement of the parties that RUSH will be paid [***] of any kind of compensation paid by a Sublicensee for rights granted to such Sublicensee under Paragraph 3.D(2) of this Agreement without regard to how the compensation is structured, denominated or paid. Furthermore, subject to the foregoing limitations, it is the intent and agreement of the parties that RUSH will be paid [***] of any kind of compensation paid by a Sublicensee for rights granted to such Sublicensee under Paragraph 3.D(3) of this Agreement without regard to how the compensation is structured, denominated or paid.

E. Calculation of Royalties. Royalties shall be payable in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first commercial sale of a Licensed Product occurs. Each payment shall be accompanied by a statement showing Net Sales for each country in the Territory and calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and LICENSEE shall provide copies of receipts for such taxes to RUSH along with each Royalty payment. Any necessary conversion of currency into United States

dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, on the last day of the calendar quarter in which such transaction occurred and the conversion rate and payment in foreign currency and US$ shall be included in the statement.

F. Records. LICENSEE shall, and shall cause its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due RUSH hereunder can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, LICENSEE shall permit, and shall cause its Sublicensees and Affiliates of either to permit, accountants designated by RUSH, to whom LICENSEE has no reasonable objection, to examine its books and records for the purpose of verifying the accuracy of the written statements submitted by LICENSEE and sums paid or payable. RUSH may conduct such examination no more than once in any calendar year. After completion of any such examination, RUSH shall promptly notify LICENSEE in writing of any proposed modification to LICENSEE's statement of sums due and payable. If LICENSEE accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of RUSH, except that if such examination discloses a discrepancy of seven and one-half percent (7.5%) or more in the amount of Royalties and other payments due RUSH, then LICENSEE shall reimburse RUSH for the cost of such examination.

G. Overdue Payments. Payments due to RUSH under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due to RUSH on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by RUSH of interest under this Paragraph shall not constitute a waiver by RUSH of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents; Patent Costs

A. Prosecution and Maintenance. RUSH shall be solely responsible for the preparation, filing, prosecution and maintenance of any patent applications and patents under the Licensed Intellectual Property. RUSH shall cause its patent counsel to provide LICENSEE with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to LICENSEE at least sixty (60) days prior to the expiration of the corresponding United States priority date to allow LICENSEE to suggest that additional countries be added to the list or that one or more countries be deleted from the list. RUSH agrees to file applications in the additional countries requested by LICENSEE. LICENSEE agrees to cooperate, and agrees to cause its Sublicensees and Affiliates of either to cooperate, with RUSH in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as

may be necessary for the same and by promptly executing such documents as RUSH may reasonably request in connection therewith. LICENSEE and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with RUSH under this Paragraph. RUSH will provide LICENSEE copies of all material documents received or prepared by RUSH in the prosecution and maintenance of the Licensed Patents. RUSH shall provide copies in a timely manner to allow LICENSEE an opportunity to comment and request changes in RUSH's documents. RUSH agrees to include all reasonable comments of LICENSEE.

B. Discontinuance of Patent Rights. In the event that LICENSEE elects not to file, prosecute or maintain any patent application or patent under the Licensed Patents or pay any fee related thereto, in any country, LICENSEE shall promptly notify RUSH of such election, but in no case later than sixty (60) days prior to any required action relating to the filing, prosecution or maintenance of such patent or patent application. From and after the effective date of such notice, such patent application or patent shall cease to be within the Licensed Patents for all purposes of this Agreement, and all rights and obligations of LICENSEE with respect thereto shall terminate and revert to RUSH.

C. Patent Costs. LICENSEE agrees to pay all necessary and reasonable third party fees and expenses incurred by RUSH in obtaining and maintaining patents under the Licensed Intellectual Property, including those incurred by RUSH prior to the date of this Agreement within thirty (30) days after receipt of an invoice for such prior fees and expenses. Payment for fees and expenses incurred after the Effective Date shall be invoiced to LICENSEE on a monthly basis and LICENSEE agrees to pay such invoices within thirty (30) days of receipt. LICENSEE also agrees upon request by RUSH to make timely estimated advanced payments for the filing of national applications. Documentation received from third party vendors to support the amounts invoiced shall be included with each invoice. LICENSEE shall raise any objections to such amounts invoiced within the thirty (30) day time period for payment. Invoices for advanced payments shall be reconciled with the advance payments made by LICENSEE every six (6) months. Any excess payment by LICENSEE shall be credited to future patent costs specified in this Paragraph.

5. Due Diligence and Milestones.

A. Development Plan. Simultaneously with the execution of this Agreement, LICENSEE shall provide RUSH with a confidential and reasonably detailed development plan for the commercialization of one or more Licensed Products. Such plan shall include research and development plans, timetables for achieving milestones and necessary government or regulatory approvals, market research information on competitors and market size, sales and marketing plans, financial data and manufacturing plans for the twelve months following Effective Date as well as a timetable for achieving milestones and LICENSEE's general strategic development plans for the following two years. LICENSEE agrees to revise the development plan on an annual basis and provide RUSH with such revised plan on the anniversary date of this Agreement for a minimum of three years after the effective date.

B. Progress Reports. Within ninety (90) days of the end of each December 31 during the term of this Agreement, LICENSEE shall make a written confidential report to

RUSH, in such detail as RUSH may reasonably request, covering the preceding twelve months and describing the progress of LICENSEE toward achieving the goals of the development plan (and any proposed revisions to the plan developed during the preceding twelve months) for Licensed Products. LICENSEE agrees to immediately notify RUSH in writing when commercial products are first sold and when LICENSEE's obligation to begin making Royalty payments begins.

6. No Warranties; Indemnification, Insurance.

A. Disclaimer of Warranties. RUSH makes no representations or warranties of any kind, express or implied, with respect to the information or invention(s) claimed in the Licensed Intellectual Property or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by RUSH to LICENSEE, its Sublicensees or Affiliates of either, with respect to the Licensed Intellectual Property or any invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of the Licensed Intellectual Property or any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Intellectual Property or the Licensed Patents.

B. Indemnification. LICENSEE agrees, and agrees to cause its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless RUSH, its Affiliates and all trustees, directors, officers, employees, fellows and agents of any of the foregoing (including RUSH and its Affiliates, each an "Indemnified Person") from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith by LICENSEE, its Sublicensees or Affiliates of either, or any use of information provided by RUSH to LICENSEE, its Sublicensees or Affiliates of either. LICENSEE agrees and agrees to cause each of its Sublicensees and Affiliates of either to agree not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. RUSH shall be entitled to participate at its option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. LICENSEE, its Sublicensees and Affiliates of either, shall not enter into any settlement affecting any rights or obligations of any indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person.

C. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by LICENSEE, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by

Indemnified Persons. Indemnified Persons shall not, except for their intentional misconduct or gross negligence, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to LICENSEE, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. LICENSEE shall not, and shall require all Sublicensees and Affiliates of either to not, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

D. Insurance. LICENSEE agrees and agrees to cause its Sublicensees and Affiliates of either to maintain liability insurance that shall cover any claims for bodily injury, property, or other damage alleged to relate to Licensed Products. LICENSEE, Sublicensees, and Affiliates shall list RUSH and its Affiliates, at LICENSEE's, its Sublicensees' or Affiliates' of either of them, expense, whichever is relevant, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that LICENSEE, its Sublicensees and Affiliates of either have or shall obtain, that includes any coverage of claims relating to Licensed Products. Such insurance shall be primary and noncontributory to any insurance RUSH and its Affiliates may have. At RUSH's request, LICENSEE will supply RUSH from time to time with copies of each such policy, and will notify RUSH in writing at least 30 days prior to any termination of or change in coverage under any such policies.

7. Confidentiality.

A. Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products shall be considered as confidential ("Confidential Information") and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of ten (10) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, LICENSEE may disclose Confidential Information belonging to RUSH to potential Sublicensees for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, or d) is required by law to be disclosed to a governmental agency.

B. Publications. RUSH shall provide to LICENSEE copies of any proposed written publication by RUSH containing any Confidential Information and, to the extent RUSH is aware of them, proposed publications containing any Confidential Information by the Inventor(s). LICENSEE agrees to provide copies of any proposed written publication of

LICENSEE, its Sublicensees and Affiliates of either of them to RUSH. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication and the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a patent or patents under the Licensed Intellectual Property the following shall apply:

A. Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any such patent(s) under the Licensed Intellectual Property. Upon notice of any such infringement, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

B. LICENSEE's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Intellectual Property within the Renal Field or Non-Renal Field, LICENSEE shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. LICENSEE agrees to notify RUSH of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow RUSH the opportunity to discuss with LICENSEE the choice of counsel for such matter. LICENSEE agrees to hire counsel reasonably acceptable to RUSH. LICENSEE shall keep RUSH timely informed of material developments in the prosecution or settlement of such action or proceeding. LICENSEE shall be responsible for all costs and expenses of any action or proceeding against infringers which LICENSEE initiates. RUSH shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as LICENSEE may reasonably request. LICENSEE agrees to promptly reimburse RUSH for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with LICENSEE. RUSH may be represented by counsel in any such legal proceedings, at RUSH's own expense, subject to reimbursement under Paragraph 8.B(2), acting in an advisory but not controlling capacity.

(2) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8.B(1) shall be at LICENSEE's reasonable discretion provided that LICENSEE shall not have any right to surrender any of RUSH's rights to the Licensed Intellectual Property or to grant any infringer any rights to the Licensed Intellectual Property without RUSH's written consent.

(3) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by LICENSEE shall

belong to LICENSEE. If the amounts recovered by LICENSEE exceed LICENSEE's reasonable third party out-of-pocket fees and expenses, LICENSEE shall reimburse RUSH for RUSH's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be considered Net Sales under this Agreement and subject to Royalty payments in accordance with Article 3.

C. RUSH's Right to Bring Infringement Action. If a third party infringes any patent included under the Licensed Intellectual Property which RUSH wishes to prosecute, RUSH shall first notify LICENSEE in writing and request that LICENSEE bring an action or proceeding against the infringing third party. If LICENSEE declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice. RUSH shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. LICENSEE shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as RUSH may reasonably request. If the amounts recovered by RUSH exceed its reasonable third party out-of-pocket fees and expenses, RUSH agrees to pay LICENSEE for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, RUSH shall have the right to retain all amounts recovered of every kind and nature.

9. Termination

A. Term. Unless terminated under the provisions of Paragraph 9.B, this Agreement shall expire for the Licensed Intellectual Property in existence as of the Effective Date on the twelfth (12^{th}) anniversary of the year in which Royalty payments are first made pursuant to this Agreement and upon such expiration of this Agreement, the licenses granted to LICENSEE for the Licensed Intellectual Property hereunder shall thereupon be deemed to be royalty-free, irrevocable, and paid-up. If the only intellectual property covered by this Agreement on such date is the Licensed Intellectual Property, this Agreement shall terminate in full.

B. RUSH's Right to Terminate. RUSH shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(1) If LICENSEE fails to make any Royalty or other payment when due, this Agreement shall terminate effective thirty (30) days after RUSH's written notice to LICENSEE to such effect, unless LICENSEE makes such payment within the thirty (30) days;

(2) If LICENSEE fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective thirty (30) days after RUSH's written notice to LICENSEE describing such failure, unless LICENSEE cures such failure within the thirty (30) days;

(3) If LICENSEE shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if LICENSEE makes an assignment of all or substantially all of its assets for the benefit of its creditors RUSH may terminate this Agreement by written notice effective as of the (i) date of filing by LICENSEE of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable;

(4) If LICENSEE shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9.B.(3). above, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of LICENSEE with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of LICENSEE; and

(5) If LICENSEE's Chief Executive Officer resigns and is not replaced within 6 months of the Effective Date, this Agreement shall automatically terminate at the end of the 6 month period.

C. LICENSEE's Right to Terminate. LICENSEE may terminate this Agreement at any time by giving RUSH ninety (90) days prior written notice.

D. Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as (1) LICENSEE's obligation to pay Royalties, milestones and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the report of Net Sales and record keeping required by Paragraphs 3.E. and 3.F. and (2) Articles 6 and 7.

10. Miscellaneous

A. Marking. With respect to a Licensed Product covered by the scope of any Valid Claim contained in any Licensed Patent or a Licensed product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent, LICENSEE shall and agrees to cause its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

B. United States Manufacture. Where Licensed Intellectual Property rights are derived through contribution to their conception or reduction to practice using federal funding, LICENSEE agrees that any Licensed Products will be manufactured substantially in the United States of America as required by 35 United States Code Section 204.

C. Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither LICENSEE nor RUSH shall, without having first fully

complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

D. Entire Agreement, Amendment, Waiver. This Agreement, together with the Schedules attached hereto and the Subscription Agreement of even date herewith, constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof.

E. Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to RUSH: Rush University Medical Center
Intellectual Property Office

With a copy to: Rush University Medical Center
Office of Legal Counsel

If to LICENSEE: ZelleRx Corporation
600 South Hoyne
Chicago, IL 60612
Facsimile Number: 312-577-0912
Attention: CEO

F. Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder, provided that, any such assignment or delegation shall in no event relieve either party of its primary responsibility for the same. Except as provided in the preceding sentence, LICENSEE may not assign or delegate any right or obligation hereunder without the prior written consent of RUSH, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. RUSH may assign this Agreement at any time to any third party on written notice to LICENSEE. In such event, the assignee shall be substituted for RUSH as a party hereto, and RUSH shall no longer be bound hereby.

G. Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state. All disputes arising out of or related to this Agreement will be subject to the exclusive jurisdiction of the Illinois State Courts of Cook County, Illinois (or, if there is federal jurisdiction, the United States District Court for the Northern District of Illinois) and the parties consent to the personal and exclusive jurisdiction of these courts.

H. Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party's sole discretion. LICENSEE agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using, the name of the RUSH or any of its personnel in any commercial activity, marketing, advertising or sales brochures.

I. Force Majeure. In the event either party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of acts of God, war, strikes, riots, storms, fires, or any other cause whatsoever beyond the reasonable control of the party, the party so prevented or delayed shall be excused from the performance of any such obligation to the extent and during the period of such prevention or delay.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

RUSH UNIVERSITY MEDICAL CENTER		**ZELLERX**	
By:	/s/ Henry R. Black	By:	/s/ Gary Keller
Name:	Henry R. Black, M.D.	Name:	Gary Keller
Title:	Assoc. VP for Res. Admin.	Title:	CEO
Date:	3/24/2004	Date:	3/24/04

APPENDIX A
LICENSED INTELLECTUAL PROPERTY

[***]

APPENDIX B
REQUIREMENTS FOR STORAGE AND MAINTENANCE OF CELL BANK

[***]

APPENDIX C
“ZELLERX PATENTS”

[***]

Exhibit 10.14

LICENSE AGREEMENT
BETWEEN
ZELLERX CORPORATION AND HANS G. KLINGEMANN

This License Agreement ("Agreement"), dated as of February 10, 2003, between Hans G. Klingemann, an individual ("Klingemann"), and ZelleRx Corporation, an Illinois corporation ("ZelleRx").

Purpose and Intent

Klingemann is the sole owner of the Licensed Patents defined below, and has the right to enter into this Agreement;

Klingemann believes a start-up company, like ZelleRx, founded around the Licensed Patents is the most effective commercialization vehicle for this technology;

Klingemann is a founder of, and holds founders' stock in, ZelleRx; and

ZelleRx desires exclusive license rights to the Licensed Patents for commercialization in all fields and Klingemann is willing to grant such exclusive license in accordance with the terms and conditions hereinafter set forth;

Therefore, in consideration of the foregoing and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

(a) "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. "Control" (and with correlative meanings, the terms "controlled by" and "under common control with") shall mean beneficial ownership of fifty one percent (51%) (A-more of the outstanding securities or the ability to otherwise elect a majority of the board of directors or other managing authority.

(b) "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

(c) "Field" means all fields of use.

(d) "Inventor(s)" means the inventor(s) named in the Licensed Patents.

(e) "Licensed Patents" means the patent applications listed on Schedule A attached hereto, and all patents applications claiming priority therefrom, and including all divisions, continuations, continuations in part, foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent

applications, provided that Licensed Patents shall not include any patent applications and any patents issuing from patent applications filed in countries (i) that ZelleRx elects not to file in pursuant to Paragraph 4. A. and (ii) where ZelleRx's rights are terminated under Paragraph 4. C. and provided that Licensed Patents shall not include any continuation in part applications claiming inventions made after Klingemann's termination of employment at BC Cancer Agency.

(f) "Licensed Product" means any product covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

(g) "Improvement" means any modification of a Licensed Product provided practicing such modification, if unlicensed, would infringe one or more Valid Claims of the Licensed Patents. "Improvement" does not mean or include developments in respect to components, materials, or processes that are useful in practicing the inventions of the Licensed Patents, but that do not themselves infringe at least one of the licensed Valid Claims of the Licensed Patents.

(h) "Royalties" means all amounts payable under Paragraph 3 of this Agreement.

(i) "Net Sales" means the aggregate amount received for Sales of Licensed Products hereunder, less the following deductions:

(i) Discounts (including price adjustments related to commercial programs), returns, allowances, and wholesaler charge-backs allowed and taken, but in any case only in amounts consistent with reasonable and customary industry standards;

(ii) Commissions to persons other than Affiliates;

(iii) Import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, but not state, federal or foreign income taxes;

(iv) Freight, handling, transportation and insurance prepaid or allowed; and

(v) Amounts allowed or credited on retroactive price reductions or rebates.

Any refund of any of the foregoing amounts (including any reversal of a bad debt allowances, whether arising from amounts received in settlement of bad debts or otherwise) previously deducted from Net Sales shall be appropriately credit upon receipt thereof

Licensee may, at its option, allocate the above deductions from Sales of Licensed Products based upon accruals estimated reasonably and consistent with Licensee's standard business practices. If Licensee elects to utilize such accruals, actual deductions will be calculated and, if applicable, adjustments will be made on an annual basis.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Produce and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

(j) "Sublicensee" means any person, company or other entity granted a sublicense by ZelleRx under Paragraph 2. D. below, including Affiliates of the Sublicensee.

(k) "Sublicense" means any agreement entered into by ZelleRx with any third party which grants such third party license rights to the Licensed Patents and/or Licensed Products.

(l) "Technical Information" means Klingemann's rights in all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) that have not become the subject of a Licensed Patent, in Klingemann's possession relating to Licensed Patents.

(m) "Territory" shall mean worldwide.

(n) "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court of governmental body of competent jurisdiction, in a ruling that is unappealable or unappealed within the time allowed for appeal; which has not been rendered unenforceable through disclaimer or otherwise; and which has not been lost through an interference proceeding.

2. Grant of License and Reservation of Research Rights.

(a) Grant. Klingemann hereby grants to ZelleRx and its Affiliates an exclusive license to make, have made, use, import, export, offer to sell, and sell Licensed Products within the Field and within the Territory provided that Klingemann retains the right to make and use the Licensed Product for non-commercial research purposes only.

(b) Grant. Klingemann hereby grants to ZelleRx and its Affiliates an exclusive (except as otherwise specified in 2.E.) license to use the Technical Information within the Field and within the Territory, provided that Klingemann retains the right to make and use the Technical Information for non-commercial research purposes only.

(c) Grant. Klingemann further grants to ZelleRx and its Affiliates licenses of the scope specified in 2.A. of this Agreement in respect to patent applications and patents on any Improvements that are first conceived and actually or constructively reduced to practice prior to the expiration of this grant, and as to which Klingemann has or shall have the right to grant such licenses (i) without payment or other obligation to a third party or (ii) if the third party agrees that ZelleRx may assume any such payment or other obligation to a third party and ZelleRx does so assume such obligation.

(d) Sublicense. ZelleRx shall have the exclusive right to grant to third parties sublicenses to the rights granted ZelleRx under Paragraph 2.A., 2.B., and 2.C., on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except for Affiliates of a Sublicensee or except for the purpose of having Licensed Products made for the Sublicensee. ZelleRx shall provide Klingemann with a copy of each executed Sublicense within thirty (30) days of the execution thereof

ZelleRx shall be responsible for the payment to Klingemann of all royalties payable pursuant to the provisions of Section 3 hereof by Affiliates and Sublicensees under all third party sublicenses granted by ZelleRx.

Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9. A., the Sublicense shall automatically terminate effective ninety (90) days following the termination of this Agreement without the necessity of any notice from Klingemann to the Sublicensee. In each case, Klingemann agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from Klingemann granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the Sublicense with ZelleRx. If no agreement is reached within the ninety (90) days. Klingemann shall have no further obligation to the Sublicensee.

(e) Warranties. Klingemann warrants that he has the power and authority to enter into this Agreement and to make the grants of licenses set forth in Section 2 herein. Klingemann also warrants that the inventions claimed in the Licensed Patents were not developed with the use of United States government or other funds that limit, in any manner, any right granted in this Agreement, with respect to such inventions. Klingemann also warrants that he is unaware of any third party patent or patents which would be infringed by the use of the Licensed Product.

3. Royalties and Other Payments.

(a) Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the “BC Royalty”) pursuant to that certain agreement between Klingemann, as inventor, and BC Cancer Agency dated May 22, 1997 (the “BC Agreement”). As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Klingemann, or his designee, a Royalty of 3% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of 1% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx, its Affiliates, in each case including the

amount, if any, of the BC Royalty. With respect to Sublicensees, ZelleRx shall pay Klingemann 50% of any royalties received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees, provided further that with respect to such payments by Sublicensees, the amount payable to Klingemann shall include 50% of the amount, if any, of the BC Royalty, with the other 50% being born by ZelleRx.

(b) Calculation of Royalties. Royalties shall be payable to Klingemann by check and in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first sale of Licensed Products is made by ZelleRx, its Affiliates, or its Sublicensees. Each payment shall be accompanied by a statement showing the calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and ZelleRx shall provide copies of receipts for such taxes to Klingemann along with each Royalty payment. Any necessary conversion of currency into United States dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, (or any other objective source of exchange rate information as may be mutually agreed upon by Klingemann and ZelleRx) on the last day of the calendar quarter in which such transaction occurred.

(c) Reduction of Royalties. (1) If ZelleRx, its Affiliate or Sublicensee, in exercising its rights under this Agreement is sued for infringement of a patent by a third party for an act which, but for the practice or use of the Licensed Products, would not infringe the rights of the third party, ZelleRx may credit its expenses in defense or settlement of such infringement against fifty percent (50%) of royalties accruing under this Agreement. (2) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed fifty percent (50%), such credits being limited to royalties accruing upon the affected Licensed Products. (3) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties (other than BC Cancer Agency) and the total royalties, including those payable to Klingemann hereunder, exceed five percent (5%) of Net Sales, the amount due and payable to Klingemann and the unaffiliated third parties (other than BC Cancer Agency) hereunder may be reduced proportionally such that total royalties equal five Percent (5%) of Net Sales, but in no event shall the royalty payable to Klingemann with respect to such Licensed Products be less than one percent (1.0%) of Net Sales."

(d) Taxes. Klingemann shall pay any and all taxes levied on account of royalties or other payments he receives, directly or indirectly under this Agreement. If applicable laws require that taxes be withheld, ZelleRx shall (a) deduct these taxes from the remittal amount, (b) pay the taxes to the proper taxing authority, and (c) send proof of payment to Klingemann within forty-five (45) days following that payment.

(e) Blocked Currency/Royalty Rates. If by reason of any restrictive exchange laws' or regulations, ZelleRx or its Affiliates or Sublicensees shall be unable to convert to U.S. dollars amounts equivalent to the royalties payable hereunder in respect of Licensed Products sold for funds other than U.S. dollars, such royalty payments shall be deferred until such restrictive practices are lifted so as to permit such conversion, or until Klingemann, at his option, designates a bank of Klingemann's choice in the country in question, where such royalties may be legally remitted in trust for Klingemann, in local currency.

If in any country where Licensed Products are manufactured or sold, rates of royalties provided for herein are prohibited by law or regulation, ZelleRx shall pay such royalties at the highest rate permitted in that country for licenses of the type herein granted, and shall be deemed in compliance with its royalty payment obligations hereunder in so doing.

(f) Records. ZelleRx shall, and shall require its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due Klingemann hereunder or sums due BC Cancer Agency under the BC Agreement can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, ZelleRx shall permit, and shall require its Sublicensees and Affiliates of either to permit, accountants designated by Klingemann, to whom ZelleRx has no reasonable objection, to examine its books and records at a time convenient for Klingemann and ZelleRx for the purpose of verifying the accuracy of the written statements submitted by ZelleRx and sums paid or payable. Klingemann may conduct such examination no more than once in any calendar year. After completion of any such examination, Klingemann shall promptly notify ZelleRx in writing of any proposed modification to ZelleRx's statement of sums due and payable. If ZelleRx accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of Klingemann, except that if such examination discloses a discrepancy of five percent (5%) or more in the amount of Royalties and other payments due Klingemann, then ZelleRx shall reimburse Klingemann for the cost of such examination.

(g) Overdue Payments. Payments due to Klingemann under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due Klingemann on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by Klingemann of interest under this Paragraph shall not constitute a waiver by Klingemann of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents: Paten Costs.

(a) Prosecution and Maintenance. On and after the Effective Dave, ZelleRx shall be solely responsible for the preparation, filing, prosecution and maintenance of the Licensed Patents and Improvements made by Klingemann while at BC Cancer Agency. ZelleRx shall cause its patent counsel to provide Klingemann with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to Klingemann at least sixty (60) days prior to the expiration of the corresponding Paris Convention priority date to allow Klingemann to suggest that additional countries be added to the list or that one or more countries be deleted from the list.

ZelleRx agrees to file applications in the additional countries requested by Klingemann unless it otherwise notifies Klingemann under Paragraph 4.B. Klingemann agrees to cooperate, and agrees to use his best efforts to require his Affiliates to cooperate, with ZelleRx in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be necessary for the same and by promptly executing such documents as ZelleRx may reasonably request in connection therewith. Klingemann and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with ZelleRx under this Paragraph. ZelleRx will provide Klingemann drafts of all documents received or prepared by ZelleRx, and with copies of all documents received by ZelleRx, in the prosecution and maintenance of the Licensed Patents. ZelleRx shall provide drafts and copies in a timely manner to allow Klingemann an opportunity to comment and request changes in ZelleRx's documents. ZelleRx agrees to consider including all reasonable comments of Klingemann.

(b) Klingemann's Rights to Prosecute and Maintain Patents. ZelleRx shall notify Klingemann in writing of any country(ies) where it either previously declared its intention to file under Paragraph 4.A. and subsequently decided not to file in such country(ies) or previously filed and decided to abandon the patent application or issued patent. Such notice shall be given so as to allow Klingemann a reasonable time within which to file, or continue prosecution, or otherwise avoid abandonment of the application or patent, whichever is relevant. In all cases where Klingemann elects to file, or continue prosecution, or otherwise avoid abandonment in countries where ZelleRx either does not now intend to file or is not going to continue the prosecution or otherwise avoid abandonment, Klingemann shall file, prosecute and maintain the applications and patents in Klingemann's name and at Klingemann's expense. Such patents shall not be included in the definition of Licensed Patents for all purposes of this Agreement.

Upon written request of either party, ZelleRx and its patent counsel shall meet with Klingemann regarding any material issues related to prosecution and maintenance of Licensed Patents, provided that neither party shall have any obligation to have more than one such meeting in any 30 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

(c) Prior Patent Costs. ZelleRx agrees to pay all necessary and reasonable third party fees and expenses incurred by Klingemann in obtaining and. maintaining the Licensed Patents and with regard to entering into this Agreement prior to the date of this Agreement if reasonably detailed documentation received from third party vendors to support the amount shall be delivered to ZelleRx, provided however, that such amount shall not exceed $50,000, provided, further that said payment shall be payable within one hundred eighty (180) days from the date such reasonably detailed documentation is delivered to ZelleRx.

5. Due Diligence and Milestones.

(a) Research and Development Expenditures. ZelleRx agrees to fund, directly, or indirectly with or through strategic alliances, joint ventures, and other entities, including without limitation application of matching funds or grants provided by governmental or quasi-governmental agencies or entities, research and development work directed to the demonstration and further development of the technology embodied in the Licensed Patents, including without limitation, work done in connection with the design and implementation of pre-clinical and clinical trials and the actual commencement and conducting thereof, in the following amounts, in the following periods:

(1) not less than $250,000.00 not later than December 31, 2003;

(2) not less than $700,000 (including the amounts referred to in Section 5.A.i)) not later than December 31, 2004;

(3) not less than $1,250,000 (including the amounts referred to in Sections 5.A.i) and 5.A.ii)) not later than December 31, 2005; and

(4) not less than $2,500,000 (including the amounts referred to in Sections 5.A.i), 5.A.ii), and 5.A.iii)) not later than December 31, 2006.

Notwithstanding the foregoing, the funding requirements of this Paragraph 5 shall terminate if at any time after the Effective Date, ZelleRx enters into Phase III trial(s) with respect to a Licensed Product.

(b) Progress Reports. Upon written request of Klingemann, ZelleRx shall meet with Klingemann regarding any material issues related to progress in the commercialization of Licensed Products, provided that ZelleRx shall not have any obligation to have more than one such meeting in any 180 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

6. Disclaimer of Warranties; Indemnification, Insurance.

(a) Disclaimer of Warranties. Except with respect to a material misrepresentation or fraud by Klingemann in this agreement, and except for Klingemann's specific representations in Paragraph 2.E, Klingemann makes no representations or warranties of any kind, express or implied, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by Klingemann to ZelleRx, its Sublicensees or Affiliates of either, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Patents.

(b) Indemnification. ZelleRx agrees, and agrees to require its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless Klingemann from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith by ZelleRx, its Sublicensees or Affiliates of either, or any use, by one or more of them, of information provided by Klingemann

to ZelleRx, its Sublicensees or Affiliates of either. ZelleRx agrees and agrees to require each of its Sublicensees and Affiliates of either to agree not to sue Klingemann in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith, by one or more of them. Klingemann shall be entitled to participate at his option and expense through counsel of his own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. ZelleRx shall not, and shall require in any sublicense that its Sublicensees and Affiliates of sublicensees shall not enter into any settlement affecting any rights or obligations of Klingemann or which includes an express or implied admission of liability, negligence or wrongdoing by Klingemann, without the prior written consent of Klingemann.

(c) Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by ZelleRx, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by Klingemann. Klingemann shall not, except for his intentional misconduct or gross negligence or use other than as permitted by the grants in Sections 2.A and 2.B hereof, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to ZelleRx, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though Klingemann may have been advised of the possibility of such injury, loss or damage. ZelleRx shall not, and shall require in its sublicenses that all Sublicensees and Affiliates of either not make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

(d) Insurance. ZelleRx agrees and agrees to require in any sublicense that its Sublicensees and Affiliates of either to obtain and maintain reasonable liability insurance for claims for bodily injury, property, or other damage alleged to relate to Licensed Products and to support ZelleRx's Indemnification obligations under Paragraph 6.B. ZelleRx, Sublicensees, and Affiliates shall list Klingemann, at ZelleRx's, its Sublicensees' or Affiliates' of either of them, expense, whichever is relevant, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that ZelleRx, its Sublicensees and Affiliates of either have or shall obtain, that includes any coverage of claims relating to Licensed Products. This liability insurance shall be obtained prior to the first commercial use or the beginning of ZelleRx-authorized human clinical trials of the Licensed Products after the effective date of this Agreement, whichever is first, and shall provide initial coverage to Klingemann of at least $2,500,000 coverage. At the end of each two (2) year period from the effective date of this Agreement, the ZelleRx Board of Directors will determine the appropriate level and nature of the liability insurance, provided that the insurance coverage may not be reduced below $2,500,000. Such insurance shall be primary and noncontributory to any insurance Klingemann and its Affiliates may have. At Klingemann's request, ZelleRx will supply Klingemann from time to time with copies of each such policy, and will notify Klingemann in writing at least 30 days prior to any termination of or change in coverage under any such policies.

7. Confidentiality.

(a) Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products and Improvements shall be considered as confidential ("Confidential Information") and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of five (5) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, ZelleRx may disclose Confidential Information belonging to Klingemann to potential Sublicensees and for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Confidential Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, d) is on advice of counsel, required by law to be disclosed to a governmental agency, or e) the disclosure of such information that is reasonably considered necessary for the commercial exploitation of the license granted herein. Notwithstanding the forgoing, ZelleRx may disclose Confidential Information to its Affiliates and Sublicensees, provided such Affiliates and Sublicensees agree to be bound by the same confidentiality provisions as set forth herein.

(b) Publications. Klingemann shall provide to ZelleRx copies of any proposed written publication by Klingemann containing any Confidential Information of ZelleRx and, to the extent Klingemann is aware of them, proposed publications containing any Confidential Information of ZelleRx by persons working with or for Klingemann. ZelleRx agrees to provide copies of any proposed written publication of ZelleRx, its Sublicensees and Affiliates of either of them, containing any Confidential Information of Klingemann, to Klingemann. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication or the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a Licensed Patent or an action filed by a third party asserting infringement by a Licensed Product the following shall apply;

(a) Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any Licensed Patent or the filing of an action by a third party asserting infringement by a Licensed Product. Upon notice of any such infringement or the filing of such action by a third party, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

(b) ZelleRx's Right to Bring Infringement Action.

(i) If a third party infringes any patent included in the Licensed Patents within the Field, ZelleRx shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx agrees to notify Klingemann of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow Klingemann the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Klingemann. ZelleRx shall keep Klingemann timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding against infringes which ZelleRx initiates. Klingemann shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Klingemann for his reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Klingemann may be represented by counsel in any such legal proceedings, at Klingemann's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(ii) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8. B. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Klingemann's rights to the Licensed Patents or to grant any infringer any rights to the Licensed Patents without Klingemann's written consent.

(iii) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by ZelleRx shall belong to ZelleRx. If the amounts recovered by ZelleRx exceed ZelleRx's reasonable third party out-of-pocket fees and expenses, ZelleRx shall reimburse Klingemann for Klingemann's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be subject to Royalty payments in accordance with Paragraph 3.

(c) Klingemann's Right to Bring Infringement Action.

(i) If a third party infringes any patent included in the Licensed Patents within the Field which Klingemann wishes to prosecute, Klingemann shall first notify ZelleRx in writing and request that ZelleRx bring an action or proceeding against the infringing third party. If ZelleRx declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice, Klingemann shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as Klingemann may reasonably request. If the amounts recovered by Klingemann exceed his reasonable third party out-of-pocket fees and expenses, Klingemann agrees to pay ZelleRx for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, Klingemann shall share with ZelleRx 50% of all amounts recovered of every kind and nature. Amounts recovered by Klingemann shall not give rise to Royalty payments under Paragraph 3.

(ii) Before abandonment with prejudice of any proceeding under Paragraph 8.C.(1), Klingemann shall consult with ZelleRx and, at ZelleRx's election and expense, shall allow ZelleRx to prosecute the action.

(d) ZelleRx's Obligation to Defend Against Third Party Infringement Action.

(i) If a third party brings an infringement action against Klingemann or ZelleRx, individually or jointly, asserting that the Licensed Products infringe one or more of the third party's patents, ZelleRx agrees to notify Klingemann of its intention to defend against such action and in sufficient time to allow Klingemann the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Klingemann. ZelleRx shall keep Klingemann timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding. Klingemann shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Klingemann for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Klingemann may be represented by counsel in any such legal proceedings, at Klingemann's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(ii) The defense or settlement of any action or proceeding under Paragraph 8. D. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Klingemann's rights to the Licensed Patents without Klingemann's written consent.

9. Termination.

(a) Term. Unless terminated earlier, this Agreement shall expire on the expiration date of the last to expire of the Licensed Patents unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof.

(b) Klingemann's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, Klingemann shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(i) If ZelleRx fails to make any Royalty or other payment when due, this Agreement shall terminate effective sixty (60) days after Klingemann's written notice to ZelleRx to such effect, unless ZelleRx makes such payment within the sixty (60) days.

(ii) If ZelleRx fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective sixty (60) days after Klingemann's written notice to ZelleRx describing such failure, unless ZelleRx cures such failure within the sixty (60) days, or is diligently working to cure any such obligation that is not curable within sixty (60) days, as can be reasonably confirmed by an objective third party.

(iii) If ZelleRx shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if ZelleRx makes an assignment of all or substantially all of its assets for the benefit of its creditors Klingemann may terminate this Agreement by written notice effective as of the (i) date of filing by ZelleRx of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable.

(iv) If ZelleRx shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9. B. (3). above or upon completion of a merger or sale or transfer of assets or otherwise, with or to a successor, where the successor assumes the duties and obligations under this Agreement, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of ZelleRx with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of ZelleRx.

(c) ZelleRx's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, ZelleRx may terminate this Agreement at any time by giving Klingemann ninety (90) days prior written notice.

(d) Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as ZelleRx's obligation to pay Royalties and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the record keeping required by Paragraphs 3. F. and J.

10. Miscellaneous.

(a) Marking. ZelleRx shall and agrees to require its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

(b) Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither ZelleRx nor Klingemann shall, without having first fully complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

(c) Entire Agreement, Amendment, Waiver. With the exception of TERM SHEET ZELLERX CORPORATION signed by Klingemann and Gary N. Keller on October 2, 2002, as amended effective as of the date of this Agreement, this Agreement together with the Schedules attached hereto constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof. The above mentioned TERM SHEET, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the term of the present Agreement will prevail.

It is the intend of the parties to negotiate and enter into a consulting agreement whereby Klingemann provides consulting services to ZelleRx and an agreement for Klingemann's appointment to Chairman of the Scientific Advisory Board.

(d) Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to Klingemann: Hans G. Klingemann

If to ZelleRx: ZelleRx Corporation
600 S. Hoyne
Chicago, Illinois 60612
Attn: President

(e) Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder. Except as provided in the preceding sentence, and except for sublicensing permitted as to ZelleRx hereunder, neither Party may assign or delegate any right or obligation hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. Subject to the agreement of ZelleRx to continue paying royalties to Klingemann in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents and also subject to the agreement of ZelleRx to pay royalties to BC Cancer Agency in accordance with the terms and conditions of the BC Agreement, Klingemann shall, upon commencement by ZelleRx of a Phase III trial of a Licensed Product in the United States, assign all of his right, title and interest in and to the Licensed Patents to ZelleRx and shall promptly execute and any and all applications, assignments, and other instruments that ZelleRx shall deem necessary to complete such assignment, provided that Klingemann shall retain the right to make and use the Licensed Product and Technical Information for research purposes only.

(f) Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state.

(g) Klingemann's Employer. This Agreement is entered into by Klingemann in his own private capacity and not on behalf of his past or current Employer, nor as a contractor or agent of his past or current Employer. It is understood and agreed that neither Klingemann's past or current Employer is a party to this Agreement and they are not liable for nor assume any responsibility or obligation under this Agreement, and are not liable for any action or lack thereof by Klingemann.

(h) Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party's sole discretion. ZelleRx agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using the name of Klingemann's past or current Employer in any commercial activity, marketing, advertising or sales brochures.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

Klingemann	ZelleRx Corporation
/s/ Hans G. Klingemann	By: /s/ Gary Keller
Hans G. Klingemann	Its: President

SCHEDULE A

[***]

FIRST AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and ZELLERX CORPORATION

This FIRST AMENDMENT TO THE LICENSE AGREEMENT (the ("**First Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and ZELLERX CORPORATION, an Illinois corporation ("**ZelleRx**") is entered into as of March 19, 2008 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and ZelleRx entered into a License Agreement effective February, 2003 (the "**License Agreement**"); and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

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

AGREEMENT

1.1 Section 5.A (Due Diligence and Milestones; Research and Development Expenditures) is hereby amended by deleting clauses i) through iv) in their entirety and replacing them with the following:

i) not less than $250,000 not later than December 31, 2008.

ii) not less than $750,000 (including the amounts referred to in Section 5.A.i)) not later than December 31, 2009.

iii) not less than $1,250,000 (including the amounts referred to in Section 5.A.i) and 5.A.ii)) not later than December 31, 2010, and

iv) not less than $2,500,000 (including the amounts referred to in Section 5.A.i), 5.A.ii) and 5.A.iii)) not later than December 31, 2011.

1.2 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement shall remain in full force and effect as amended hereby.

(b) Counterparts. This First Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx have executed this First Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/Authorized Representative

Title:

SECOND AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and ZELLERX CORPORATION

This SECOND AMENDMENT TO THE LICENSE AGREEMENT (the ("**Second Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and ZELLERX CORPORATION, an Illinois corporation ("**ZelleRx**") is entered into as of June 3, 2009 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and ZelleRx entered into a License Agreement effective February, 2003 (the "**License Agreement**") and a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"); and

WHEREAS Klingemann and ZelleRx desire to amend the License Agreement to provide Klingemann additional security interest in ZelleRx in exchange for assignment of all rights, title and interest to the Licensed Patents and Technical Information;

WHEREAS Klingemann and ZelleRx desire to keep the balance of the License Agreement intact; WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

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

AGREEMENT

1.1 Section 3.A shall be amended and restated in in its entirety as follows: "Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the "BC Royalty") pursuant to that certain agreement between Klingemann, as inventor, and BC Cancer Agency dated May 22, 1997 (the "BC Agreement"). As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Klingemann, or his designee, a Royalty of 3% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of 1% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Klingemann 50% of any royalties received by ZelleRx or its affiliates from sublicenses for Net Sales of Licensed Products by said Sublicensees."

1.2 Section 3.C shall be amended and restated in its entirety as follows: “(1) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed fifty percent (50%), such credits being limited to royalties accruing upon the affected Licensed Products. (2) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties (other than BC Cancer Agency) and the total royalties, including those payable to Klingemann hereunder, exceed five percent (5%) of Net Sales, the amount due and payable to Klingemann and the unaffiliated third parties (other than BC Cancer Agency) hereunder may be reduced proportionately such that total royalties equal five percent (5%) of Net Sales, but in no event shall the royalty payable to Klingemann with respect to such Licensed Products be less than one percent (1.0%) of Net Sales.”

1.3 New subsections (H), (I) and (J) shall be added to section 3 as follows:

3.H. Ownership Interest. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to ZelleRx, Klingemann shall be issued additional shares of common stock of ZelleRx at the purchase price of $0.301 per share in conjunction with the closing of the Series B round of financing so as to ensure that Klingemann retains no less than 7% of the total outstanding shares of ZelleRx on a fully diluted basis.

3.I. Warrant Milestone Payments. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to ZelleRx, Klingemann shall be issued warrants to purchase up to 1,000,000 additional shares of common stock of ZelleRx, at a purchase price of $0.301 per share with a 10 year exercise term upon ZelleRx reaching the following milestones and in the following amounts:

i. A 129 patent is granted to ZelleRx in the US.....Warrants to purchase 300,000 shares of common stock of ZelleRx

ii. ZelleRx completes one phase II trial with NK-92WT.....Warrants to purchase 150,000 shares of common stock of ZelleRx

iii. ZelleRx completes one trial using electroporation technology for mRNA modification of NK-92.....Warrants to purchase 150,000 shares of common stock of ZelleRx

iv. ZelleRx completes one trial using lentiviral transfection for cDNA modification of NK-9.....Warrants to purchase 150,000 shares of common stock of ZelleRx

v. ZelleRx is issued its first BLA in the US.....Warrants to purchase 250,000 shares of common stock of ZelleRx.

Upon the consummation of the sale or disposition by ZelleRx of all or substantially all of ZelleRx’s assets, all remaining unissued milestone payments for milestones that can still be achieved, shall be issued to Klingemann on the day immediately prior to closing such transaction.

Klingemann shall, at the time of each issuance of warrants to purchase shares of common stock, be in a business value adding service to ZelleRx to maintain eligibility to receive Warrant Milestone Payments. This service shall include, but not be limited to, Director, Officer, Scientific Advisory Board member, employee and consultant of ZelleRx, and shall be under a formalized agreement between Klingemann and ZelleRx. Remuneration for such service shall be specified in a

separate agreement and be incremental to any remuneration specified in this Second Amendment to License Agreement. Klingemann may serve in more than one capacity at any given time. Klingemann and ZelleRx shall mutually agree on the type of service(s) to be provided by Klingemann to ZelleRx, and in the event of disagreement, Consultant shall be the default service. Moreover, if ZelleRx causes Klingemann to become ineligible through termination or any other action, Klingemann shall retain his eligibility to receive all Warrant Milestone Payments.

After the closing of the transactions described in the Bridge Loan Agreement, ZelleRx and Klingemann shall execute a commercially reasonable definitive Warrant Agreement.

3.J. Restrictions on Stock and Warrants. In addition to all securities held by Klingemann as of the Effective Date, all securities to be issued in connection with this Second Amendment shall be subject to the Shareholder Lock Up Agreement attached hereto as Exhibit A. In the event that a conflict arises between the Shareholder Agreement and the Shareholder Lock Up Agreement, the Shareholder Lock Up Agreement shall prevail.

1.4 Section 10.C. shall be revised to state: "The above mentioned TERM SHEET, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the terms of the present Agreement will prevail. **For clarity purposes, milestones 1, 2 and 3 listed in Addendum A of the TERM SHEET signed and dated October 2, 2002, shall be superceeded and replaced by the Research and Development Expenditure milestones i, ii, iii, and iv listed in section 1.1 of the First Amendment to License Agreement between Hans G. Klingemann and ZelleRx Corporation, dated March 19, 2008 and it is acknowledged that, as of the Effective Date, these milestones are hereby fully satisfied by ZelleRx."**

1.5 Section 10.E. shall be revised to state: "Subject to the agreement of ZelleRx to continue paying royalties to Klingemann in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents and also subject to the agreement of ZelleRx to pay royalties to BC Cancer Agency in accordance with the terms and conditions of the BC Agreement, Klingemann shall, **upon execution of this Agreement, sell and** assign all of his right, title and interest in and to the Licensed Patents **and Technical Information** to ZelleRx and shall promptly execute any and all applications, assignments and other instruments that ZelleRx shall deem necessary to complete such **sale and** assignment, provided that Klingemann shall retain the right to make and use the Licensed Product and Technical Information for research purposes only. To eliminate any doubt, Technical Information includes the NK-92, NK-92MI and NK-92CI cell lines and "sell and assign all of his right title and interest" shall constitute a transfer of ownership of the patents and patent applications attached hereto as Exhibit B. Furthermore, Klingemann hereby warrants to ZelleRx that the Licensed Patents and Technical Information is free and clear for such transfer of ownership to ZelleRx and is unencumnered by any third party contractual agreements or commitments other than that with ZelleRx**..**

If a closing does not occur under the Bridge Loan Agreement within 75 days from the Effective Date, ZelleRx shall sell and assign all of the right, title and interest in and to the Licensed Patents and Technical Information back to Klingemann and ZelleRx shall promptly execute any and all applications, assignments and other instruments that Klingemann shall deem necessary to complete such sale and assignment at ZelleRx's expense and ZelleRx and Klingemann hereby agree that all transactions described herein shall be reversed and terminated."

1.6 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Second Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx have executed this Seocnd Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/ Authorized Representative

Title:

EXHIBIT A

SHAREHOLDER LOCK UP AGREEMENT

ANNEX X

TO

BRIDGE LOAN AGREEMENT

SHAREHOLDER LOCK UP AGREEMENT

This document is to be executed by
each of the following persons (each, a "Lock Up Shareholder"):

Each current shareholder of the Company immediately prior to the closing of the transactions contemplated by this Agreement (other than a shareholder contemplated by the Special Closing Conditions, unless such shareholder is a Converting Creditor or a Convertible Securityholder)

Each Converting Creditor
Each Convertible Securityholder

_____, 2009

ZelleRx Corporation
15502 Churchill Downs
P.O. Box 3861
Rancho Sante Fe, CA 92607
Attn: Dr. Barry Simon

Re: Restrictions on Share Transfers

Dear Sir:

Reference is made to the Bridge Loan Agreement (the "Agreement"), dated as of March 31, 2009, between ZelleRx Corporation (the "Company") and each of the Buyers named therein. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

The undersigned is a Lock Up Shareholder (as that term is defined below) of the Company. In such capacity the undersigned Lock Up Shareholder has had access to the terms of the Agreement and the other Transaction Agreements, between the Company and the Buyers.

The term “Lock Up Shareholder” is a person who, or entity which, meets any one or more of the following criteria: (A) a current shareholder of the Company immediately prior to the closing of the transactions contemplated by this Agreement (other than a shareholder contemplated by the Special Closing Conditions, unless such shareholder is a Converting Creditor or a Convertible Securityholder), (B) a Converting Creditor, or (C) a Convertible Securityholder.

As an inducement to each Buyer’s execution, delivery and performance of the Agreement, the undersigned Lock Up Shareholder hereby agrees as follows:

1. Without the prior written consent of a Majority in Interest of the Holders in each instance (which consent may be withheld for any reason or for no reason whatsoever), the undersigned Lock Up Shareholder, individually or collectively with and any of its Transferees (as defined below, will not sell, exchange or otherwise transfer, or offer to sell, exchange or otherwise transfer, any shares of Common Stock (or any security or right convertible into or exercisable for Common Stock of the Company; collectively, “Company Securities”) directly or indirectly held by such Lock Up Shareholder or Transferee during the Lock Up Period. The “Lock Up Period” is the period commencing on the Closing Date and continuing through and including the date which is the second anniversary of the Reverse Merger Date.

2. Notwithstanding the provisions of Section 1 hereof, the undersigned may transfer Company Securities to any one or more of the following relatives (each, a “Transferee”): (i) a spouse; (ii) a child or grandchild; (iii) a parent or (iv) a grandparent; provided, however, that in each such case, the Transferee agrees in writing (which shall be provided to the Company and by the Company to each Buyer) to be bound by all of the terms hereof as if such Transferee were an original signatory hereto (and the provisions of this agreement shall then apply to the undersigned, such Transferee and any other of the undersigned’s Transferees jointly).

3. Notwithstanding the provisions of Section 1 hereof, the undersigned (or a Transferee, if any) may (i) sell, exchange or otherwise transfer Company Securities as part of the Reverse Merger; provided, however, that any securities obtained by the undersigned (or such Transferee) in connection with the Reverse Merger shall be deemed to be Company Securities which are subject to the terms of this Agreement, (ii) if after the Reverse Merger Date, there is a transaction in which a third party is acquiring in one or more related transactions at least a majority of the shares of the survivor entity of the Reverse Merger, the undersigned (or a Transferee, if any) may participate in such transaction (pro rata) on the same terms as other shareholders of such survivor entity, and (iii) sell, exchange or transfer Open Market Purchased Shares (as defined below). “Open Market Purchased Shares” means shares of Common Stock acquired by the Lock Up Shareholder in open market transactions effected after the Reverse Merger Date, if, and to the extent that, upon the subsequent sale, exchange or other transfer of such shares, no party shall be required to make, or shall voluntarily make, a filing under the Securities Exchange Act of 1934, as amended, with regard to such sale, exchange or transfer.

4. The Company may undertake such measures as it deems reasonable to enforce the provisions of this Agreement and monitor compliance with its terms. The undersigned Lock Up Shareholder will cooperate with the Company in connection therewith, including, but not limited to, providing prompt responses to Company inquiries relating to such compliance.

5. The undersigned understands that this agreement is being provided to the Company for the benefit of, and may be enforceable against the undersigned by, each of the Company and each Buyer. Each Buyer is a third party beneficiary of this agreement.

6. In addition to any other damages or remedies that may be appropriate, this agreement of the Lock Up Shareholder shall be enforceable by injunction sought by the Company and the Buyers or any one or more of them.

7. (a) This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. The undersigned Lock Up Shareholder consents to the exclusive jurisdiction of the federal courts whose districts encompass any part of the County of New York or the state courts of the State of New York sitting in the County of New York in connection with any dispute arising under this Agreement or any of the other Transaction Agreements and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on *forum non conveniens*, to the bringing of any such proceeding in such jurisdictions or to any claim that such venue of the suit, action or proceeding is improper. Nothing in this Section shall affect or limit any right to serve process in any other manner permitted by law.

(b) **JURY TRIAL WAIVER**. The undersigned Lock Up Shareholder hereby waives a trial by jury in any action, proceeding or counterclaim brought by against the undersigned in respect of any matter arising out or in connection with this Agreements.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

(e) If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement in any other jurisdiction.

[Balance of page intentionally left blank]

(f) A facsimile or other electronic transmission of this signed Agreement shall be legal and binding on all parties hereto.

_____
[Print Name of Lock Up Shareholder]

By: _____
[Signature]

_____

EXHIBIT B

PATENTS AND PATENT APPLICATIONS

PATENTS

[***]

PATENT APPLICATIONS

[***]

AMENDMENT NO. 1,
dated as of September 4, 2009 (the "Amendment Effective Date"),
to
SECOND AMENDMENT TO LICENSE AGREEMENT

Reference is made to that certain Second Amendment to License Agreement, dated as of June 3, 2009 (the "Second Amendment"), between Hans G. Klingemann ("Klingemann") and ZelleRx Corporation ("ZelleRx").

Each of Klingemann and ZelleRx hereby agrees that the phrase "within 75 days of the Effective Date" in the first sentence of the second paragraph of Section 1.5 of the Second Amendment is hereby amended to read "within 120 days of the Effective Date." Klingemann hereby waives any rights he may have had under said second paragraph of said Section 1.5 at any time prior to or on the Amendment Effective Date.

Except as and to the extent specifically amended hereby, all other terms of the Second Amendment, including, but not limited to, the provisions of Section 1.6 thereof, remain in full force and effect.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx has executed this Amendment No. 1 to Second Amendment to License Agreement as of the Amendment Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/ Authorized Representative

Title:

THIRD AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This THIRD AMENDMENT TO THE LICENSE AGREEMENT (the ("**Third Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Illinois corporation ("**Conkwest**") is entered into as of May 17, 2010 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**License Agreement**"), a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement effective June 3, 2009 (the "**Second Amendment to License Agreement**") and an Amendment No. 1 to Second Amendment to License Agreement effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to amend the License Agreement to provide Klingemann with an additional consideration for the assignment of Licensed Patents and Technical Information and services to Conkwest in the form of a one time cash payment of $75,000, and ;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered;

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

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

AGREEMENT

1.1 New subsection (K) shall be added to section 3 as follows:

3.K. Cash Payment. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Klingemann shall receive a one time payment of Seventy-Five Thousand Dollars ($75,000.00), provided that such payment shall be subject to option iii of that certain Election by Current Creditors signed on June 3, 2009.

1.2 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Third Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this Third Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

FOURTH AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This Fourth Amendment to the License Agreement (the "**Fourth Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Illinois corporation ("**Conkwest**"), is entered into as of February 1, 2013 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**Original License Agreement**"), as amended by a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement effective June 3, 2009 (the "**Second Amendment to License Agreement**"), an Amendment No. 1 to Second Amendment to License Agreement effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"), and a Third Amendment to License Agreement effective May 17, 2010 (the "**Third Amendment to License Agreement**", and collectively with the Original License Agreement, the First Amendment to License Agreement, the Second Amendment to License Agreement, Amendment No. 1 to Second Amendment to License Agreement, and the Third Amendment to License Agreement, the "**License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to clarify and amend the License Agreement with respect to the consideration payable to Klingemann in respect of the assignment of Licensed Patents and Technical Information;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered; and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

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

AGREEMENT

1.1 Amendment to Section 3(H). Section 3(H) of the License Agreement is hereby amended by replacing the existing Section (as set forth in the Second Amendment to License Agreement) with the following:

"H. Ownership Interest. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Klingemann shall be issued additional shares of common stock of Conkwest in conjunction with the closing of the next equity financing (which includes the issuance of capital stock of Conkwest or any of its parent companies, including the issuance of securities which are convertible into equity securities) resulting in Conkwest or its affiliated entities raising gross proceeds of at least $1,000,000 (a "**Qualified Financing**"). For the sake of clarity, a Qualified Financing shall not include the current round of debt financing (the "**Bridge Loan Agreement**") of up to $1,000,000, pursuant to which Conkwest is issuing convertible notes and warrants to bridge lenders, which such transaction is anticipated to close on or about June 30, 2012 (but may be earlier or later), as contemplated by that certain Term Sheet between Conkwest and [***], dated January 17, 2012. The number of additional shares of common stock of Conkwest to be issued to Klingemann in the event of a Qualified Financing shall be a number sufficient to ensure that the existing shares of common stock of Conkwest issued and outstanding and held by Klingemann as of the Effective Date, plus the newly offered shares pursuant to this Section 3(h), shall represent no less less than 7% of the total outstanding shares of Conkwest on a fully diluted, as if converted to common stock basis immediately following the close of a Qualified Financing. Notwithstanding the foregoing, in the event that the terms and closing conditions of the Qualified Financing do not permit such anti-dilution rights in favor of Klingemann, the calculation for the 7% anti-dilution right set forth above shall be calculated in the same fashion as the anti-dilution rights set forth in the 20% Corporate Advisory Warrant that was issued to designees of [***] as CAW-09-01 and CAW-09-02 (and any subsequent conforming amendments thereto intended to satisfy any conditions pertaining to, and in connection with, the Qualified Financing), and such restriction on the anti-dilution protections set forth herein shall be applied such that Klingemann and Palladium are treated equally on a pro rata basis based on their respective equity ownership with respect to anti-dilution protection in the event of a Qualified Financing, with the intent so as to satisfy any conditions pertaining to and in connection with the Qualified Financing."

1.2 Amendment to Section 3(I). Section 3(I) of the License Agreement is hereby amended by replacing the existing Section (as set forth in the Second Amendment to License Agreement) with the following:

"I. Warrant Milestone Payments. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Conkwest shall execute and deliver to Klingemann the Stock Purchase Warrant, dated as of the date hereof and attached hereto as Exhibit A (the "**Warrant**"), concurrent with the execution and delivery of this Fourth Amendment.

Klingemann shall be actively and formally engaged with Conkwest in providing value adding services at the time of a milestone set forth in Section 1 of the Warrant being achieved in order to have the right to purchase the applicable number of shares of Conkwest stock associated with the achievement of such milestone, as set forth in

the Warrant. This service shall include, but not be limited to, Director, Officer, Scientific Advisory Board member, employee and consultant of Conkwest. Remuneration for such service shall be specified in a separate agreement and be incremental to any remuneration specified in this Agreement. Klingemann may serve in more than one capacity at any given time. Klingemann and Conkwest shall mutually agree on the type of service(s) to be provided by Klingemann to Conkwest, and in the event of disagreement, "Consultant" shall be the default service. Notwithstanding the foregoing, if Conkwest causes Klingemann to become ineligible through termination or any other action, Klingemann will automatically have the right to purchase the applicable number of shares of Conkwest stock associated with the achievement of the applicable milestones set forth in Section 1 of the Warrant in accordance with the terms of the Warrant without regard to the termination of his service, provided, and to the extent that the Company achieves the milestones enumerated in Section 1 of the Warrant. For the avoidance of doubt, Klingemann need not exercise his right to purchase shares pursuant to the Warrant at the time of a milestone in Section 1 of the Warrant being achieved, and such right shall continue up until the expiration of the Warrant, provided that Klingemann satisfied the conditions set forth in this 3(I) at the time the milestone in Section 1 of the Warrant was achieved.

1.3 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Fourth Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

[signature pages follow]

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this FOURTH AMENDMENT TO LICENSE AGREEMENT as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

Exhibit A

See attached Stock Purchase Warrant

FIFTH AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This Fifth Amendment to the License Agreement (the "**Fifth Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Deleware corporation ("**Conkwest**"), is entered into as of March 19, 2014 (the "**Effective Date**"). The term Conkwest shall apply to Conkwest, Inc., a Delaware corporation ("**Conkwest Delaware**") which shall be the successor company to the Illinois corporation as well as the Illinois corporation. Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement (as defined below).

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**Original License Agreement**"), as amended by a First Amendment to License Agreement, effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement, effective June 3, 2009 (the "**Second Amendment to License Agreement**"), an Amendment No. 1 to Second Amendment to License Agreement, effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"), a Third Amendment to License Agreement, effective May 17, 2010 (the "**Third Amendment to License Agreement**"), and a Fourth Amendment to License Agreement ,effective February 1, 2013 (the "**Fourth Amendment to License Agreement**", and collectively with the Original License Agreement, the First Amendment to License Agreement, the Second Amendment to License Agreement, Amendment No. 1 to Second Amendment to License Agreement, and the Third and Fourth Amendment to License Agreement, the "**License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to clarify and amend the License Agreement with respect to the consideration payable to Klingemann in respect of the assignment of Licensed Patents and Technical Information;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered; and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

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

AGREEMENT

1.1 All references to "Zellerx Corporation" or "ZelleRx" in the License Agreement shall hereinafter refer to Conkwest, Inc. Any reference to in the below amendments to "Conkwest" shall refer to Conkwest, Inc. *f/k/a* ZelleRx.

1.2 Section 3(A). Section 3(A) of the License Agreement is hereby amended and restated as follows:

" A. Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, Conkwest, shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the "BC Royalty") pursuant to that certain agreement between Klingemann, as inventor, and BC Cancery Agency dated May 22, 1997 (the "BC Agreement"). As partial consideration for the license granted in Pagraph 2 of this Agreement, Conkwest shall pay Klingemann, or his designee, a Royalty of 1% of Net Sales of Licensed Products for therapeutic use by Conkwest and its Affiliates, and a Royalty of 1% of Net Sales of Licensed Products for diagnostic or other uses by Conkwest and its Affiliates. With respect to Sublicenses, Conkwest shall pay Klingemann 4% of any royalties received by Conkwest or its affiliates from sublicenses for Net Sales of Licensed Products by said Sublienseees."

B. Options. In consideration for the modification of the Royalty, promptly after the Effective Time , the Company shall issue Klingemann an option, which shall be qualified as an "incentive stock option" ("ISO") under the Internal Revenue Code, to purchase Four hundred thousand (400,000) shares of common stock in the Company (the "Common Stock") (on a post-split basis) at an exercise price equal to the fair market value of a share of Common Stock on the date of issuance. Such option shall be fully vested and exercisable upon issuance, and shall contain cashless exercise or net exercise provisions. Such option shall have a term of 10 years. It is understood and agreed that the option provided above is in addition to shares of Common Stock purchased by Executive pursuant to the Restricted Stock Purchase Agreement between the Executive and the Company dated December 30, 2013.

C. Warrant. Simultaneous with the issue of the option in Section 1.2(B) herein, Klingemann shall surrender warrant # W-024-09 to purchase 1,000,000 pre-split shares of common stock and warrant # W-021-08 to purchase 264,718 pre-split shares of common stock.

1.3 Sections 3(H) and 3(I) of the License Agreement are hereby deleted in their entirety.

1.4 This Fifth Amendment shall only be effective upon the Company consummating an equity financing resulting in gross proceeds of at least $3,000,000 (the "Effective Time").

1.5 All securities to be issued in connection with this 5th Amendment shall be subject to the Shareholder Lock Up Agreement attached hereto as Exhibit A. In the event that a conflict arises between the Shareholder Agreement and the Shareholder Lock Up Agreement, the Shareholder Lock Up Agreement shall prevail.

Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Fifth Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

(c) Governing Law. This Fifth Amendment shall be governed in accordance with the Section 10(F) of the License Agreement.

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this FIFTH AMENDMENT TO LICENSE AGREEMENT as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made this 19th day of June, 2015, between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company ("**Landlord**"), and **CONKWEST, INC.**, a Delaware corporation ("**Tenant**").

Building: 3530 John Hopkins Court, San Diego, California

Premises: The Building, containing approximately 44,681 rentable square feet as shown on **Exhibit A** and the loading dock appurtenant to the Building.

Project: The real property on which the Building in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B**.

Base Rent: $4.00 per rentable square foot of the Premises per month, subject to adjustment pursuant to Section 4.

Rentable Area of Premises: 44,681 sq. ft.

Rentable Area of Project: 216,323 sq. ft.

Tenant's Share of Operating Expenses of Building: 100%

Tenant's Share of Operating Expenses for the Project: 20.65%

Tenant's Share of Amenities Operating Expenses: 20.65%

Tenant's Share of Operating Expenses for the Common Building Systems: 42.87%

Security Deposit: $178,724.00

Rent Adjustment Percentage: 3%

Base Term: Beginning on the Commencement Date and ending on July 31, 2023.

Permitted Use: Research and development laboratory, related office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

Address for Rent Payment:
P.O. Box 79840
Baltimore, MD 21279-0840

Landlord's Notice Address:
385 E. Colorado Boulevard, Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary

Tenant's Notice Address:
3530 John Hopkins Court
San Diego, California 92121
Attention: Lease Administrator

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

[X] **EXHIBIT A** - PREMISES DESCRIPTION
[X] **EXHIBIT B** - DESCRIPTION OF PROJECT
[X] **EXHIBIT C** - WORK LETTER
[X] **EXHIBIT D** - COMMENCEMENT DATE
[X] **EXHIBIT E** - RULES AND REGULATIONS
[X] **EXHIBIT F** - TENANT'S PERSONAL PROPERTY

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas**," which Common Areas include certain common amenities including, without limitation, a restaurant/bistro, fitness center, outdoor kitchen/barbecue area and shared conference facilities (collectively, the "**Common Amenities**"). Landlord reserves the right to modify Common Areas provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use and provided that such modifications do not materially increase the obligations or materially decrease the rights of Tenant under this Lease. Notwithstanding the foregoing, Landlord shall have the right at any time and from time to time to reconfigure, relocate, modify or remove any of the Common Amenities. From and after the Commencement Date, Tenant shall have access to the Building and the Premises 24 hours a day, 7 days a week, 365 days per year, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease.

As between the Building and that certain building at the Project known as 3550 John Hopkins Court, San Diego, California (the "**3550 Building**;" the Building and the 3550 Building may be referred to collectively herein as the "**JHC Buildings**"), (i) the mechanical yard in which the chillers and related chiller equipment serving the air-conditioning systems of both of the JHC Buildings are located (along with such chillers and equipment, the "**Common Service Yard Equipment**") shall be part of the Common Areas and the Common Area improvements, and the Common Service Yard Equipment together with the generator, the heating hot water related equipment in such mechanical yard and the chilled water related equipment in the mechanical yard serving the JHC Buildings are collectively referred to herein as the "**Common Building Systems**"), and (ii) the cost of maintenance, repairs and replacement of the Common Building Systems shall be treated as Operating Expenses among the JHC Buildings only (the "**Common Building Systems Operating Expenses**").

2. **Delivery; Acceptance of Premises; Commencement Date**. The "**Commencement Date**" shall be the earlier to occur of (i) August 1, 2016, or (ii) the day after the termination of the Novartis Lease (as defined below), if the Novartis Lease terminates prior to August 1, 2016. The "**Rent Commencement Date**" shall be the date that is 3 months after the Commencement Date. The time period commencing on the Commencement Date through the day immediately preceding the Rent Commencement Date may be referred to herein as the "**Abatement Period**." Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date and the Rent Commencement Date when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease.

Landlord and Tenant acknowledge and agree that, as of the date hereof, the Premises is currently subject to that certain Lease Agreement between Landlord and Novartis Institute for Functional Genomics, Inc., a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation") ("**Novartis**"), dated as of August 8, 2011 (as the same has been and may in the future may be amended, the "**Novartis Lease**"). Tenant agrees that, other than as specifically set forth in the Work Letter (and, for the avoidance of doubt, Landlord has no obligations under the Work Letter until the Conditions Precedent have been satisfied), Landlord has no obligations under this Lease prior to the Commencement Date. Prior to the Commencement Date, Tenant will lease the Premises pursuant to a Sublease Agreement between Novartis and Tenant (the "**Novartis Sublease**").

Landlord and Tenant agree that if the Novartis Lease terminates prior to August 1, 2016, then, notwithstanding anything to the contrary contained in this Lease, the Commencement Date shall be amended to be the day immediately after the date of such early termination of the Novartis Lease ("**Early Commencement Date**"); provided, however, that Tenant shall, commencing on the Early Commencement Date through July 31, 2016, be required to pay (a) monthly Base Rent in the amount set forth on Page 1 of this Lease, and (b) Tenant's Share of Operating Expenses pursuant to the terms of this

Lease. Notwithstanding the foregoing, if the early termination of the Novartis Lease was due to a casualty or condemnation, then such casualty or condemnation shall be deemed to have occurred during the Base Term of this Lease and the rights and obligations of Landlord and Tenant with respect to this Lease shall be governed by Section 18 and Section 19 of this Lease, as applicable. For the avoidance of doubt, the expiration date of this Lease shall remain July 31, 2023, following the Early Commencement Date.

Notwithstanding anything to the contrary contained in this Lease, Tenant and Landlord acknowledge and agree that the effectiveness of this Lease shall be subject to the following conditions precedent ("**Conditions Precedent**") having been satisfied: (i) Tenant and Novartis entering, on or before July 31, 2015, into the Novartis Sublease, (ii) the execution by Tenant, Novartis and Landlord, on or before July 31, 2015, of a consent to sublease reasonably acceptable to Landlord, (iii) Landlord and Novartis having entered, on or before July 31, 2015, into an amendment of the Novartis Lease, providing for the early termination of the Novartis Lease, which amendment shall be on terms and conditions acceptable to Landlord and Novartis, each in their sole and absolute discretion, and (iv) the tenant which currently leases that certain building at the Project commonly known as 3550 John Hopkins Court waiving, on or before June 29, 2015, any and all rights it has under its lease agreement to lease the Premises. In the event that any of the Conditions Precedent have not been satisfied, Landlord and Tenant shall have the right to terminate this Lease upon delivery of written notice to the other party, and if so terminated by either: (a) any prepaid Base Rent (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease) shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease. Upon satisfaction of the Conditions Precedent, Landlord shall promptly provide to Tenant written notice that the Conditions Precedent have been satisfied and Landlord and Tenant shall have no further right to terminate this Lease pursuant to this paragraph. Landlord and Tenant shall have no liability whatsoever to the other party relating to or arising from such party's inability or failure to cause the Conditions Precedent to be satisfied.

Except as set forth in the Work Letter: (i) Landlord shall have no obligation for any defects in the Premises; and (ii) Tenant's occupancy of the Premises pursuant to the terms of the Novartis Sublease shall be conclusive evidence that Tenant accepts the Premises and that the Premises are in good condition as of the Commencement Date.

Tenant agrees and acknowledges that, except as otherwise expressly set forth in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

3. **Rent**.

(a) **Base Rent**. Base Rent for the month in which the Rent Commencement Date occurs shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof after the Rent Commencement Date, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as expressly provided in this Lease.

(b) **Additional Rent**. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) commencing on the Commencement Date, Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**.

(a) **Annual Adjustments**. Base Rent shall be increased on each annual anniversary of the Commencement Date (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

(b) **Additional TI Allowance**. In addition to the Tenant Improvement Allowance (as defined in the Work Letter), Landlord shall, subject to the terms of the Work Letter, make available to Tenant the Additional Tenant Improvement Allowance (as defined in the Work Letter). Commencing on the Rent Commencement Date and continuing thereafter on the first day of each month during the Base Term, Tenant shall pay the amount necessary to fully amortize the portion of the Additional Tenant Improvement Allowance actually funded by Landlord, if any, in equal monthly payments with interest at a rate of 8% per annum over the Base Term, which interest shall begin to accrue on the date that Landlord first disburses such Additional Tenant Improvement Allowance or any portion(s) thereof (the "**TI Rent**"). Any of the Additional Tenant Improvement Allowance and applicable interest remaining unpaid as of the expiration of this Lease or the earlier termination of this Lease due to a Tenant Default shall be paid to Landlord in a lump sum at the expiration or earlier termination of this Lease. Tenant may prepay the TI Rent in full at any time without penalty.

5. **Operating Expense Payments**. Landlord shall endeavor to deliver to Tenant, at least 30 days prior to the beginning of each calendar year, a written estimate of Operating Expenses for each calendar year during the Term (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year, but not more than quarterly. Commencing on the Commencement Date and continuing thereafter on the first day of each month of the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to (i) the Building (including the Building's Share of all costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project which are not specific to the Building or any other building located in the Project) but which do not relate to the Common Amenities (the "**Project Operating Expenses**"), (ii) the Common Amenities (and which are not included by Landlord within Project Operating Expenses) including, without limitation, any subsidies which Landlord may provide in connection the Common Amenities (the "**Amenities Operating Expenses**") and (iii) specific to the Common Building Systems Operating Expenses. Landlord may, using its good faith reasonable discretion, reasonably allocate Operating Expenses between Project Operating Expenses and Amenities Operating Expenses. The Operating Expenses shall include, without duplication, Taxes (as defined in Section 9), capital repairs and improvements amortized over the useful life of such capital items (as reasonably determined by Landlord taking into account all relevant factors) ("**Approved Capital Expenses**"), and the costs of Landlord's third party property manager not to exceed 3% of Base Rent or, if there is no third party property manager, administration rent in the amount of 3% of Base Rent (or, prior to the Rent Commencement Date, 3% of the Base Rent that would have been payable each month during the Abatement Period if Tenant had been required to pay monthly Base Rent during the Abatement Period in the amount of the monthly Base Rent payable for the 4th month of the Base Term)), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project, including capital expenditures for the development of additional buildings at the Project, and other capital expenditures to the extent not Approved Capital Expenses;

(c) any costs incurred to remove, study, test, remediate or otherwise related to the presence of Hazardous Materials in or about the Building or the Project, which Hazardous Materials Tenant proves (i) existed prior to Tenant's occupancy of the Premises, or (ii) were not brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Project by Tenant or any Tenant Party (as defined in Section 13);

(d) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord or other debts of Landlord not otherwise includable as part of Operating Expenses pursuant to this Section 5, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured, and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project);

(e) depreciation of the Project and reserves (except for capital improvements amortized as provided for above, the cost of which are includable in Operating Expenses);

(f) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(g) legal and other expenses incurred in the negotiation or enforcement of leases;

(h) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(i) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(j) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project, provided that with respect to such officers and employees that are assigned to the Project in part only, the salaries, wages benefits and other compensation includable shall be reasonably proportionate to the amount of time actually devoted to the Project when compared to total amount of time worked;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(l) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(n) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(o) overhead and profit increment paid to Landlord or to its subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including janitorial services), items or other benefits of a type which are not standard for the Project and which are not provided to Tenant, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) costs incurred in the sale or refinancing of the Project;

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(t) costs arising from the gross negligence or willful misconduct of Landlord;

(u) costs, including permit, license and inspection costs, incurred with respect to the installation of other tenants' or occupants' improvements in the Project or incurred in renovating or otherwise improving or decorating, painting or redecorating vacant space (other than Common Areas) for occupancy by other tenants o occupants of the Project;

(v) costs of any "tap fees" or any sewer or water connection fees for the benefit of any particular tenant of the Project;

(w) costs reimbursed to Landlord under any warranty carried by Landlord for the Project;

(x) in-house legal fees;

(y) any cost and fees, dues, contributions or similar expenses for industry associations or organizations in which officers or employees of Landlord are members;

(z) any entertainment expenses of landlord for any purpose not related to the operation of the Project;

(aa) costs incurred by Landlord for the use of any portion of the Project to accommodate events (other than the annual tenant event to which all tenants of the Project are invited) including, but not limited to, shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the expenses otherwise attributable to providing Building Systems to the Common Areas of the Project in connection with the normal operation of the Project;

(bb) any flowers, gifts, balloons, etc. provided to any entity including, but not limited to, Tenant, other tenants, employees, vendors, contractors, prospective tenants and agents;

(cc) costs incurred in connection with the operation of any parking concession within the Project

(dd) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project; and

(ee) costs of repairs or other work necessitated by fire, windstorm or other casualty and/or costs of repair or other work necessitated by the exercise of the right of eminent domain; provided such costs of repairs or other work shall be paid by the parties in accordance with the provisions of Sections 18 or 19 below.

Notwithstanding anything to the contrary contained in this Lease, Tenant shall be responsible as part of Operating Expenses for (i) any earthquake deductible applicable to the Project (including, without limitation, the Tenant Improvements) or uninsured earthquake damage payable by Landlord but not to exceed 5% of the full replacement cost of the Project (including, without limitation, the Tenant Improvements), (ii) any earthquake deductible applicable to Landlord's contents and equipment at the Project but not to exceed 5% of the amount of such contents and equipment coverage, and (iii) any earthquake deductible applicable to Landlord's business interruption coverage for abated Rent that would otherwise have been payable by Tenant but not to exceed 5% of the amount of such business interruption coverage. Following earthquake damage to the Project, Tenant shall pay such deductibles or uninsured damage in equal monthly installments amortized over the remaining balance of the Term of this Lease.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. Landlord's and Tenant's obligations to pay any overpayments or deficiencies due pursuant to this paragraph shall survive the expiration or earlier termination of this Lease.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 60 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 60 day period, Tenant, reasonably and in good faith, questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent nationally or regionally recognized public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement.

If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated.

"**Tenant's Share**" shall be the percentage set forth on the first page of this Lease as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. The rentable square footage of the Premises shall not be subject to the re-measurement by either party during the Term. If Landlord has a reasonable basis for doing so, Landlord may equitably charge Tenant for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use, but Landlord shall not include as part of Operating Expenses costs that benefit only another building or buildings in the Project, except for costs incurred in connection with a Common Area Amenity located in any such building or buildings (except to the extent the cost thereof is otherwise excluded from Operating Expenses pursuant to Section 5 hereof). Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

6. **Security Deposit**. Tenant shall deposit with Landlord, prior to the Commencement Date, a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth on page 1 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the "**Letter of Credit**"): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in the state of Landlord's choice. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit until Tenant shall have replaced the expired Letter of Credit with a new Letter of Credit consistent with the requirements set forth in this Section 6, at which time Landlord shall refund the amount of the previously drawn Letter of Credit to Tenant less any amounts applied by Landlord under this Lease. The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages under California Civil Code Section 1951.2, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord's right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use of all or any portion of the Security Deposit, Tenant shall, at Landlord's option, (x) pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth on Page 1 of this Lease, or (y) restore the Letter of Credit to the amount defined herein. Tenant hereby waives the provisions of any law, now or hereafter in force, including, without limitation, California Civil Code Section 1950.7, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 60 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

7. **Use**. The Premises shall be used solely for the Permitted Use set forth in the basic lease provisions on page 1 of this Lease, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 10 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. The use that Tenant has disclosed to Landlord that Tenant will be making of the Premises as of the Commencement Date will not result in the voidance of or an increased insurance risk or cause the disallowance of any sprinkler or other credits with respect to the insurance currently being maintained by Landlord. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment which will overload the floor in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Building.

Following the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) or at Tenant's expense (to the extent such Legal Requirement is applicable by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises or Tenant's alterations) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements. Except as otherwise provided in the immediately preceding sentence, Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's particular use or occupancy of the Premises. Notwithstanding any other provision herein to the contrary, subject to the first sentence of this paragraph, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or caused by Tenant's failure to comply with any Legal

Requirements as required in connection with Tenant's particular use or occupancy of the Premises as provided in this paragraph, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement as required in connection with Tenant's particular use or occupancy of the Premises as provided in this paragraph. For purposes of Section 1938 of the California Civil Code, as of the date of this Lease, the Project has not been inspected by a certified access specialist.

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages; provided, however, that if Tenant delivers a written inquiry to Landlord within 30 days prior to the expiration or earlier termination of the Term, Landlord will notify Tenant whether the potential exists for consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease. Payments of Rent payable pursuant to this Section 8 for any fractional calendar month shall be prorated.

9. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Notwithstanding anything to the contrary herein, Landlord shall only charge Tenant for assessments as if those assessments were paid by Landlord over the longest possible term which Landlord is permitted to pay for the applicable assessments without additional charge other than interest, if any, provided under the terms of the underlying assessments. Notwithstanding anything to the contrary contained in this Lease, Taxes shall not include any net income taxes, estate taxes or inheritance taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder, or any late penalties, interest or fines. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and

whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**. Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Tenant shall have the right, at no additional cost to Tenant during the Base Term, in common with other tenants of the Project pro rata in accordance with the rentable area of the Premises and the rentable areas of the Project occupied by such other tenants to park in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations. Tenant shall have the exclusive right to use all 32 of the parking spaces located in the subterranean parking garage under the Building, which 32 parking spaces shall be applied against Tenant's pro rata share of parking spaces. Tenant's pro rata share of parking spaces in the Project during the Term currently equals 92 parking spaces. Landlord may allocate parking spaces among Tenant and other tenants in the Project pro rata as described above if Landlord determines that such parking facilities are becoming crowded. Ten (10) of the parking spaces allocated to Tenant pursuant to this Section 10 shall be marked by Landlord, at Tenant's cost, as reserved spaces for Tenant and Tenant's guests in locations immediately adjacent to the front entrance of the Building and otherwise in locations reasonably acceptable to Landlord and Tenant. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project.

11. **Utilities, Services**. Tenant shall contract directly with utility providers for all water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Building is plumbed for such services), and refuse and trash collection ("**Utilities**") required and/or utilized by Tenant during the Term. Tenant shall pay directly to such Utility providers prior to delinquency for all such Utilities furnished to Tenant or the Project during the Term and shall pay for all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. To the extent that any Utilities, maintenance charges for Utilities, any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, or any taxes, penalties, surcharges or similar charges are paid for by Landlord, commencing on the Commencement Date, Tenant shall reimburse Landlord for such costs as Operating Expenses. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant shall be responsible for obtaining and paying for its own janitorial services for the Project.

Notwithstanding anything to the contrary set forth herein, if (i) a stoppage of an Essential Service (as defined below) to the Premises shall occur and such stoppage is due solely to the gross negligence or willful misconduct of Landlord and not due in any part to any act or omission on the part of Tenant or any Tenant Party or any matter beyond Landlord's reasonable control (any such stoppage of an Essential Service being hereinafter referred to as a "**Service Interruption**"), and (ii) such Service Interruption continues for more than 5 consecutive business days after Landlord shall have received written notice thereof from Tenant, and (iii) as a result of such Service Interruption, the conduct of Tenant's normal operations in the Premises are materially and adversely affected, then, to the extent that such Service Interruption is covered by rental interruption insurance carried by Landlord pursuant to this Lease, there shall be an abatement of one day's Base Rent for each day during which such Service Interruption continues after such 5 business day period; provided, however, that if any part of the Premises is reasonably useable for Tenant's normal business operations or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of each daily abatement of Base Rent shall only be proportionate to the nature and extent of the interruption of Tenant's normal operations or ability to use the Premises. The rights granted to Tenant under this paragraph shall be Tenant's sole and exclusive remedy resulting from a failure of Landlord to provide services, and Landlord shall not otherwise be liable for any loss or damage suffered or sustained by Tenant resulting from any failure or cessation of services. For purposes hereof, the term "**Essential Services**" shall mean the following services: HVAC service, water, sewer and electricity, but in each

case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease. The provisions of this paragraph shall only apply as long as the original Tenant is the tenant occupying the Premises under this Lease and shall not apply to any assignee or sublessee.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to the Building shall be: (i) to provide an emergency generator with not less than the capacity of Landlord's emergency generator located at the Project as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generator as per the manufacturer's standard maintenance guidelines. Landlord shall make the service contract and maintenance records (including Landlord's monthly maintenance records) and permits for the generators reasonably available to Tenant for Tenant's review upon Tenant's prior written request. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generator is maintaining the generator as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generator when the emergency generator is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generator will be operational at all times or that emergency power will be available to the Premises when needed.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant after the Commencement Date, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the Building structure or materially or adversely affects the Building Systems and shall not be otherwise unreasonably withheld. Tenant may construct nonstructural Alterations in the Premises without Landlord's prior approval if the aggregate cost of all such work does not exceed $75,000 per Alteration (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 10 business days in advance of any proposed construction. For the avoidance of doubt, Tenant shall not be required to provide notice to Landlord of de minimis decorative or utilitarian alterations such as placing nails in the walls for hanging pictures, fixing shelves and/or installing marker boards. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion. Any request for approval shall be in writing, delivered not less than 10 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to Landlord's reasonable actual out-of-pockets for plan review, coordination, scheduling and supervision in connection with any Alterations. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors in connection with the Alterations, delays caused by such work, or inadequate cleanup in connection with the Alterations.

Tenant shall furnish security or make other arrangements reasonably satisfactory to Landlord to assure payment for the completion of all Alterations work costing in excess of $100,000 free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Within 30 days after completion of any Alterations, Tenant shall deliver to Landlord: (i) statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration if such Alterations was of a type that would ordinarily be depicted in "as built" plans.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested (including work performed in connection with the Tenant Improvements, but subject to the provisions of **Exhibit C**), or at the time it receives notice of a Notice Only Alteration, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of $1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on **Exhibit F** attached hereto and any items agreed by Landlord in writing to be included on **Exhibit F** in the future, (y) "**Tenant's Property**" means Removable Installations and, other than Installations, any personal property, trade fixtures, machinery or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with the TI Fund, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

13. **Landlord's Repairs**. Landlord, as an Operating Expense (except to the extent the cost thereof is excluded from Operating Expenses pursuant to Section 5 hereof), shall maintain all of the structural, exterior, parking and other Common Areas of the Project, including the roof, HVAC, plumbing, fire sprinklers, fire risers, elevators and all other building systems serving the Premises and the Project ("**Building Systems**") and the Common Building Systems, in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant (or any assignee or sublessee of Tenant) or by any of Tenant's (or any of its assignee's or sublessee's) agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Subject to the provisions of the penultimate paragraph of Section 17, losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be

made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 48 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Landlord shall use reasonable efforts to minimize interference with Tenant's operations in the Premises in connection with the stoppage of Building Systems pursuant to this Section 13. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall make a commercially reasonable effort to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Notwithstanding anything to the contrary contained herein, repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls, except if the need for such repair arises from a condition (not caused or contributed to by Tenant or any Tenant Party) in the roof or exterior of the Premises in which event the repair shall be made by Landlord as an Operating Expense except to the extent the cost thereof is covered by any applicable construction warranty or excluded from Operating Expenses pursuant to Section 5 hereof. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 business days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 business days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the reasonable costs of such cure from Tenant. Subject to Sections 17 and 18 and except for any ordinary wear and tear, Tenant shall bear the full cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party, unless insurance proceeds are available to cover such cost (with Tenant responsible for paying any deductibles), and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of the use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord or the default by Landlord in the performance of its obligations under this Lease. Landlord shall not be liable to Tenant for, and

Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further hereby irrevocably waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project, including the Tenant Improvements. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's particular use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: "special form" insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense (other than the Tenant Improvements and in no event shall Landlord be responsible for insuring any of Tenant's Property or Alterations); workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $5,000,000 per occurrence for bodily injury and property damage with respect to the Premises which coverage amount may be satisfied through a combination of primary and umbrella policies. The commercial general liability insurance policy and umbrella policies shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, invitees and contractors (collectively, "**Landlord Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Tenant shall (i) provide Landlord with 30 days advance written notice of cancellation of such commercial general liability policy, and (ii) request Tenant's insurer to endeavor to provide 30 days advance written notice to Landlord of cancellation of such commercial general liability policy (or 10 days in the event of a cancellation due to non-payment of premium). Certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Notwithstanding anything to the contrary contained in this Lease, neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder regardless of the negligence of the party to the Lease receiving the benefit of the waiver, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project; provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in the geographical area in which the Project is located.

18. **Restoration**. If, at any time during the Term, the Premises is damaged or destroyed by a fire or other casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Premises (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months after the discovery of the damage (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense except to the extent the cost thereof is excluded from Operating Expenses pursuant to Section 5 hereof), promptly restore the Premises (including the Tenant Improvements but excluding any improvements or Alterations installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed for Tenant to obtain any license, clearance or other authorization of any kind required by Legal Requirements to be obtained by Tenant for Landlord to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Tenant may by written notice to Landlord delivered within 5 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant. In the event that this Lease terminates pursuant to the provisions of this Section 18 as a result of an earthquake, Tenant shall not be required to pay any deductibles applicable thereto as part of Operating Expenses.

Notwithstanding anything to the contrary contained herein, if the Novartis Lease terminates pursuant to the provisions of Section 18 of the Novartis Lease then this Lease shall terminate concurrently with the termination of the Novartis Lease.

If this Lease is not terminated by Landlord or Tenant pursuant to the immediately preceding paragraph, Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord; provided, however, that Tenant shall nonetheless (and even if Tenant does not re-enter the Premises) continue to be responsible for all of its obligations under the Lease. Notwithstanding the foregoing, Landlord may terminate this Lease if the Premises are damaged during the last 1 year of the Term and Landlord reasonably estimates that it will take more than 3 months to repair such damage, or if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. In the event that no Hazardous Material Clearances are required to be obtained by Tenant with respect to the Premises, rent abatement shall commence on the date of discovery of the damage or destruction. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would, in Landlord's reasonable judgment, materially interfere with or impair Landlord's ownership or operation of the Project or would in the reasonable judgment of Landlord and Tenant either prevent or materially interfere with Tenant's use of the Premises (as resolved, if the parties are unable to agree, by arbitration by a single arbitrator with the qualifications and experience appropriate to resolve the matter and appointed pursuant to and acting in accordance with the rules of the American Arbitration Association), then upon written notice by Landlord or Tenant, as applicable, to the other party delivered within 10 business days after such party receives notice of the Taking, this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant (except for any portion of such award awarded specifically for Tenant's moving expenses or damage to Tenant's trade fixtures if a separate award is made to Tenant for such items), and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 3 days of any such notice not more than twice in any 12 month period.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 days after Tenant receives written notice of any such lien is filed against the Premises.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) be dissolved or otherwise fail to maintain its legal existence.

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 business days after receiving a second notice from Landlord requesting such document.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment By Landlord; Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be

extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 6% of the overdue Rent as a late charge. Notwithstanding the foregoing, before assessing a late charge the first time in any calendar year, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

(i) Terminate this Lease, or at Landlord's option, Tenant's right to possession only, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor;

(ii) Upon any termination of this Lease, whether pursuant to the foregoing Section 21(c)(i) or otherwise, Landlord may recover from Tenant the following:

(A) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(B) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, to the extent allocable to the remainder of the Term, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 21 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 21(c)(ii)(A) and (B), above, the "**worth at the time of award**" shall be computed by allowing interest at the Default Rate. As used in Section 21(c)(ii)(C) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(iii) Landlord may continue this Lease in effect after Tenant's Default and recover rent as it becomes due (Landlord and Tenant hereby agreeing that Tenant has the right to sublet or assign hereunder, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease following a Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

(iv) After Landlord terminates this Lease following a Default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. Upon Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

(v) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d) hereof, at Tenant's expense.

(d) **Effect of Exercise**. Exercise by Landlord of any remedies hereunder or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, it being understood that such surrender and/or termination can be effected only by the express written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same and shall not be deemed a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of Rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. Following a Default by Tenant under this Lease, to the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter, re-take or otherwise obtain possession of the Premises as provided in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. Notwithstanding the foregoing, nothing contained herein shall constitute Tenant's waiver of its right under applicable Legal Requirements to receive a 3 day notice from Landlord to quit or pay rent prior to Landlord commencing an unlawful detainer action. Any reletting of the Premises or any portion thereof shall be on such terms and conditions as Landlord in its sole discretion may determine. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting or otherwise to mitigate any damages arising by reason of Tenant's Default.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22 (including, without limitation, Section 22(b) below), Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of

execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, Tenant shall have the right to obtain financing from investors (including venture capital funding and corporate partners) or undergo a public offering which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i) Tenant notifies Landlord in writing of the financing at least 5 business days prior to the closing of the financing, and (ii) in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 10 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, or (ii) refuse such consent, in its reasonable discretion. Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would materially lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial such that they may (i) attract or cause negative publicity for or about the Building or the Project, (ii) negatively affect the reputation of the Building, the Project or Landlord, (iii) attract protestors to the Building or the Project, or (iv) lessen the attractiveness of the Building or the Project to any tenants or prospective tenants, purchasers or lenders; (4) in Landlord's reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (6) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (7) the proposed assignee or subtenant is an entity with whom Landlord is then-currently negotiating to lease space in the Project; or (8) the assignment or sublease is prohibited by Landlord's lender. No failure of Landlord to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to One Thousand Five Hundred Dollars ($1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment (which approval shall not be unreasonably withheld or delayed). In addition, Tenant shall have the right to assign this Lease, upon 10 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant's most current quarterly or annual financial statements, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease (a "**Corporate Permitted Assignment**"). Control

Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**."

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. Except with respect to a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form attributable to the assignment or sublease) exceeds the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, so long as no Default has occurred, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that, to Tenant's knowledge, there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within 5 business days after Tenant's receipt of a second notice from Landlord shall be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to

their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust. As of the date of this Lease, there is no existing Mortgage encumbering the Project.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant, which approval shall not be unreasonably withheld or delayed. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual reasonable out-of pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $2,500. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost key or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without

limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term, any holding over or during Tenant's occupancy of the Premises under the Novartis Sublease results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term, any holding over or during Tenant's occupancy of the Premises under the Novartis Sublease, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for or have any liability to Landlord, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to Hazardous Materials in or about the Building or the Project, which Hazardous Materials Tenant proves to Landlord's reasonable satisfaction (i) existed prior to the Commencement Date, (ii) originated from any separately demised tenant space within the Project other than the Premises or (iii) were not brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Project by Tenant or any Tenant Party, unless in any such case, to the extent the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises by Tenant or any Tenant Party (other than products customarily used by tenants in de minimis quantities for ordinary cleaning and office purposes) and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated list at any additional time that Tenant is required to deliver a Hazardous Materials List to any Governmental Authority (e.g., the fire department) in connection with its use or occupancy of the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing**. Landlord shall, upon reasonable prior notice to Tenant, have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises if there is a violation of this Section 30 or if contamination for which Tenant is responsible under this Section 30 is identified; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures reasonably acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, upon reasonable prior notice to Tenant, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense).

Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Intentionally Omitted**.

(f) **Underground Tanks**. If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials for which Tenant is responsible under this Section 30 (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease. Landlord shall use reasonable efforts to minimize interruption of Tenant's business during such inspections or repairs. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Except for the payment of Rent, neither Tenant nor Landlord shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, extreme weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other similar causes or events beyond the reasonable control of such party ("**Force Majeure**"). Any party claiming Force Majeure shall be required to notify the other party of such Force Majeure promptly after the commencement of such Force Majeure and shall be required to keep such other party reasonably informed regarding the same throughout the period during which Force Majeure is being claimed. If the happening of any such Force Majeure event only partially impairs the performance of a party's obligations hereunder, such party shall continue to perform under this Lease to the fullest extent possible in light of such Force Majeure event.

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Avison Young and DTZ. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other

than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall be responsible for all commissions due to Avison Young and DTZ arising out of the execution of this Lease in accordance with the terms of one or more separate written agreements between Landlord, on the one hand, and Avison Young and DTZ, on the other hand.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony which can be viewed from the exterior of the Premises, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant.

Tenant shall have the exclusive right to display, at Tenant's sole cost and expense, signage with Tenant's name on the monument sign in front of the Building ("**Monument Sign**"). Also, Tenant shall have the exclusive right to display, at Tenant's sole cost and expense, signage bearing Tenant's name on the top of the Building in a location selected by Tenant and reasonably acceptable to Landlord ("**Building Sign**"). Tenant shall also be permitted to install signage on the front and rear entrance doors to the Building and directional signage in the Common Areas. Tenant acknowledges and agrees that Tenant's signage on the Monument Sign and the Building Sign and all other signage permitted by Landlord to be

installed by Tenant, including, without limitation, the size, color and type, shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed and shall be consistent with Landlord's signage program at the Project and applicable Legal Requirements. Tenant shall be responsible, at Tenant's sole cost and expense, for the maintenance of Tenant's signage on the Monument Sign and the Building Sign, for the removal of Tenant's signage from the Monument Sign and the Building Sign at the expiration or earlier termination of this Lease and for the repair of damage resulting from such removal.

39. **Early Termination Right**. Tenant shall have the right, subject to the provisions of this Section 39, to terminate this Lease ("**Termination Right**") with respect to the entire Premises only as of July 31, 2021 ("**Early Termination Date**"), so long as Tenant delivers to Landlord (i) a written notice ("**Termination Notice**"), of its election to exercise its Termination Right no less than 12 months in advance of the Early Termination Date, and (ii) concurrent with Tenant's delivery of the Termination Notice to Landlord, an early termination payment equal to the sum of (1) the unamortized amount of the Tenant Improvement Allowance actually disbursed by Landlord as of the Early Termination Date with amortization calculated on a straight line basis from the Commencement Date through the Base Term, (2) all of the unamortized leasing commissions paid by Landlord in connection with this Lease as of the Early Termination Date, with amortization calculated on a straight line basis from the Commencement Date through the Base Term, (3) the unamortized amount as of the Early Termination Date of the Additional Tenant Improvement Allowance actually disbursed by Landlord to Tenant, if any, with amortization calculated on a straight line basis from the Commencement Date through the Base Term, (4) the unamortized amount of the Base Rent that would have been payable during the Abatement Period had such amounts not been abated, with amortization calculated on a straight line basis from the Commencement Date through the Base Term, and (5) an amount equal to 4 months of Base Rent that would have been payable for the 4 months immediately following the Early Termination Date (collectively, the "**Early Termination Payment**"). If Tenant timely and properly exercises the Termination Right, Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Early Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Early Termination Date and those which, pursuant to the terms of this Lease, survive the expiration or early termination of this Lease. If Tenant does not deliver to Landlord the Termination Notice and the Early Termination Payment within the time period provided in this paragraph, Tenant shall be deemed to have waived its Termination Right and the provisions of this Section 39 shall have no further force or effect.

40. **The Alexandria Amenities**.

(a) **Generally**. ARE-SD Region No. 17, LLC, a Delaware limited liability company ("**Torreyana Landlord**") has constructed certain amenities at the property owned by Torreyana Landlord located at 10996 Torreyana Road, San Diego, California ("**Torreyana Project**"), which include, without limitation, shared conference facilities ("**Shared Conference Facilities**"), a fitness center and restaurant (collectively, the "**Amenities**") for non-exclusive use by (a) Tenant, (b) other tenants of the Project, (c) Landlord, (d) the tenants of Torreyana Landlord, (e) Torreyana Landlord, (e) other affiliates of Landlord, Torreyana Landlord and Alexandria Real Estate Equities, Inc. ("**ARE**"), (f) the tenants of such other affiliates of Landlord, Torreyana Landlord and ARE, and (g) any other parties permitted by Torreyana Landlord (collectively, "**Users**"). Landlord, Torreyana Landlord, ARE, and all affiliates of Landlord, Torreyana and ARE may be referred to collectively herein as the "**ARE Parties**." Notwithstanding anything to the contrary contained herein, Tenant acknowledges and agrees that Torreyana Landlord shall have the right, at the sole discretion of Torreyana Landlord, to not make the Amenities available for use by some or all currently contemplated Users (including Tenant). Torreyana Landlord shall have the sole right to determine all matters related to the Amenities including, without limitation, relating to the reconfiguration, relocation, modification or removal of any of the Amenities at the Torreyana Project and/or to revise, expand or discontinue any of the services (if any) provided in connection with the Amenities; provided, however, that the Amenities will, if provided, be of a Class A standard and will include, at a minimum, a fitness center, Shared Conference Facility and eatery. If the Amenities are made available for use by Tenant, if at all, Tenant shall have the right, at a minimum, to use the fitness center, the Shared Conference Facility and the eatery. Tenant acknowledges and agrees that Landlord

has not made any representations or warranties regarding the availability of any of the Amenities and that Tenant is not entering into this Lease relying on the completion of the Amenities or with an expectation that the Amenities will ever be made available to Tenant.

(b) **License**. Commencing on the date that the Amenities become available for use by Tenant, if at all, and so long as the Torreyana Project and the Project continue to be owned by affiliates of ARE, Tenant shall have the non-exclusive right to the use of the available Amenities in common with other Users pursuant to the terms of this Section 42. A total of 44 passes to the fitness center shall be issued to Tenant (so long as the persons using such passes are employed at the Premises). Commencing on the date that the Amenities become available for use by Tenant ("**Amenities Commencement Date**") Tenant shall commence paying Landlord a fixed fee during the Base Term equal to $0.18 per rentable square foot of the Premises per month ("**Amenities Fee**"), which Amenities Fee shall by payable on the first day of each month during the Term whether or not Tenant elects to use any or all of the Amenities The Amenities Fee shall be increased annually on each anniversary of the Commencement Date by 3%. In the event that the Amenities are constructed but not made available for use by Tenant, Tenant shall have no right to use the Amenities, if any, nor shall Tenant be required to pay the Amenities Fee. Tenant acknowledges and agrees that the Amenities Commencement Date may occur during the term of the Novartis Sublease (and prior to the Commencement Date). Notwithstanding that Tenant is required to pay the Amenities Fee, neither Tenant nor its employees shall have any right to access and/or use the Amenities unless Tenant and its employees have entered into license and use agreements (including indemnification and waiver agreements required by Torreyana Landlord) with respect to such Amenities which are in form and content acceptable to Landlord and/or Torreyana Landlord in their respective sole and absolute discretion.

(c) **Shared Conference Facilities**. Use by Tenant of the Shared Conference Facilities and restaurant at the Torreyana Project shall be in common with other Users with scheduling procedures reasonably determined by Torreyana Landlord. Torreyana Landlord reserves the right to exercise its reasonable discretion in the event of conflicting scheduling requests among Users. Tenant hereby acknowledges that (i) Biocom/San Diego, a California non-profit corporation ("**Biocom**") has the right to reserve the Shared Conference Facilities and any reservable dining area(s) included within the Amenities for up to 50% of the time that such Shared Conference Facilities and reservable dining area(s) are available for use by Users each calendar month, and (ii) Illumina, Inc., a Delaware corporation, has the exclusive use of the main conference room within the Shared Conference Facilities for up to 4 days per calendar month.

Any vendors engaged by Tenant in connection with Tenant's use of the Shared Conference Facilities shall be professional licensed vendors. Torreyana Landlord shall have the right to reasonably approve any vendors utilized by Tenant in connection with Tenant's use of the Shared Conference Facilities. Prior to any entry by any such vendor onto the Torreyana Project, Tenant shall deliver to Landlord a copy of the contract between Tenant and such vendor and certificates of insurance from such vendor evidencing industry standard commercial general liability, automotive liability, and workers' compensation insurance. Tenant shall cause all such vendors utilized by Tenant to provide a certificate of insurance naming Landlord, ARE, and Torreyana Landlord as additional insureds under the vendor's liability policies. Notwithstanding the foregoing, Tenant shall be required to use the food service operator used by Torreyana Landlord at the Torreyana Project for any food service or catered events held by Tenant in the Shared Conference Facilities.

Tenant shall, at Tenant's sole cost and expense, (i) be responsible for the set-up of the Shared Conference Facilities in connection with Tenant's use (including, without limitation ensuring that Tenant has a sufficient number of chairs and tables and the appropriate equipment), and (ii) surrender the Shared Conference Facilities after each time that Tenant uses the Shared Conference Facilities free of Tenant's personal property, in substantially the same set up and same condition as received, subject to casualty, and free of any debris and trash. If Tenant fails to restore and surrender the Shared Conference Facilities as required by sub-section (ii) of the immediately preceding sentence, such failure shall constitute a "**Shared Facilities Default**." Each time that Landlord reasonably determines that Tenant has committed a Shared Facilities Default, Tenant shall be required to pay Landlord a penalty

within 5 days after notice from Landlord of such Shared Facilities Default. The penalty payable by Tenant in connection with the first Shared Facilities Default shall be $200. The penalty payable shall increase by $50 for each subsequent Shared Facilities Default (for the avoidance of doubt, the penalty shall be $250 for the second Shared Facilities Default, shall be $300 for the third Shared Facilities Default, etc.). In addition to the foregoing, Tenant shall be responsible for reimbursing Torreyana Landlord or Landlord, as applicable, for all costs expended by Torreyana Landlord or Landlord, as applicable, in repairing any damage to the Shared Conference Facilities, the Amenities, or the Torreyana Project caused by Tenant or any Tenant Related Party. The provisions of this Section 42(c) shall survive the expiration or earlier termination of this Lease.

(d) **Rules and Regulations**. Tenant shall be solely responsible for paying for any and all ancillary services (e.g., audio visual equipment) provided to Tenant, all food services operators and any other third party vendors providing services to Tenant at the Torreyana Project. Tenant shall use the Amenities (including, without limitation, the Shared Conference Facilities) in compliance with all applicable Legal Requirements and any reasonable rules and regulations imposed by Torreyana Landlord or Landlord from time to time (which rules shall not be enforced in a discriminatory manner) and in a manner that will not interfere with the rights of other Users. The use of Amenities other than the Shared Conference Facilities by employees of Tenant shall be in accordance with the terms and conditions of the standard licenses, indemnification and waiver agreement required by Torreyana Landlord or the operator of the Amenities to be executed by all persons wishing to use such Amenities. Neither Torreyana Landlord nor Landlord (nor, if applicable, any other affiliate of Landlord) shall have any liability or obligation for the breach of any rules or regulations by other Users with respect to the Amenities. Tenant shall not make any alterations, additions, or improvements of any kind to the Shared Conference Facilities, the Amenities or the Torreyana Project.

Tenant acknowledges and agrees that Torreyana Landlord shall have the right at any time and from time to time to reconfigure, relocate, modify or remove any of the Amenities at the Torreyana Project and/or to revise, expand or discontinue any of the services (if any) provided in connection with the Amenities.

(e) **Waiver of Liability and Indemnification**. Tenant warrants that it will use reasonable care to prevent damage to property and injury to persons while on the Torreyana Project. To the extent permitted by applicable law, Tenant waives any claims it or any Tenant Parties may have against any ARE Parties relating to, arising out of or in connection with the Amenities and any entry by Tenant and/or any Tenant Parties onto the Torreyana Project, and Tenant releases and exculpates all ARE Parties from any liability relating to, arising out of or in connection with the Amenities and any entry by Tenant and/or any Tenant Parties onto the Torreyana Project. Tenant hereby agrees to indemnify, defend, and hold harmless the ARE Parties from any claim of damage to property or injury to person relating to, arising out of or in connection with (i) the use of the Amenities by Tenant or any Tenant Parties, and (ii) any entry by Tenant and/or any Tenant Parties onto the Torreyana Project, except to the extent caused by the willful misconduct or negligence of Landlord or an ARE Party. The provisions of this Section 42 shall survive the expiration or earlier termination of this Lease.

(f) **Insurance**. As of the Amenities Commencement Date, Tenant shall cause Torreyana Landlord to be named as an additional insured under the commercial general liability policy of insurance that Tenant is required to maintain pursuant to Section 17 of this Lease.

41. **Roof Equipment**. Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building one or more satellite dishes, communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as Tenant may from time to time desire (collectively, the “Roof Equipment”) on the following terms and conditions:

(a) **Requirements**. Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental

permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leasable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof**. If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection**. The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal**. At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference**. The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Landlord shall have no right to make any installations on the roof other than as required for the operation of the Building and/or the Project.

(f) **Relocation**. Landlord shall have the right, at its expense and after 60 days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access**. Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord

shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance**. If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment**. The right of Tenant to use and operate the Roof Equipment shall be personal solely to Conkwest, Inc., and (i) no other person or entity shall have any right to use or operate the Roof Equipment other then in connection with a Permitted Assignment, and (ii) Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof other than in connection with a Permitted Assignment.

42. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Upon Landlord's request, Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent audited annual financial statements within 180 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 60 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. So long as Tenant is a "public company" and its financial information is publicly available, then the foregoing delivery requirements of this Section 42(c) shall not apply. Landlord shall treat Tenant's financial information as confidential information belonging to Tenant. Landlord may, however, disclose Tenant's financial information to Landlord's auditors, attorneys, consultants, prospective lenders and prospective purchasers; provided, however, that Landlord advises such parties of the confidentiality of such information. Notwithstanding the foregoing, in no event shall Tenant be required to provide any financial information to Landlord which Tenant does not otherwise prepare (or cause to be prepared) for its own purposes.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC**. Tenant and, to Tenant's knowledge, all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement**. This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Redevelopment of Project**. Tenant acknowledges that Landlord, in its sole discretion, may, subject to the terms of the third sentence of Section 1 from time to time expand, renovate and/or reconfigure the Project as the same may exist from time to time and, in connection therewith or in addition thereto, as the case may be, from time to time without limitation: (a) change the shape, size, location, number and/or extent of any improvements, buildings, structures, lobbies, hallways, entrances, exits, parking and/or parking areas relative to any portion of the Project; (b) modify, eliminate and/or add any buildings, improvements, and parking structure(s) either above or below grade, to the Project, the Common Areas and/or any other portion of the Project and/or make any other changes thereto affecting the same; and (c) make any other changes, additions and/or deletions in any way affecting the Project and/or any portion thereof as Landlord may elect from time to time, including without limitation, additions to and/or deletions from the land comprising the Project, the Common Areas and/or any other portion of the Project. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to seek damages (including abatement of Rent) or to cancel or terminate this Lease because of any proposed changes, expansion, renovation or reconfiguration of the Project nor shall Tenant have the right to restrict, inhibit or prohibit any such changes, expansion, renovation or reconfiguration; provided, however, Landlord shall not change the size, dimensions, location or Tenant's Permitted Use of the Premises.

(p) **Discontinued Use**. If, at any time following the Rent Commencement Date, Tenant does not continuously operate its business in the Premises for a period of 180 consecutive days for reasons other than casualty, condemnation or Force Majeure, Landlord may, but is not obligated to, elect to terminate this Lease upon 30 days' written notice to Tenant, whereupon this Lease shall terminate 30 days' after Landlord's delivery of such written notice ("**Termination Date**"), and Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Termination Date and those which, pursuant to the terms of the Lease, survive the expiration or early termination of the Lease.

(q) **Energy Disclosures**. Tenant acknowledges and agrees that (i) the Premises has never been fully occupied and the Building Systems serving the Premises have never been fully operated, and (ii) that because the Building Systems have never been fully operated, the energy performance of the Building following the Commencement Date is likely to be materially different than the historical energy performance of the Building prior to the Commencement Date. As a result, there are no existing disclosures for Landlord to provide to Tenant in connection with the California Nonresidential Building Energy Use Disclosure regulations ("**Energy Disclosure Information**") that would be applicable to the Building's performance following the Commencement Date. Tenant's execution of this Lease shall constitute Tenant's waiver of any right Tenant may have to receive from Landlord information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto. Tenant hereby releases Landlord from any liability Landlord may have to Tenant relating to the Energy Disclosure Information, including, without limitation, any liability arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to or after the execution of this Lease.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

CONKWEST, INC.,
a Delaware corporation

/s/ Barry Simon

By: Barry Simon
Its: President & Chief Operating Officer

LANDLORD:

ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

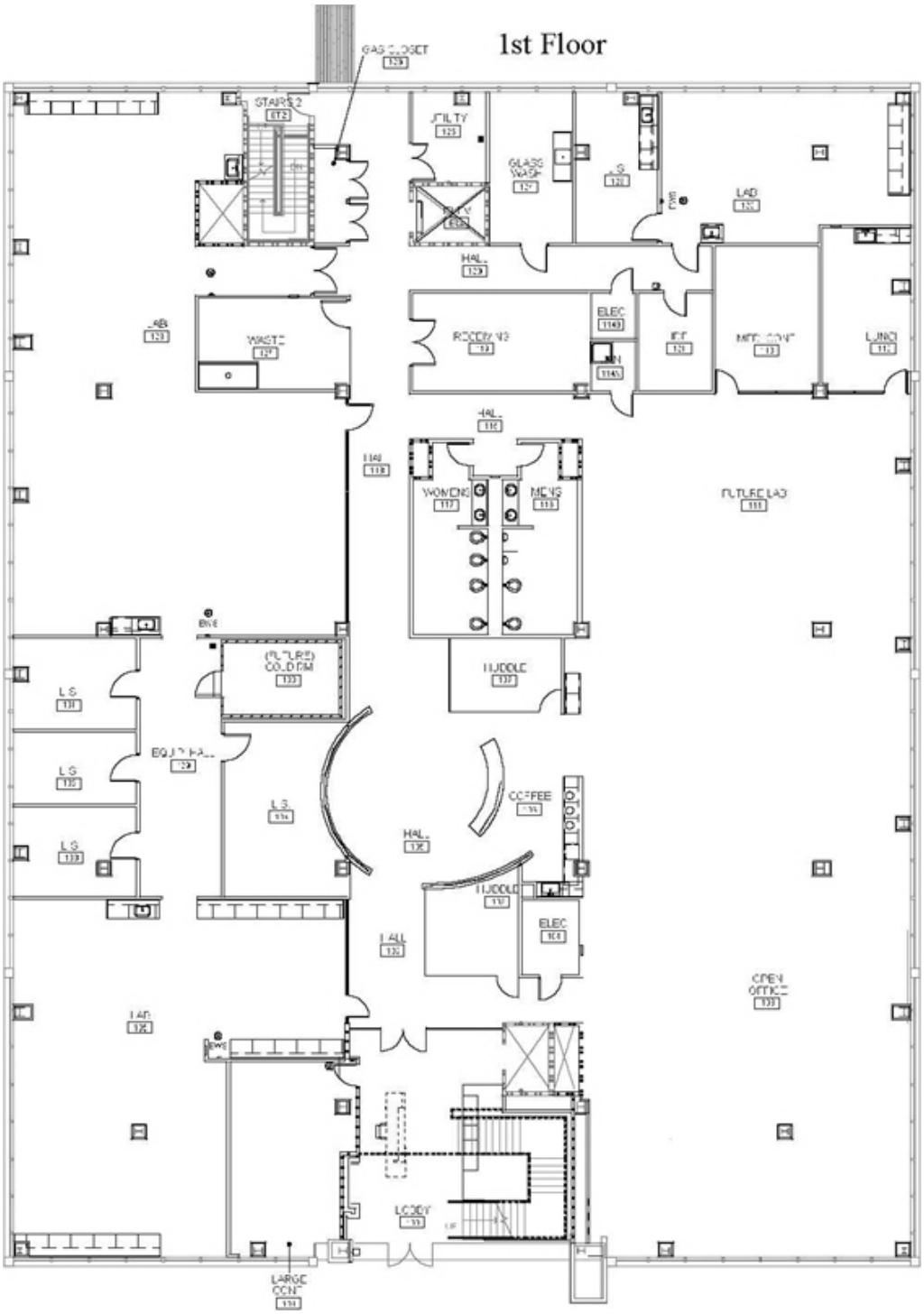
By: ARE-QRS CORP.,
a Maryland corporation,
managing member

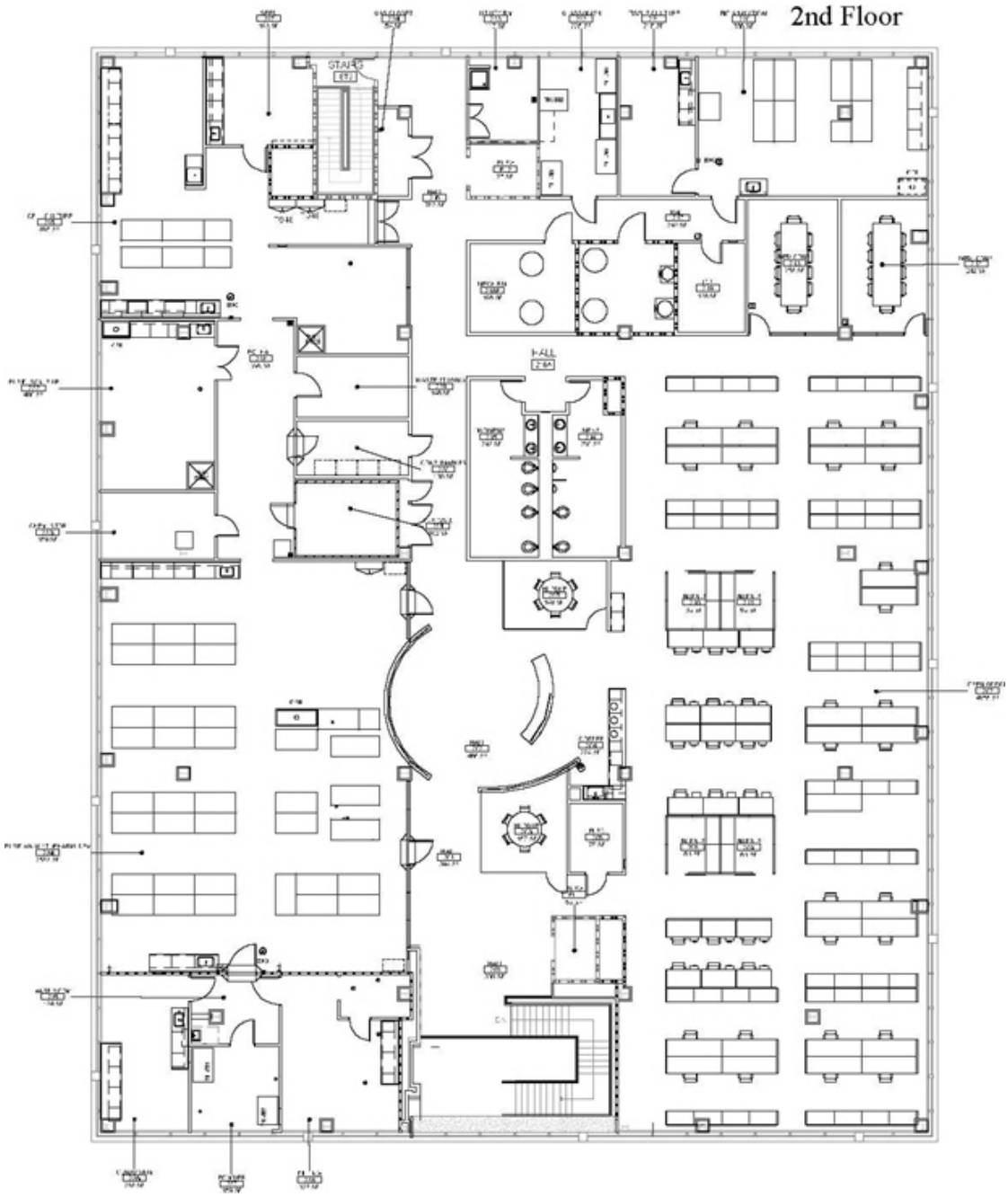
/s/ Gary Dean

By: Gary Dean
Its: Senior Vice President RE Legal Affairs

EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES





Garage

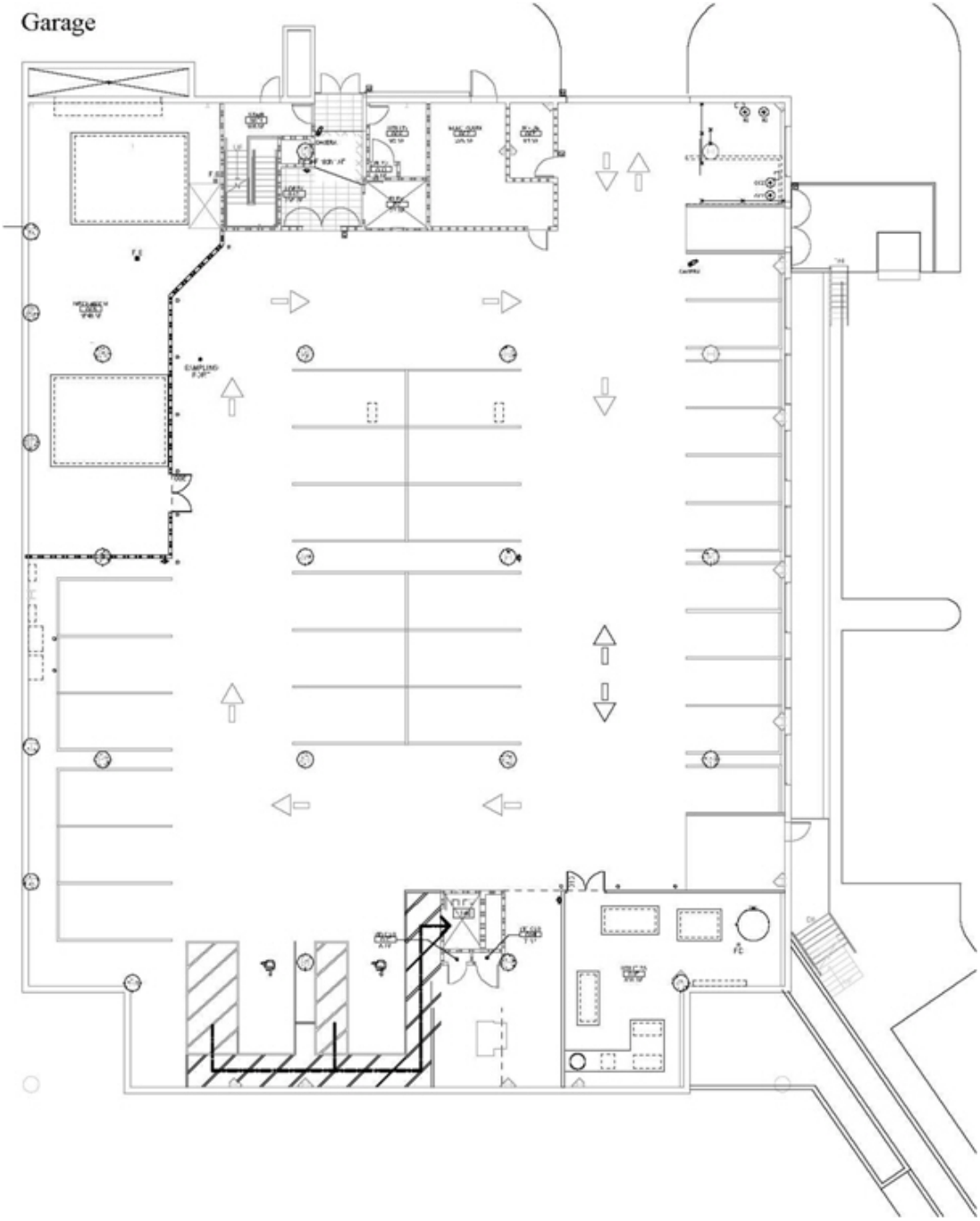


EXHIBIT B TO LEASE

DESCRIPTION OF PROJECT

PARCELS 1 & 2 IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AS SHOWN AT PAGE 16665 OF PARCEL MAPS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 24, 1991.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS, NON-HYDROCARBON GASES OR GASEOUS' SUBSTANCES, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS OF WHATSOEVER NATURE, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE PROPERTY, PROVIDED, HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED TO GRANTEE, NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREINAFTER EXPRESSLY SET FORTH RESERVED IN DEED RECORDED JANUARY 25, 1991 AS FILE NO. 91-0035394.

FURTHER EXCEPTING THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO DRILL AND MAINTAIN WELLS OR OTHER WORKS INTO, ON OR THROUGH THE PROPERTY BELOW A DEPTH OF 500 FEET AND TO PRODUCE, INJECT, STORE AND REMOVE FROM OR THROUGH SUCH WELLS OR WORKS, OIL, GAS AND OTHER SUBSTANCES OF WHATEVER NATURE INCLUDING THE RIGHT TO PERFORM BELOW A DEPTH OF 500 FEET ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS, PROVIDED, HOWEVER, THAT THE EXERCISE OF SUCH RIGHTS BELOW A DEPTH OF 500 FEET CONFERS NO RIGHTS TO GRANTOR WITH RESPECT TO, AND SHALL NOT INTERFERE WITH GRANTEE'S USE AND ENJOYMENT OF THE SURFACE OF, THE PROPERTY RESERVED IN DEED RECORDED JANUARY 25, 1991 AS FILE NO. 91-0035334.

LOTS 6, 7 AND 8 OF TORREY PINES SCIENCE CENTER UNIT NO. 1, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12419, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JULY 12, 1989.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS, NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS OF WHATSOEVER NATURE, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE LAND, AS RESERVED BY CHEVRON LAND AND DEVELOPMENT COMPANY, A DELAWARE CORPORATION ("GRANTOR") IN THAT CERTAIN CORPORATION GRANT DEED TO NEXUS SCIENCE CENTER - TORREY PINES, A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), RECORDED MARCH 9, 1990, AS FILE NO. 90-127215, PROVIDED HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE LAND ARE HEREBY CONVEYED TO GRANTEE NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREIN EXPRESSLY SET FORTH.

FURTHER EXCEPTING AND RESERVING TO GRANTOR, ITS SUCCESSOR AND ASSIGNS, THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO DRILL AND MAINTAIN WELLS OR OTHER WORKS INTO, ON OR THROUGH THE LAND BELOW A DEPTH OF 500 FEET AND TO PRODUCE, INJECT, STORE AND REMOVE FROM OR THROUGH SUCH WELLS OR WORKS, OIL, GAS AND OTHER SUBSTANCES OF WHATEVER NATURE INCLUDING THE RIGHT TO PERFORM BELOW A DEPTH OF 500 FEET ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXCERCISE OF SUCH RIGHTS, PROVIDED, HOWEVER, THAT THE EXERCISE OF SUCH RIGHTS BELOW A DEPTH OF 500 FEET CONFERS NO RIGHTS TO GRANTOR WITH RESPECT TO, AND SHALL NOT INTERFERE WITH GRANTEE'S USE AND ENJOYMENT OF THE SURFACE OF, THE LAND.

EXHIBIT C TO LEASE

WORK LETTER

THIS WORK LETTER dated June 19, 2015 (this "**Work Letter**") is made and entered into by and between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company **("Landlord")**, and **CONKWEST, INC**., a Delaware corporation ("**Tenant**"), and is attached to and made a part of the Lease Agreement dated June 19, 2015 (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. **General Requirements**.

(a) **Tenant's Authorized Representative**. Tenant designates Barry Simon ("**Tenant's Representative**") as the only person authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("Communication") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord.

(b) **Landlord's Authorized Representative**. Landlord designates Mike Barbera and Steve Pomerenke (either such individual acting alone, **"Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord's Representative shall be the sole persons authorized to direct Landlord's contractors in the performance of Landlord's Work.

(c) **Architects, Consultants and Contractors**. Landlord and Tenant hereby acknowledge and agree that: (i) the general contractor and any subcontractors for the Tenant Improvements shall be selected by Landlord, subject to Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) DGA Architects shall be the architect (the "**TI Architect**") for the Tenant Improvements.

2. **Tenant Improvements**.

(a) **Tenant Improvements Defined**. As used herein, **"Tenant Improvements**" shall mean all improvements to the Project of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below. Other than Landlord's Work (as defined in Section 3(a) below, Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant's use and occupancy. Notwithstanding anything to the contrary herein or in the Lease, if Landlord determines, in its reasonable discretion, that any portion of the Tenant Improvements do not constitute customary laboratory and office improvements that would be usable on an "as-is" basis by a third laboratory/office party tenant following the expiration or earlier termination of the Lease, Landlord may require, by delivery of written notice to Tenant on or before the date the TI Design Drawings are approved pursuant to Section 2(b) below, that Tenant remove such Tenant Improvements and restore the Premises to its condition prior to the construction of the Tenant Improvements, at Tenant's sole cost and expense, no later than the expiration or earlier termination of the Term. Tenant shall not be required to remove or restore at the expiration or earlier termination of the Lease any portion of the Tenant Improvements that constitutes customary laboratory, research and development or office improvements that would be usable on an "as-is" basis by a third laboratory/office party tenant following the expiration or earlier termination of the Lease, as reasonably determined by Landlord.

(b) **Tenant's Space Plans**. Tenant shall deliver to Landlord and the TI Architect its test fit and any other programming information detailing Tenant's requirements for the Tenant Improvements

within 12 months after the date hereof. Not more than ten (10) business days thereafter, Landlord shall deliver to Tenant a space plan, schematic drawings and outline specifications (the "**TI Design Drawings**") reflecting the requirements of Tenant which have been approved by Landlord, in Landlord's reasonable discretion. Within ten (10) business days after receipt of the TI Design Drawings, Tenant shall deliver to Landlord the written objections, questions or comments of Tenant with regard to the TI Design Drawings. Landlord shall cause the TI Design Drawings to be revised to address such written comments which are acceptable to Landlord, in Landlord's reasonable discretion, and shall resubmit said drawings to Tenant for approval within ten (10) business days thereafter. Such process shall continue until Tenant has approved the TI Design Drawings.

(c) **Working Drawings**. Not later than 45 business days following the approval of the TI Design Drawings, Landlord shall cause the TI Architect to prepare and deliver to Tenant for review and comment construction plans, specifications and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Tenant shall deliver its written comments on the TI Construction Drawings to Landlord not later than 10 business days after Tenant's receipt of the same; provided, however, that Tenant may not disapprove any matter that is consistent with the TI Design Drawings without submitting a Change Request. Landlord and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Tenant how Landlord proposes to respond to such comments; provided, however, that, notwithstanding anything to the contrary contained herein, Landlord shall have the right to disapprove any changes requested by Tenant in its reasonable discretion. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the TI Design Drawings, Tenant shall approve the TI Construction Drawings submitted by Landlord, unless Tenant submits a Change Request. Once approved by Tenant, subject to the provisions of Section 4 below, Landlord shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below).

(d) **Approval and Completion**. Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building or adversely affect any Building Systems. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of Landlord's Work**.

(a) **Definition of Landlord's Work**. As used herein, **"Landlord's Work**" shall mean the work of constructing the Tenant Improvements and the construction of lab benches on the first floor of the Premises similar in nature to the lab benches located on the second floor of the Premises as of the date of this Lease and in the layout shown on **Exhibit C-1**, which construction of lab benches on the first floor shall be performed by Landlord at Landlord's sole cost and expense as soon as reasonably possible following mutual execution of the Lease.

(b) **Commencement and Permitting**. Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the "**TI Permit**") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall reasonably assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord's Work or any portion thereof shall impose terms or conditions upon the construction thereof

that: (i) are inconsistent with Landlord's obligations hereunder, (ii) increase the cost of constructing Landlord's Work, or (iii) will materially delay the construction of Landlord's Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Landlord's Work**. Landlord shall substantially complete or cause to be substantially completed Landlord's Work in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal "punch list" items of a non-material nature that do not interfere with the use of the Premises ("**Substantial Completion**" or "**Substantially Complete**"). If a certificate or temporary certificate of occupancy is required in connection with the Tenant Improvements, Landlord's Work shall not be considered Substantially Complete unless and until Landlord has obtained a certificate or temporary certificate of occupancy (or its equivalent) for the Premises permitting lawful occupancy of the Premises (but specifically excluding any permits, licenses or other governmental approvals required to be obtained in connection with Tenant's operations in the Premises). Upon Substantial Completion of Landlord's Work, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects ("**AIA**") document G704. For purposes of this Work Letter, "**Minor Variations**" shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord's Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord's Work.

(d) **Selection of Materials**. Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord's reasonable discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, unless a manufacturer is specified in the TI Construction Drawings, Landlord shall select the manufacturer thereof in its reasonable discretion.

(e) **Construction Defects**. When Landlord's Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept Landlord's Work. Tenant's acceptance of Landlord's Work shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of Landlord's Work with applicable Legal Requirements, or (iii) any claim that Landlord's Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter. Notwithstanding the foregoing, Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect within such 30-day period. If the contractor fails to remedy such Construction Defect within a reasonable time, Landlord shall use reasonable efforts to remedy the Construction Defect within a reasonable period.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

4. **Changes**. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord, which approval may be granted or withheld in Landlord's reasonable discretion, and the written approval

of the TI Architect, such approval by the TI Architect not to be unreasonably withheld, conditioned or delayed.

(a) **Tenant's Request For Changes**. If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant's Representative. If the Change is acceptable to Landlord, in Landlord's reasonable discretion, Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), (i) an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete, and (ii) if Landlord determines, in its reasonable discretion, that any portion of the Tenant Improvements reflected by the Change Request do not constitute customary laboratory and office improvements that would be usable on an "as-is" basis by a third laboratory/office party tenant following the expiration or earlier termination of the Lease, notice that Tenant is required to remove such Tenant Improvements and restore the Premises to its condition prior to the construction of the Tenant Improvements, at Tenant's sole cost and expense, no later than the expiration or earlier termination of the Term.

(b) **Implementation of Changes**. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted.

5. **Costs**.

(a) **Budget For Tenant Improvements**. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain and deliver to Tenant for approval (which approval shall not be unreasonably withheld, delayed or conditioned) a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the "**Budget**"). The Budget may be amended from time to time but shall be submitted to Tenant each time for its approval which approval shall not be unreasonably withheld, conditioned or delayed. The initial Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 2.5% of the TI Costs for monitoring and inspecting the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d). Administrative Rent shall include, without limitation, all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, and shall be payable out of the TI Fund. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d).

(b) **TI Allowance**. Landlord shall provide to Tenant a tenant improvement allowance (collectively, the "**TI Allowance**") as follows:

1. a "**Tenant Improvement Allowance**" in the maximum amount of $35.00 per rentable square foot in the Premises, or $1,563,835 in the aggregate, which is included in the Base Rent set forth in the Lease; and

2. an "**Additional Tenant Improvement Allowance**" in the maximum amount of $25.00 per rentable square foot in the Premises, or $1,117,025 in the aggregate, which shall, to the extent used, result in TI Rent as set forth in Section 4(b) of the Lease.

In addition to the TI Allowance, Landlord shall pay to Tenant's architect $0.10 per usable square footage of the Premises for actual costs incurred by Tenant for the preparation by Tenant's architect of a preliminary test fit for the Premises.

Within 10 business days after Tenant's receipt of the Budget, Tenant shall notify Landlord how much of the Additional Tenant Improvement Allowance Tenant has elected to receive from Landlord. Such election shall be final and binding on Tenant, and may not thereafter be modified without Landlord's consent, which may be granted or withheld in Landlord's sole and absolute subjective discretion. The TI Allowance shall be disbursed in accordance with this Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4. Notwithstanding the foregoing, Tenant shall have the right to use any unused portion of the Tenant Improvement Allowance for reimbursement of Alterations undertaken by Tenant pursuant to Section 12 of the Lease. Tenant shall have no right to use any portion of the TI Allowance that is not requested by Tenant for disbursement in compliance with the provisions of this Work Letter before the last day of the month that is 36 months after the date of the Lease.

(c) **Costs Includable in TI Fund**. The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the Space Plan and the TI Construction Drawings, all costs set forth in the Budget, including Landlord's Administrative Rent, Landlord's out-of-pocket expenses, costs resulting from Tenant Delays and the cost of Changes, any signage paid for by Tenant at the Project and any costs to identify visitor parking pursuant to Section 10 of the Lease (collectively, "**TI Costs**"). Notwithstanding anything to the contrary contained herein, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant's voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

(d) **Excess TI Costs**. Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord's obligation to complete the Tenant Improvements, 100% of the then current TI Cost in excess of the remaining TI Allowance ("**Excess TI Costs**"). If Tenant fails to deposit any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the "**TI Fund**." Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

6. **Tenant's Access Rights**. Subject to applicable Legal Requirements, Tenant shall have the right to occupy the Premises (except any portions of the Premises which Tenant is not legally permitted to occupy during construction of the Tenant Improvements) pursuant to the terms of the Novartis Sublease, at Tenant's sole risk and expense, during the construction of the Tenant

Improvements. Tenant shall cooperate with Landlord in connection with the performance of the Tenant Improvements. Landlord shall endeavor to minimize interference with Tenant's business operations during the construction of the Tenant Improvements. Notwithstanding the foregoing, Landlord shall use reasonable efforts to schedule noisy or disruptive work after-hours or on weekends and, at Tenant's reasonable request, shall reschedule work so as to minimize interference with Tenant's use of the Premises so long as such rescheduling does not materially adversely affect the construction schedule. Any additional costs incurred to satisfy Landlord's obligations under this paragraph shall be included as TI Costs. Tenant acknowledges that the Tenant Improvements may adversely affect Tenant's use and occupancy of the Premises during the construction of the Tenant Improvements. Tenant shall have no right to abate, reduce or set-off any Rent in connection with the construction of the Tenant Improvements.

7. **Miscellaneous**.

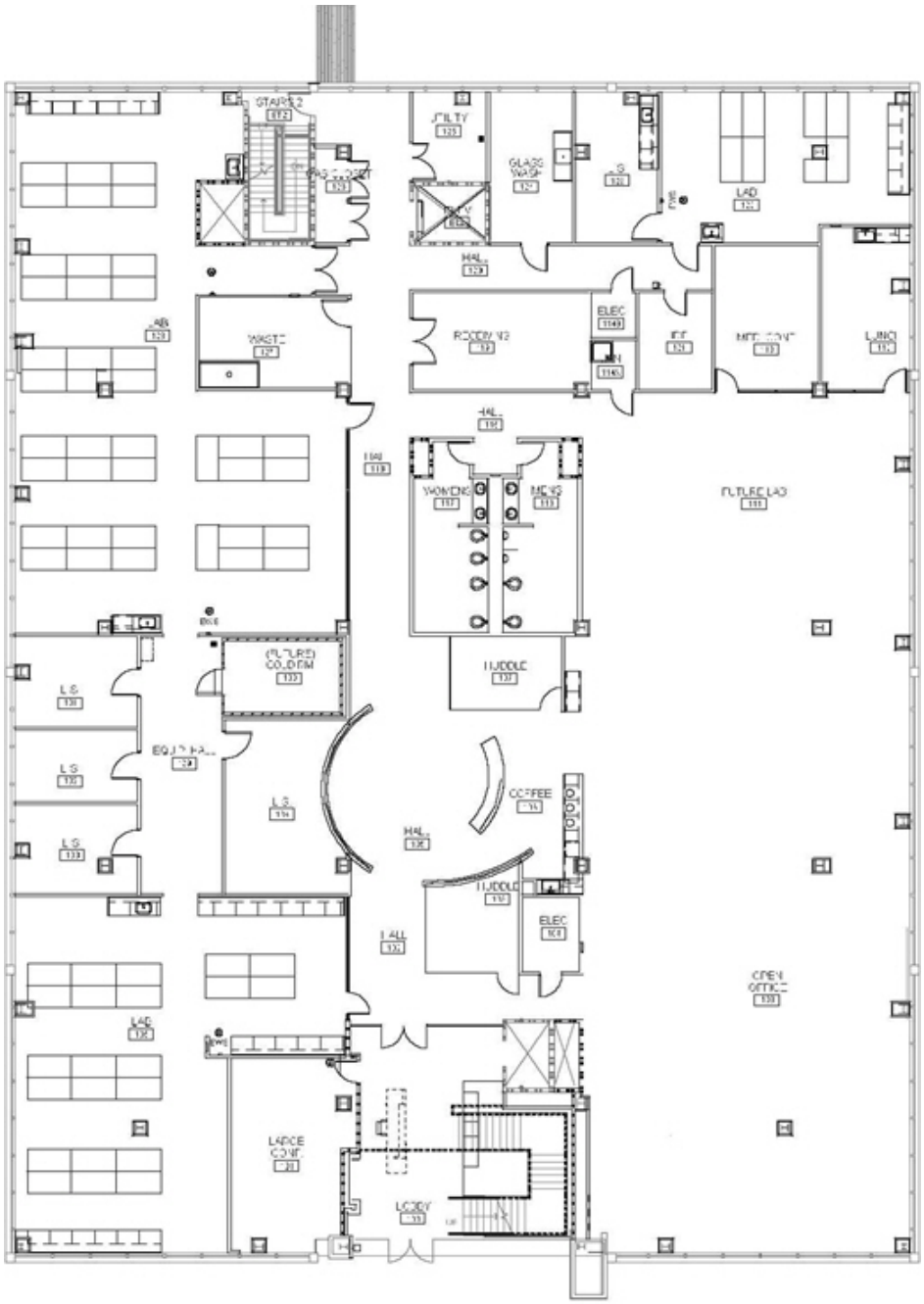
(a) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

(c) **Default**. Notwithstanding anything set forth herein or in the Lease to the contrary, Landlord shall not have any obligation to fund any portion of the TI Allowance during any period Tenant is in Default under the Lease or the Novartis Sublease.

EXHIBIT C-1 TO LEASE

LAB BENCHES ON FIRST FLOOR



Utilities to mobile benched to be provided from panels in ceiling. Refer to RCP for locations

Hanson- Nuflex Utility Ceiling Panel with (1) CDA, (1) VAC Turrets and (1) 4-Plex and (1) Data Outlets

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made this ____ day of _____, ____, between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company ("**Landlord**"), and **CONKWEST, INC.**, a Delaware corporation ("**Tenant**"), and is attached to and made a part of the Lease dated _____, ____ (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is _____, ____, the Rent Commencement Date is _____, ____, and the termination date of the Base Term of the Lease shall be midnight on July 31, 2023. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

CONKWEST, INC.,
a Delaware corporation

By:_____
Its:_____

LANDLORD:

ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By:_____
Its:_____

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Except as otherwise expressly provided for in the Lease, Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, exterior electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking (except for food preparation and service for Tenant's personnel consistent with Tenant's business at the Premises and the Permitted Use), or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

None.

FIRST AMENDMENT TO LEASE

This First Amendment (the "**Amendment**") to Lease is made as of July 16, 2015, by and between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company ("**Landlord**"), and **CONKWEST, INC.**, a Delaware corporation ("**Tenant**").

RECITALS

A**.** Landlord and Tenant are parties to that certain Lease Agreement dated as of June 19, 2015 (the "**Lease**"). Pursuant to the Lease, Tenant leases certain premises consisting of approximately 44,681 rentable square feet ("**Premises**") in a building located at 3530 John Hopkins Court, San Diego, California. The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. Landlord and Tenant desire to amend the Lease to, among other things, eliminate (i) the Early Termination Payment in connection with Tenant's Termination Right, and (ii) the Administrative Rent payable by Tenant in connection with the construction of Tenant Improvements.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **Amendment to Section 39 (Early Termination Right)**. Section 39 of the Lease shall be deleted in its entirety and replaced with the following:

"Early Termination Right. Tenant shall have the right, subject to the provisions of this Section 39, to terminate this Lease ("**Termination Right**") with respect to the entire Premises only as of July 31, 2021 ("**Early Termination Date**"), so long as Tenant delivers to Landlord a written notice ("**Termination Notice**"), of its election to exercise its Termination Right no less than 12 months in advance of the Early Termination Date. If Tenant timely and properly exercises the Termination Right, Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Early Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Early Termination Date and those which, pursuant to the terms of this Lease, survive the expiration or early termination of this Lease. If Tenant does not deliver to Landlord the Termination Notice within the time period provided in this paragraph, Tenant shall be deemed to have waived its Termination Right and the provisions of this Section 39 shall have no further force or effect."

2. **Amendment to Work Letter (Exhibit C to Lease)**. Section 5(a) of the Work Letter, attached as Exhibit C to the Lease, shall be deleted in its entirety and replaced with the following:

"Budget For Tenant Improvements. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain and deliver to Tenant for approval (which approval shall not be unreasonably withheld, delayed or conditioned) a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the "**Budget**"). The Budget may be amended from time to time but shall be submitted to Tenant each time for its approval which approval shall not be unreasonably withheld, conditioned or delayed. The initial Budget shall be based upon the TI Construction Drawings approved by Tenant. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d)."

All references to “Administrative Rent” in the Work Letter shall be deemed deleted.

3. **OFAC**. Tenant is currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control (“**OFAC**”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “**OFAC Rules**”), (b) not listed on, and shall not during the term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

4. **Miscellaneous**.

(a) This Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(c) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Amendment attached thereto.

(d) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively, “**Broker**“) in connection with this transaction, and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

(e) Except as amended and/or modified by this Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall prevail. Whether or not specifically amended by this Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

LANDLORD:

ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By: /s/ Gary Dean
Gary Dean
Senior Vice President
RE Legal Affairs

TENANT:

CONKWEST, INC.,
a Delaware corporation

By: /s/ Barry J. Simon
Its: President & Chief Operating Officer

EXHIBIT 10.20

SUBLEASE

This Sublease (this "***Sublease***"), dated as of the 22nd day of July, 2015 (the "***Effective Date***"), between NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC., a Delaware corporation doing business as "The Genomics Institute of the Novartis Research Foundation" (the "***Sublandlord***") and having an address at 10675 John Jay Hopkins Drive, San Diego, California 92121, and NANTKWEST, INC., a Delaware corporation (the "***Subtenant***") having an address at 2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, Encinitas, California 92007.

BACKGROUND

A. Under the terms of the Lease Agreement, dated August 8, 2011 (the "***Original Overlease***"), between ARE-John Hopkins Court, LLC, a Delaware limited liability company (the "***Landlord***"), as landlord, and Sublandlord, as tenant, the Sublandlord has leased from the Landlord premises (the "***Overlease Premises***"), comprising approximately 44,681 rentable square feet, in the building (the "***Building***") located at 3530 John Hopkins Court, San Diego, California. A copy of the Original Overlease is attached to this Sublease as Exhibit A.

B. Subject to and in accordance with the terms and conditions of this Sublease, the Subtenant wishes to sublease from the Sublandlord, and the Sublandlord wishes to sublease to the Subtenant, the entire Overlease Premises (as the subject of this Sublease, the Overlease Premises are referred to as the "***Subleased Premises***").

C. Contemporaneously with the execution and delivery of this Sublease, (1) the Landlord and the Sublandlord are executing and delivering a First Amendment to Lease, dated as of the Effective Date, amending the terms of the Overlease, in the form attached to this Sublease as Exhibit B (the "***First Amendment***"), and (2) the Landlord, the Sublandlord and the Subtenant are executing and delivering a Consent to Sublease, dated as of the Effective Date (the "***Landlord Consent***"), consenting to this Sublease. On or about June 19, 2015, the Landlord and the Subtenant executed and delivered a lease (the "***New Lease***"), under the terms of which the Subtenant will lease the Subleased Premises directly from the Landlord for a term commencing with the day following the "Expiration Date" referred to below.

AGREEMENT

In consideration of the mutual covenants and agreements contained in this Sublease, the Sublandlord and the Subtenant agree as follows:

1. References; Defined Terms. The Original Overlease, as amended by the First Amendment is referred to in this Sublease as the "***Overlease***". All references in this Sublease to sections and exhibits are to sections and exhibits of and to this Sublease unless otherwise expressly noted. Capitalized terms used in this Sublease without other definition are used with the meanings provided for the terms in the Overlease. Certain terms used in this Sublease and for which definitions are not provided in the Overlease or elsewhere in this Sublease are used with the meanings specified in Section 26.

2. Demise of Subleased Premises. The Sublandlord hereby subleases to the Subtenant, and the Subtenant hereby subleases from the Sublandlord, the Subleased Premises for the term described in Section 3.

3. Term. The term of this Sublease (the "***Term***") shall commence on the Effective Date and shall end on July 31, 2016 or on such earlier date upon which the Term may expire or be terminated pursuant to any of the conditions of limitation or other provisions of this Sublease or pursuant to law (the last day of the Term is referred to as the "***Expiration Date***").

4. Rent.

(a) The Subtenant shall have no obligation to pay fixed rent or Operating Expenses (including Operating Expenses in the nature of Taxes) for the Subleased Premises, other than Operating Expenses constituting charges for Utilities used by or supplied to the Subtenant during the Term.

(b) The Subtenant shall pay the Sublandlord Additional Sublease Rent for the Subleased Premises, and for the purposes of this Sublease the term "***Additional Sublease Rent***" means: (i) all amounts expressly required to be paid by the Subtenant to the Sublandlord under the terms this Sublease, (ii) charges for Utilities used by or supplied to the Subtenant during the Term, whether charged as Operating Expenses under the terms of the Overlease or separately billed for reimbursement by the Landlord (the charges described in this clause (ii) are referred to as "***Utility Charges***"), and (iii) all other sums that shall become due and payable by the Sublandlord to the Landlord under the Overlease as a result of the Subtenant's occupancy of the Subleased Premises, and that would not have become due and payable but for the Subtenant's particular use of the Subleased Premises (including use by all persons claiming by, through or under the Subtenant), and whether or not characterized as "Operating Expenses" in the Overlease, including (A) charges for services in excess of those services provided for in the Overlease, if and to the extent such services are requested by the Subtenant, and (B) charges imposed by the Landlord with respect to Alterations performed at the Subleased Premises by, or for the benefit of, the Subtenant (the sum described in this clause (iii) are referred to as "***Other Charges***"). The Sublandlord shall give prompt notice to the Subtenant following the Sublandlord's receipt of invoices or statements from the Landlord requiring the payment of any amounts of Utility Charges or Other Charges, and the Subtenant shall pay the Sublandlord all such amounts not later than two Business Days preceding the day on which payment of such amounts is required to be made to the Landlord, and without deduction, abatement, counterclaim or setoff of any amount for any reason. The Subtenant shall pay to the Sublandlord all other Additional Sublease Rent within five Business Days of the Sublandlord's delivery of a statement therefor, and without deduction, abatement, counterclaim or setoff of any amount for any reason. Notwithstanding the provisions of this Section 4(b), the Subtenant and the Sublandlord may, as a matter of convenience, establish in a writing supplemental to this Sublease such other mechanisms as they may deem appropriate for the direct payment to the Landlord of amounts required to be paid to the Sublandlord under this Sublease and that are in turn payable to the Landlord under the terms of the Overlease. Any provision of the Overlease incorporated in this Sublease under the terms of Section 8 referring to "Additional Charges", "rent", "escalations", "payments" or "charges" or words of similar import (other than Base Rent and Operating Expenses for amounts other than Utility Charges and Other Charges) shall be deemed to refer to "Additional Sublease Rent" under this Sublease.

(c) All Additional Sublease Rent shall be paid by the Subtenant to the Sublandlord in lawful money of the United States at the address of the Sublandlord set forth at the beginning of this Sublease, or at such other address as the Sublandlord may from time to time designate by notice to the Subtenant. Any payment by the Subtenant of any amount that is less than the full amount then owing under this Sublease may be applied by the Sublandlord against amounts owing under this Sublease in such order and manner as the Sublandlord may determine (notwithstanding any inconsistent designation by the Subtenant). No acceptance by the Sublandlord of any partial payment shall be deemed an accord and satisfaction, and the Sublandlord shall not be bound by any endorsement or statement, such as "payment in full," on any check or letter, and the Sublandlord may accept any check or payment without prejudice to the Sublandlord's right to recover the balance due or to pursue any other remedy available to the Sublandlord.

5. Utilities. The Sublandlord shall not be liable to the Subtenant by reason of any change in the quantity or character of any Utilities provided to the Building or in the event that any of them is no longer available or suitable for the Subtenant's requirements. The Sublandlord shall not be liable to the Subtenant for any interruption, curtailment, failure, inadequacy or defect in the supply, quantity or character of Utilities furnished to the Subleased Premises by reason of any legal requirement, requirement, act or omission of Landlord or of the provider of any Utilities servicing the Building or for any other reason, nor shall any failure on the part of the Landlord to furnish, or any interruption of, any Utilities give rise to any abatement or reduction of the Subtenant's obligations under this Sublease, or any constructive eviction.

6. Subordinate to Overlease; Modification Of Overlease. This Sublease is subject and subordinate to the Overlease and to the matters to which the Overlease is or shall be subject and subordinate. The Sublandlord shall not voluntarily agree to terminate the Overlease or agree to any modification or amendment of the Overlease that would increase or expand in any material respect the Subtenant's obligations under this Sublease or with respect to the Subleased Premises, decrease or limit in any material respect the Subtenant's rights under this Sublease or with respect to the Subleased Premises, or otherwise materially adversely affect the Subtenant or its use and enjoyment of the Subleased Premises, without the prior written consent of Subtenant in each instance, which consent shall not be withheld, conditioned or delayed unreasonably. The Sublandlord shall fully perform all of its obligations under the Overlease to the extent that the Subtenant has not agreed to perform such obligations under this Sublease.

7. Representations and Warranties of Sublandlord. The Sublandlord represents and warrants to the Subtenant that: (a) the copy of the Original Overlease attached as Exhibit A is accurate and complete, (b) the Overlease is in full force and effect, (c) the Sublandlord has not received any written notice from the Landlord asserting that the Sublandlord is currently in default of any of the provisions of the Overlease, and (d) to the Sublandlord's actual knowledge, but without having made any investigation, the Landlord is not in default of any of the provisions of the Overlease.

8. Incorporation by Reference.

(a) The terms, covenants and conditions of the Overlease are incorporated herein by reference so that, except as set forth in Section 8(b) or elsewhere in this Sublease, and except to the extent that such incorporated provisions are inapplicable to or modified by other provisions of this Sublease (all such incorporated provisions, and all such incorporated provisions as so modified, are referred to as the "***Incorporated Provisions***"), all of the terms, covenants and conditions of the Overlease that bind or inure to the benefit of the Landlord shall, in respect of this Sublease, bind or inure to the benefit of the Sublandlord, and all of the terms, covenants and conditions of the Overlease that bind or inure to the benefit of the tenant thereunder shall, in respect of this Sublease, bind or inure to the benefit of Subtenant, with the same force and effect as if such incorporated terms, covenants and conditions were completely set forth in this Sublease, and as if the words "Landlord" and "Tenant" or words of similar import, wherever they appear in the Overlease, were construed to mean, respectively, "Sublandlord" and "Subtenant" in this Sublease; and as if the words "Premises" and "demised premises" or words of similar import, wherever they appear in the Overlease, were construed to mean "***Subleased Premises***" in this Sublease, and as if the word "Lease" or words of similar import, wherever they appear in the Overlease, were construed to mean this "***Sublease***." Notwithstanding the provisions of the immediately preceding sentence, (i) reference to "Landlord" in any Incorporated Provision relating to the furnishing by "Landlord" of any services (including the services described in Section 13 of the Overlease), utilities (including the furnishing of utilities described in Section 11 of the Overlease), insurance (including the furnishing of insurance described in Section 17(a) of the Overlease), or facilities or the performance of any other installations, repairs, restorations, alterations, rebuilding or work (including work necessary for legal compliance) shall be deemed to refer to the Landlord rather than the Sublandlord, and (ii) the Sublandlord shall have all of the rights afforded the Landlord to enforce the Subtenant's obligations under the Incorporated Provisions described in clause (i) of this sentence, but the Sublandlord shall have no obligation to perform the obligations of the Landlord under the Incorporated Provisions. The time limits contained in the Overlease for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant under the Overlease, or for the exercise by the tenant under the Overlease of any right or remedy, are changed for the purposes of incorporation by reference in this Sublease by shortening the time limits, so that, except where a different time period is expressly provided for in this Sublease, in each instance the Subtenant shall have five fewer days to act under this Sublease than the Sublandlord has to act as the tenant with respect to the related matter under the Overlease, but the Subtenant shall have a minimum of five Business Days' notice (unless the period of time provided under the Overlease is shorter than five Business Days, in which case the Subtenant shall have the time provided for in the Overlease). The time limits contained in the Overlease for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the Landlord, or for the exercise by the Landlord of any right or remedy, are changed for the purposes of incorporation by reference in this Sublease by lengthening the time limits, so that, except where a different time period is specifically provided for in this Sublease, in each instance the Sublandlord shall have five days more time to act under this Sublease than the Landlord has to act with respect to the related matter under the Overlease.

(b) The following provisions of the Overlease shall not be incorporated by reference in this Sublease: the basic lease provisions following the preamble (to

the extent such provisions are not referred to in the Incorporated Provisions), Section 1, all paragraphs but the last paragraph of Section 2, Sections 3, 4, and 5, the last sentence of the first paragraph of Section 7 (beginning "*Except as may be provided under the Work Letter, …*"), Sections 8, 9, and 10, the third and fourth paragraphs of Section 12, Section 17(a), the third paragraph (beginning "*Prior to Tenant's occupancy of the Premises, …*") and the fourth paragraph (beginning "*In the instance where …*") of Section 17(b), Sections 18 and 19, Sections 26, 27, and 28, the second and third paragraphs of Section 31 (beginning "*Notwithstanding the foregoing, …*"), Sections 35 and 36, the second paragraph of Section 38 (beginning "*Tenant shall have the exclusive right to display, …*"), Section 39, Section 41(a), Section 41(c), the second sentence of Section 41(d) (beginning "*Notwithstanding the foregoing, Tenant has requested …*"), Sections 41(m), (o), and (r), Exhibit C, Exhibit D, Exhibit F, Exhibit G, and any provision constituting a representation or warranty by the Landlord under the Overlease.

(c) To the extent any term or condition of this Sublease conflicts with any term or condition of the Overlease, as between the Sublandlord and the Subtenant (but not as to the Landlord), this Sublease shall govern.

9. Performance by Sublandlord. The Sublandlord shall not be required to perform any obligation of the Landlord under the Overlease, and the Sublandlord shall have no liability to the Subtenant for the failure to perform any obligation of the Landlord under the Overlease, except that the Sublandlord shall use reasonable efforts, upon receipt of written request of the Subtenant and at the Subtenant's expense, to cause the Landlord to observe or perform its obligations under the Overlease (although in any event the Sublandlord shall have no obligation to institute any legal proceedings against the Landlord). Prior to the termination of the Overlease, the Subtenant shall not in any event have any rights in respect of the Subleased Premises greater than the Sublandlord's rights under the Overlease. The Subtenant shall have the non-exclusive benefit of (and the Sublandlord shall assign to the Subtenant to the extent necessary for the Subtenant to obtain the effective benefit of) any construction or equipment warranties existing in favor of the Sublandlord with respect to the Subleased Premises.

10. No Breach of Overlease. The Subtenant shall not do or permit to be done any act that may constitute a breach or violation of any term, covenant or condition of the Overlease (including the Rules and Regulations from time to time in effect under the terms of the Overlease), even if such act is not otherwise expressly prohibited under the provisions of this Sublease.

11. Indemnity. The Subtenant shall indemnify, defend and hold harmless the Sublandlord from and against all claims, actions, losses, costs, damages, expenses and liabilities, including reasonable attorneys' fees and expenses, that the Sublandlord may incur or pay by reason of (a) any accidents, damages or injuries to persons or property occurring in, on or about the Subleased Premises during the term of this Sublease (and during any other periods in which Subtenant is in possession of the Subleased Premises), (b) any breach or default hereunder on the Subtenant's part, (c) any work done in or to the Subleased Premises by, or for the benefit of, the Subtenant or the Subtenant's employees, agents, representatives, contractors, invitees or any other person claiming through or under the Subtenant, or (d) any act, omission or negligence on the part of the Subtenant or the Subtenant's employees, agents, representatives, customers, contractors, invitees or any other person claiming through or under the Subtenant.

12. Releases; Insurance.

(a) The Subtenant hereby releases (i) the Landlord or anyone claiming through or under Landlord by way of subrogation or otherwise, and (ii) the Sublandlord or anyone claiming through or under the Sublandlord by way of subrogation or otherwise, to the extent that the Sublandlord released the Landlord or the Landlord was relieved of liability or responsibility by the provisions of the Overlease. The Subtenant will cause its insurance carriers to include any clauses or endorsements in favor of the Landlord and the Sublandlord that the Sublandlord is required to provide for the benefit of the Landlord under the Overlease.

(b) Anything in this Sublease, including the Incorporated Provisions, to the contrary notwithstanding, the Subtenant and the Sublandlord each hereby releases the other and their respective agents, employees, successors and permitted assignees and subtenants, with respect to any liability for any damage to the Subleased Premises, the Building, the Project or their contents occurring during the term of this Sublease and normally covered by "special form" property insurance, whether or not such damage is caused by the acts of omission of such party or its contractors, employees, servants, visitors or invitees. The Subtenant and the Sublandlord each agrees to notify its insurer of the terms of the foregoing release and to cause its insurer to include in its property insurance policies in respect of the Subleased Premises a provision under which the insurer waives any rights of subrogation against the other party or consents to a waiver of right of recovery prior to the occurrence of any loss.

(c) Notwithstanding the Incorporated Provisions to the contrary (i) the Subtenant shall not have the right to satisfy any obligations to comply with any insurance requirements under this Sublease or the Overlease through self-insurance and (ii) the Subtenant shall, on the Effective Date, deliver to the Sublandlord evidence of insurance reasonably satisfactory to the Sublandlord with respect to the Subtenant's insurance obligations under this Sublease, including a certificate of insurance showing the Sublandlord's interest as an additional insured under the Subtenant's policies of liability insurance with respect to the Subleased Premises and as a loss payee with respect to the Included Personal Property (as that term is defined in Section 29).

13. Late Charges. If payment of any Additional Sublease Rent shall not be made when due, the Subtenant shall pay to the Sublandlord interest on the unpaid amount from the date due until the date paid in full at an annual interest rate (the "***Interest Rate***") equal to the lesser of (a) five percent per annum in excess of the so-called annual "base rate" of interest publicly announced by Citibank, N.A., New York, New York, from time to time, as its "base rate" (or such other term as may be used by Citibank, N.A., from time to time, for the rate currently referred to as its "base rate"), and (b) the then maximum lawful annual interest rate. The interest referred to in the immediately preceding sentence shall be payable by the Subtenant on demand of the Sublandlord, and if the Subtenant is in default of payment of the interest, the Sublandlord shall have (in addition to all other rights and remedies) the same rights and remedies as the Sublandlord has for the nonpayment of Additional Sublease Rent. The Subtenant acknowledges that any late payment of Additional Sublease Rent will cause the Sublandlord to

incur costs and expenses for which Sublandlord is not otherwise reimbursed or compensated under this Sublease, including administrative and collection costs, processing and accounting expenses, and late charges in favor of Landlord under the Overlease, the exact amounts of all of which are extremely difficult to currently ascertain. Therefore, in addition to interest, if payment of any Additional Sublease Rent is not received by the Sublandlord within five days after the date due, the Subtenant shall pay the Sublandlord a late charge equal to the sum of (a) five percent of the amount of the late payment, (ii) any late charge imposed on the Sublandlord under the Overlease to the extent the late charge is attributable to the Subtenant's late payment to the Sublandlord under this Sublease (the Subtenant acknowledging that the Sublandlord anticipates using Additional Sublease Rent payments received from the Subtenant under this Sublease to make payments due to the Landlord under the Overlease), and (iii) any reasonable attorneys' fees incurred by the Sublandlord or the Landlord that is attributable to the Subtenant's failure to pay Additional Sublease Rent when due. The Sublandlord and the Subtenant agree that this late charge represents a reasonable estimate of such costs and expenses and, together with the interest payable hereunder, is fair compensation to the Sublandlord for loss resulting from the Subtenant's late payment. The late charge shall be deemed Additional Sublease Rent and the right to require it shall be in addition to all of the Sublandlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting the Sublandlord's remedies in any manner.

14. Use. No representation or warranty is made by Sublandlord, and nothing contained in this Section 14 or elsewhere in this Sublease shall be deemed to be a representation or warranty by the Sublandlord that the Subleased Premises may be lawfully used for the purposes permitted by this Sublease, or for any other purpose; and the Sublandlord shall have no liability to the Subtenant if such use is not permitted by the present certificate of occupancy or any applicable zoning or other law or ordinance. The Subtenant shall comply with (a) the Overlease, (b) any certificate of occupancy relating to the Subleased Premises, (c) all present and future laws, statutes, ordinances, orders, rules, regulations and requirements of all Federal, state and municipal governments asserting jurisdiction over the Subleased Premises and (d) all requirements applicable to the Subleased Premises of the board of fire underwriters or any fire insurance rating or similar organization performing the same or similar functions.

15. Condition of Subleased Premises. Notwithstanding anything contained in this Sublease or the Overlease to the contrary, but subject to the requirements of the last sentence of this Section 15, the Subtenant acknowledges and agrees that (a) the Subtenant is fully familiar with the condition and state of repair of the Subleased Premises, (b) the Subtenant is leasing the Subleased Premises "as is" in their condition and state of repair on the Effective Date (subject to normal wear and tear and the Sublandlord's right to remove equipment and property as provided in Section 29), and (c) subject to Section 29, the Sublandlord shall have no obligation to furnish, render or supply any work, labor, services, fixtures, equipment, decorations or other items to make the Subleased Premises ready or suitable for the Subtenant's occupancy. Without limiting the generality of the immediately preceding provisions of this Section 15, the Subtenant acknowledges that the Sublandlord has afforded the Subtenant the opportunity for full and complete investigations, examinations and inspections and, in making and executing this Sublease, the Subtenant has relied solely on such investigations, examinations and inspections as the Subtenant has chosen to make or has made. On the Effective Date, the Sublandlord (a) shall deliver to the Subtenant such evidence as the Subtenant may reasonably require to evidence the

Sublandlord's delivery of possession of the Subleased Premises to the Subtenant free of any Tenant HazMat Operations and that the Sublandlord has satisfied the requirements of the Surrender Plan under Section 28 of the Overlease (but in any event the Sublandlord shall not be required to deliver a copy of the Surrender Plan to the Subtenant, except with such redactions as the Sublandlord shall require) and (b) shall cause (i) the carpet and flooring in the Subleased Premises to be cleaned, (ii) all painted surfaces in the Subleased Premises to be touched up (but not repainted as a whole), (iii) any broken or discolored ceiling tiles in the Subleased Premises to be replaced, and (iv) all light fixtures, and all HVAC, plumbing and electrical distributions systems in the Subleased Premises to be in good working order and in material compliance with all Legal Requirements. If any of the delivery conditions specified in the immediately preceding sentence are not satisfied to the Subtenant's reasonable satisfaction, the Sublandlord shall remedy any material deficiency promptly following the Sublandlord's receipt from the Subtenant of a reasonably detailed written notice describing the deficiency.

16. Consents and Approvals. In any circumstance in which the Sublandlord's consent or approval is required under this Sublease, the Sublandlord's refusal to consent to or approve any matter or thing shall be deemed reasonable if, *inter alia*, such consent or approval has not been obtained from the Landlord. In any case in which the Landlord has consented to an Alteration, it shall not be necessary to obtain the Sublandlord's consent to the Alteration if the Landlord has agreed in writing for the benefit of the Sublandlord (in the Landlord Consent or otherwise) that the Sublandlord shall have no obligation to remove the Alteration upon the expiration or earlier termination of this Sublease.

17. Termination Of Overlease.

(a) If for any reason the term of the Overlease shall terminate prior to the Expiration Date, this Sublease shall terminate upon the termination of the term of the Overlease and the Sublandlord shall not be liable to the Subtenant by reason of the termination of the Overlease, unless the termination shall have been caused by a breach or default of the Sublandlord under the Overlease or this Sublease and such breach or default shall not have been attributable to any breach or default by the Subtenant under this Sublease. If the Landlord wrongfully terminates or attempts to wrongfully terminate the Overlease, the Sublandlord shall cooperate with the Subtenant (at the Subtenant's expense) to attempt to keep the Overlease in full force and effect.

(b) So long as the Subtenant is not in default under this Sublease beyond any applicable notice and cure periods, the Sublandlord shall not voluntarily surrender, cancel or terminate the Overlease during the Term, including with respect to a casualty or condemnation, without the prior written consent of the Subtenant. Anything in the immediately preceding sentence to the contrary notwithstanding, the Sublandlord may voluntarily surrender, cancel or terminate the Overlease if, and on the express condition that, the Landlord shall have agreed (it being understood that the Landlord is under no obligation to agree) in writing to continue this Sublease in full force and effect as a direct lease between the Landlord and the Subtenant upon and subject to all of the terms, covenants and conditions of this Sublease for the balance of the Term. If the Landlord so agrees, the Subtenant shall attorn to the Landlord in connection with the voluntary surrender, cancellation or termination and shall execute an attornment agreement in such form as may reasonably be requested by the Landlord, *provided*

that the attornment agreement shall not materially adversely affect the use by the Subtenant of the Subleased Premises in accordance with the terms of this Sublease, materially increase the Subtenant's obligations under this Sublease or materially decrease the Subtenant's rights under this Sublease.

18. Assignment and Subletting. Except in accordance with the applicable provisions of this Sublease and the provisions of Section 22 of the Overlease, the Subtenant shall not assign, sell, mortgage, pledge or in any other manner transfer or encumber this Sublease or any interest therein, or sublet the Subleased Premises or any part thereof, or grant any concession or license or otherwise permit occupancy of all or any part of the Subleased Premises by any person, without in each instance the prior written consent of both the Sublandlord and the Landlord. Neither the consent of the Sublandlord nor the Landlord to any assignment, subletting, mortgage, pledge, transfer, concession, license or use, nor any references in this Sublease to assignees, subtenants, mortgagees, pledges, transferees, concessionaires, licensees or users, shall in any way be construed to relieve the Subtenant of the requirement of obtaining the prior written consent of both the Sublandlord and the Landlord, to any (or to any further) assignment, subletting or use or to the making of any assignment, subletting, mortgage, pledge, transfer, concession or license with respect to this Sublease or all or any part of the Subleased Premises. If the Sublandlord and the Landlord consent to any assignment of this Sublease, the assignee shall execute and deliver to the Sublandlord an agreement, in form and substance satisfactory to the Sublandlord, whereby the assignee shall assume all of the Subtenant's obligations under this Sublease. Notwithstanding any assignment, subletting or transfer, including any assignment, subletting, transfer or use permitted or consented to by the Sublandlord, the original Subtenant named herein, and all other persons and entities who at any time were the "Subtenant" hereunder, shall remain fully liable under this Sublease. Notwithstanding the foregoing provisions of this Section 18, to the extent not prohibited under the terms of the Overlease, the Subtenant shall have the right to obtain financing from investors (including venture capital funding and corporate partners) or undergo a public offering which results in a change in control of the Subtenant without such change of control constituting an assignment of this Sublease, *provided* that in the case of a financing referred to in this sentence (i) the Subtenant notifies the Sublandlord and the Landlord in writing of the financing at least 5 Business Days prior to the closing of the financing, and (ii) the financing does not result in a change in use of the Subleased Premises that is not permitted under this Sublease.

19. Right to Cure Subtenant's Defaults. If the Subtenant shall fail to make any payment or perform any other obligation to be paid or performed on the part of the Subtenant under this Sublease, the Sublandlord shall have the right, but not the obligation, upon ten days' prior written notice to the Subtenant, or without notice to Subtenant in the case of an emergency, and without waiving or releasing the Subtenant from any obligations of the Subtenant under this Sublease, to make such payment or perform such other obligation in such manner and to such extent as the Sublandlord shall deem necessary, and in connection therewith, to pay any incidental costs and expenses, employ attorneys, and incur and pay reasonable attorneys' fees and disbursements. The Subtenant shall pay to the Sublandlord as Additional Sublease Rent under this Sublease, within five Business Days after the Subtenant's receipt of written demand for payment, all sums so paid by the Sublandlord and all incidental costs and expenses paid or incurred by the Sublandlord in connection therewith, together with interest at the Interest Rate on the amounts payable by the Subtenant, from the date of the making of such expenditures until the day of payment in full to the Sublandlord.

20. Brokerage. The Sublandlord represents that Sublandlord has not dealt with any real estate broker or agent in connection with this Sublease or its negotiation other than Avison Young (the "***Sublandlord's Broker***"). The Subtenant agrees to indemnify, defend (with legal counsel reasonably acceptable to the Sublandlord) and hold harmless the Sublandlord against and from any and all claims for any brokerage commissions, finder's fee or similar compensation (except for commissions payable by the Sublandlord as provided in this Section 20), and all costs, expenses and liabilities in connection therewith, including reasonable attorneys' fees and expenses, if such claim shall arise by, through or on account of any act of the Subtenant or its representatives. The Sublandlord shall pay any commissions due the Sublandlord's Broker with respect to this Sublease (but not in any case with respect to the New Lease or any other direct lease between the Landlord and the Subtenant) in accordance with a separate agreement between the Sublandlord and the Sublandlord's Broker.

21. Notices.

(a) Any notice, statement, demand, consent, approval or other communication that the Subtenant or the Sublandlord may be required or may wish to give, render or make pursuant to this Sublease or pursuant to any legal requirement (collectively, "***notices***") shall be in writing (whether or not so stated elsewhere in this Sublease) and shall be deemed to have been properly delivered, given, rendered or made and received: (i) if mailed, on the third Business Day after the day on which it is deposited in the United States mails in the continental United States, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below; or (ii) if sent by reputable overnight courier service, on the next Business Day after delivery to the courier service, addressed as set forth below. Copies of notices may be sent by electronic mail, but the notice to which any such electronic mail relates shall not be deemed properly delivered, given, rendered or made or received unless the original of such notice is sent in the manner specified in clause (i) or (ii) of the immediately preceding sentence, in which event such notice shall be deemed properly delivered, given, rendered or made or received as provided in the immediately preceding sentence.

If to the Sublandlord:

Novartis Institute for Functional Genomics, Inc.
10675 John Jay Hopkins Drive
San Diego, California 92121
Attention: Chief Financial Officer
(with a copy by e-mail to jmccarthy@gnf.org)

If to the Subtenant:

Nantkwest, Inc.
The Plastino Building
2533 South Coast Highway, Suite 210
Cardiff-by-the-Sea, California 92007-2133
Attention: Lease Administrator
(with a copy by e-mail to rgomberg@conkwest.com)

(b) Either Subtenant or Sublandlord may, by notice as provided in Section 21(a), designate a different address (or addresses) within the United States for notices intended for it.

22. Security Deposit.

(a) The Subtenant shall deposit, and shall maintain on deposit with the Sublandlord at all times during the Term, cash in an amount equal to $134,043.00 (such deposit is referred to as the "***Security Deposit***"), as security for the full and prompt payment, performance and observance by the Subtenant of all of the covenants and obligations to be paid, performed or observed on the part of the Subtenant under this Sublease, and for the payment (or partial payment, to the extent the Security Deposit shall be insufficient for full payment) of any and all damages for which the Subtenant shall be liable by reason of any act or omission contrary to any of the provisions of this Sublease. Except as otherwise required by applicable law, the Sublandlord may commingle amounts deposited with the Sublandlord under this Section 22 with other funds of the Sublandlord and shall not be obligated to pay any interest thereon. If the Subtenant defaults beyond any applicable notice and cure periods in the full and prompt payment, performance and observance of any of the covenants and obligations to be paid, performed or observed on the part of the Subtenant under this Sublease, including the payment of Additional Sublease Rent, or any other sums or damages payable under this Sublease, the Sublandlord, at the Sublandlord's election, may use, apply or retain the whole or any part of the Security Deposit, to the extent required for the payment of any such Additional Sublease Rent, or any other sums or damages in respect of which the Subtenant is in default, or for any sum which the Sublandlord may expend or may be required to expend by reason of the Subtenant's default, including any damages or deficiency in the reletting of the Subleased Premises, whether such damages or deficiency accrue before or after summary proceedings or other re-entry by the Sublandlord. If the Sublandlord shall so use, apply or retain the whole or any part of the Security Deposit, the Subtenant shall, upon demand, immediately deposit with the Sublandlord a sum equal to the amount so used, applied or retained. If, at any time after the payment by the Subtenant to the Sublandlord of any amounts required to be paid by the Subtenant under this Sublease, the Sublandlord is required to return or repay to the Subtenant, for any reason in connection with the bankruptcy or insolvency of the Subtenant, any Additional Sublease Rent, or any other sums paid by the Subtenant to the Sublandlord under this Sublease, then, at the Sublandlord's election, the Security Deposit may be applied by the Sublandlord to offset all or any portion of the amounts so returned or repaid. The Security Deposit (or any remaining balance of the Security Deposit not applied in accordance with this Section 22) shall be returned to the Subtenant within 30 days after the Expiration Date.

(b) The Subtenant further covenants that it will not assign or encumber, or attempt to assign or encumber, its interest in the Security Deposit, and that neither the Sublandlord nor its successors or assigns shall be bound by any such assignment or encumbrance, or attempted assignment or attempted encumbrance.

23. No Waiver. The Sublandlord's receipt and acceptance of Additional Sublease Rent, or the Sublandlord's acceptance of performance of any other obligation by the Subtenant, with knowledge of the Subtenant's breach of any provision of this Sublease, shall not be deemed a waiver of such breach. No waiver by the Sublandlord of any term, covenant or condition of this Sublease shall be deemed to have been made unless expressed in writing and signed by the Sublandlord.

24. Successors and Assigns. The provisions of this Sublease, except as otherwise expressly provided in this Sublease, shall extend to, bind and inure to the benefit of the Sublandlord and the Subtenant and their respective successors and permitted assigns. In the event of any assignment or transfer of the leasehold estate under the Overlease, the transferor or assignor, as the case may be, shall be and hereby is entirely relieved and freed of all obligations under this Sublease.

25. Liability of Sublandlord and Subtenant.

(a) The Sublandlord's partners, officers, directors, shareholders and principals, disclosed or undisclosed, shall have no personal liability under this Sublease. No property or assets of the Sublandlord's partners, officers, directors, shareholders or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Subtenant's remedies under or with respect to this Sublease, the relationship of the Sublandlord and the Subtenant hereunder or the Subtenant's use or occupancy of the Subleased Premises. If the Subtenant shall acquire a lien on such other property or assets by judgment or otherwise, the Subtenant shall promptly release such lien by executing and delivering to the Sublandlord any instrument, prepared by the Sublandlord at the Subtenant's expense, required for such lien to be released. In addition, notwithstanding anything to the contrary contained in this Sublease (including the Incorporated Provisions), in no event shall the Sublandlord be liable to the Subtenant for consequential damages.

(b) The Subtenant's partners, officers, directors, shareholders and principals, disclosed or undisclosed, shall have no personal liability under this Sublease. No property or assets of the Subtenant's partners, officers, directors, shareholders or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Sublandlord's remedies under or with respect to this Sublease, the relationship of the Sublandlord and the Subtenant hereunder or the Subtenant's use or occupancy of the Subleased Premises. If the Sublandlord shall acquire a lien on such other property or assets by judgment or otherwise, the Sublandlord shall promptly release such lien by executing and delivering to the Subtenant any instrument, prepared by the Subtenant at the Sublandlord's expense, required for such lien to be released. In addition, notwithstanding anything to the contrary contained in this Sublease (including the Incorporated Provisions), in no event shall the Subtenant be liable to the Sublandlord for consequential damages

26. Interpretation. Irrespective of the place of execution or performance, this Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed within the State of California. The captions to the sections of this Sublease are solely for convenience of reference and shall not affect its interpretation. This Sublease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Sublease to be drafted. Each covenant, agreement, obligation or other provision of this Sublease binding upon the Subtenant shall be deemed and construed as a separate and independent covenant of the Subtenant, not dependent on any other provision of this Sublease unless otherwise expressly provided. All terms and words used in this Sublease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. The word "***person***" as used in this Sublease shall mean a natural person or persons, a partnership, a corporation or any other form of business or legal association or entity. Time is of the essence with respect each and every term of this Sublease. The term "***Business Day***"as used in this Sublease means any day other than a Saturday, Sunday or other day on which banks in the State of California are permitted to be closed for business. The use in this Sublease of the words "***herein***", "***hereunder***", or words of similar import is intended to refer to this entire Sublease, unless expressly stated to the contrary. The use in this Sublease of the words "***such as***", "***include***", "***including***" or words of similar import is intended to be construed as if followed by the phrase "without limitation" and shall not be deemed to limit the generality of the term or clause to which they have reference, whether or not expressly non-limiting language is used.

27. Quiet Enjoyment. Subject to the provisions of this Sublease (including the Incorporated Provisions) and to any mortgage, deed of trust, lease or other agreement to which the Overlease may be subordinated, the Sublandlord covenants that so long as the Subtenant is not in default in the performance of its covenants and agreements under this Sublease, the Subtenant's quiet and peaceable enjoyment of the Subleased Premises shall not be disturbed or interfered with by the Sublandlord or any person claiming by, through or under the Sublandlord.

28. Entire Agreement. This Sublease represents the entire agreement of the Sublandlord and the Subtenant with respect to the subject matter hereof, supersedes all prior communications concerning the subject matter of this Sublease and may not be amended except in writing signed by both the Sublandlord's and the Subtenant's authorized officers. This Sublease may be executed in multiple counterparts and shall be deemed fully executed and delivered when a counterpart executed by each of the Sublandlord and the Subtenant has been delivered to the other. Each such counterpart shall be deemed an original, and all such counterparts taken together shall constitute a single instrument.

29. Included Personal Property. So long as this Sublease is in full force and effect, during the term of this Sublease the Subtenant shall be permitted to use the furniture and equipment existing in the Subleased Premises on the Effective Date listed on Exhibit C to this Sublease (the "***Included Personal Property***"), *provided* that: (i) the Subtenant acknowledges that the Included Personal Property is being delivered to the Subtenant in its "as is" "where is" condition on the Effective Date (subject to normal wear and tear following the Effective Date), without representation or warranty as to fitness, merchantability or use or any other representation; (ii) for the purposes of Section 17(b) of the Overlease, as incorporated by reference under the terms of Section 8), the Included Personal Property shall be deemed property

installed in the Subleased Premises by the Subtenant at the Subtenant's expense, and the Subtenant shall deliver to the Sublandlord on the Effective Date evidence of insurance reasonably satisfactory to the Sublandlord with respect thereto, including a certificate of insurance showing the Sublandlord's interest as a loss payee; and (iii) the Included Personal Property shall remain in the Subleased Premises during the Term (or be removed to such storage facilities as may be approved by the Sublandlord in writing) and be delivered to the Sublandlord upon the Expiration Date, in the same condition as delivered to the Subtenant on the Effective Date, reasonable wear and tear and damage by casualty excepted. Upon the expiration of the Term (except as the result of the termination of this Sublease by reason of the Subtenant's default), the Subtenant shall purchase from the Sublandlord, and the Sublandlord shall sell to the Subtenant, all of the Sublandlord's interest in the Included Personal Property, for the sum of $1.00, without representation or warranty as to fitness, merchantability or use or any other representation. The Sublandlord shall have the right, on or before August 20, 2015, to remove from the Subleased Premises any items of telecommunications and audiovisual equipment as are not part of the Included Personal Property, and to enter onto the Subleased Premises for that purpose, at reasonable times and upon reasonable prior notice to the Subtenant, *provided* that, if the Sublessee reasonably cooperates in good faith with the Sublandlord's entry upon the Subleased Premises for the purposes specified in this sentence, any items of telecommunications and audiovisual equipment not removed from the Subleased Premises by the close of business on August 31, 2015 shall be deemed part of the Included Personal Property.

30. Parking. Subject to the terms and conditions of the Overlease, the Subtenant shall have the right, for no additional charge, during the Term to the use of the parking spaces allotted to the Sublandlord under the Overlease.

31. Signage. The Sublandlord agrees, at no cost or expense to the Sublandlord, to cooperate with the Subtenant in connection with any reasonable request by the Subtenant to make available to the Subtenant the signage rights that the Sublandlord would otherwise have under Section 38 of the Overlease. The Subtenant shall have the right, at the Subtenant's expense, to remove all of the Sublandlord's existing signage at the Building, and the Subtenant shall be responsible for any and all costs and expenses (including installation costs) in connection with any signage permitted under the terms of the Overlease or otherwise approved by the Landlord.

32. Certain Rights Reserved to Sublandlord. The Sublandlord reserves to itself, on a non-exclusive basis with the Subtenant and subject to the terms of the Lease, the right to continue the use for itself and its employees of the following amenities available for tenants of the Project: (a) the Nautilus Fitness Center, (b) the conference center located within the Project, and (c) the Green Acres cafeteria (with any associated tenant discount to which the Sublandlord is entitled, if any, under the Lease).

33. Surrender. If the New Lease is in effect on the July 31, 2016, the Subtenant shall have no obligations with respect to the surrender of the Subleased Premises to the Sublandlord on the Expiration Date.

[*remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the Sublandlord and the Subtenant have executed this Sublease as of the Effective Date.

SUBLANDLORD:

NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC.
a Delaware corporation

By: /s/ Julie McCarthy
Name: Julie McCarthy
Title: VP of Legal

SUBTENANT:

NANTKWEST, INC.,
a Delaware corporation

By: /s/ Richard Gomberg
Name: Richard Gomberg
Title: Chief Financial Officer

EXHIBIT A

The Original Overlease

[Attached]

SUBLEASE

This Sublease (this "***Sublease***"), dated as of the 22nd day of July, 2015 (the "***Effective Date***"), between NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC., a Delaware corporation doing business as "The Genomics Institute of the Novartis Research Foundation" (the "***Sublandlord***") and having an address at 10675 John Jay Hopkins Drive, San Diego, California 92121, and NANTKWEST, INC., a Delaware corporation (the "***Subtenant***") having an address at 2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, Encinitas, California 92007.

BACKGROUND

A. Under the terms of the Lease Agreement, dated August 8, 2011 (the "***Original Overlease***"), between ARE-John Hopkins Court, LLC, a Delaware limited liability company (the "***Landlord***"), as landlord, and Sublandlord, as tenant, the Sublandlord has leased from the Landlord premises (the "***Overlease Premises***''), comprising approximately 44,681 rentable square feet, in the building (the "***Building***") located at 3530 John Hopkins Court, San Diego, California. A copy of the Original Overlease is attached to this Sublease as Exhibit A.

B. Subject to and in accordance with the terms and conditions of this Sublease, the Subtenant wishes to sublease from the Sublandlord, and the Sublandlord wishes to sublease to the Subtenant, the entire Overlease Premises (as the subject of this Sublease, the Overlease Premises are referred to as the "***Subleased Premises***").

C. Contemporaneously with the execution and delivery of this Sublease, (1) the Landlord and the Sublandlord are executing and delivering a First Amendment to Lease, dated as of the Effective Date, amending the terms of the Overlease, in the form attached to this Sublease as Exhibit B (the "***First Amendment***"), and (2) the Landlord, the Sublandlord and the Subtenant are executing and delivering a Consent to Sublease, dated as of the Effective Date (the "***Landlord Consent***"), consenting to this Sublease. On or about June 19, 2015, the Landlord and the Subtenant executed and delivered a lease (the "***New Lease***"), under the terms of which the Subtenant will lease the Subleased Premises directly from the Landlord for a term commencing with the day following the "Expiration Date" referred to below.

AGREEMENT

In consideration of the mutual covenants and agreements contained in this Sublease, the Sublandlord and the Subtenant agree as follows:

1. References; Defined Terms. The Original Overlease, as amended by the First Amendment is referred to in this Sublease as the "***Overlease***". All references in this Sublease to sections and exhibits are to sections and exhibits of and to this Sublease unless otherwise expressly noted. Capitalized terms used in this Sublease without other definition are used with the meanings provided for the terms in the Overlease. Certain terms used in this Sublease and for which definitions are not provided in the Overlease or elsewhere in this Sublease are used with the meanings specified in Section 26.

2. Demise of Subleased Premises. The Sublandlord hereby subleases to the Subtenant, and the Subtenant hereby subleases from the Sublandlord, the Subleased Premises for the term described in Section 3.

3. Term. The term of this Sublease (the "***Term***") shall commence on the Effective Date and shall end on July 31, 2016 or on such earlier date upon which the Term may expire or be terminated pursuant to any of the conditions of limitation or other provisions of this Sublease or pursuant to law (the last day of the Term is referred to as the "***Expiration Date***").

4. Rent.

(a) The Subtenant shall have no obligation to pay fixed rent or Operating Expenses (including Operating Expenses in the nature of Taxes) for the Subleased Premises, other than Operating Expenses constituting charges for Utilities used by or supplied to the Subtenant during the Term.

(b) The Subtenant shall pay the Sublandlord Additional Sublease Rent for the Subleased Premises, and for the purposes of this Sublease the term "***Additional Sublease Rent***" means: (i) all amounts expressly required to be paid by the Subtenant to the Sublandlord under the terms this Sublease, (ii) charges for Utilities used by or supplied to the Subtenant during the Term, whether charged as Operating Expenses under the terms of the Overlease or separately billed for reimbursement by the Landlord (the charges described in this clause (ii) are referred to as "***Utility Charges***"), and (iii) all other sums that shall become due and payable by the Sublandlord to the Landlord under the Overlease as a result of the Subtenant's occupancy of the Subleased Premises, and that would not have become due and payable but for the Subtenant's particular use of the Subleased Premises (including use by all persons claiming by, through or under the Subtenant), and whether or not characterized as "Operating Expenses" in the Overlease, including (A) charges for services in excess of those services provided for in the Overlease, if and to the extent such services are requested by the Subtenant, and (B) charges imposed by the Landlord with respect to Alterations performed at the Subleased Premises by, or for the benefit of, the Subtenant (the sum described in this clause (iii) are referred to as "***Other Charges***"). The Sublandlord shall give prompt notice to the Subtenant following the Sublandlord's receipt of invoices or statements from the Landlord requiring the payment of any amounts of Utility Charges or Other Charges, and the Subtenant shall pay the Sublandlord all such amounts not later than two Business Days preceding the day on which payment of such amounts is required to be made to the Landlord, and without deduction, abatement, counterclaim or setoff of any amount for any reason. The Subtenant shall pay to the Sublandlord all other Additional Sublease Rent within five Business Days of the Sublandlord's delivery of a statement therefor, and without deduction, abatement, counterclaim or setoff of any amount for any reason. Notwithstanding the provisions of this Section 4(b), the Subtenant and the Sublandlord may, as a matter of convenience, establish in a writing supplemental to this Sublease such other mechanisms as they may deem appropriate for the direct payment to the Landlord of amounts required to be paid to the Sublandlord under this Sublease and that are in turn payable to the Landlord under the terms of the Overlease. Any provision of the Overlease incorporated in this Sublease under the terms of Section 8 referring to "Additional Charges", "rent", "escalations", "payments" or "charges" or words of similar import (other than Base Rent and Operating

Expenses for amounts other than Utility Charges and Other Charges) shall be deemed to refer to "Additional Sublease Rent" under this Sublease.

(c) All Additional Sublease Rent shall be paid by the Subtenant to the Sublandlord in lawful money of the United States at the address of the Sublandlord set forth at the beginning of this Sublease, or at such other address as the Sublandlord may from time to time designate by notice to the Subtenant. Any payment by the Subtenant of any amount that is less than the full amount then owing under this Sublease may be applied by the Sublandlord against amounts owing under this Sublease in such order and manner as the Sublandlord may determine (notwithstanding any inconsistent designation by the Subtenant). No acceptance by the Sublandlord of any partial payment shall be deemed an accord and satisfaction, and the Sublandlord shall not be bound by any endorsement or statement, such as "payment in full," on any check or letter, and the Sublandlord may accept any check or payment without prejudice to the Sublandlord's right to recover the balance due or to pursue any other remedy available to the Sublandlord.

5. Utilities. The Sublandlord shall not be liable to the Subtenant by reason of any change in the quantity or character of any Utilities provided to the Building or in the event that any of them is no longer available or suitable for the Subtenant's requirements. The Sublandlord shall not be liable to the Subtenant for any interruption, curtailment, failure, inadequacy or defect in the supply, quantity or character of Utilities furnished to the Subleased Premises by reason of any legal requirement, requirement, act or omission of Landlord or of the provider of any Utilities servicing the Building or for any other reason, nor shall any failure on the part of the Landlord to furnish, or any interruption of, any Utilities give rise to any abatement or reduction of the Subtenant's obligations under this Sublease, or any constructive eviction.

6. Subordinate to Overlease; Modification Of Overlease. This Sublease is subject and subordinate to the Overlease and to the matters to which the Overlease is or shall be subject and subordinate. The Sublandlord shall not voluntarily agree to terminate the Overlease or agree to any modification or amendment of the Overlease that would increase or expand in any material respect the Subtenant's obligations under this Sublease or with respect to the Subleased Premises, decrease or limit in any material respect the Subtenant's rights under this Sublease or with respect to the Subleased Premises, or otherwise materially adversely affect the Subtenant or its use and enjoyment of the Subleased Premises, without the prior written consent of Subtenant in each instance, which consent shall not be withheld, conditioned or delayed unreasonably. The Sublandlord shall fully perform all of its obligations under the Overlease to the extent that the Subtenant has not agreed to perform such obligations under this Sublease.

7. Representations and Warranties of Sublandlord. The Sublandlord represents and warrants to the Subtenant that: (a) the copy of the Original Overlease attached as Exhibit A is accurate and complete, (b) the Overlease is in full force and effect, (c) the Sublandlord has not received any written notice from the Landlord asserting that the Sublandlord is currently in default of any of the provisions of the Overlease, and (d) to the Sublandlord's actual knowledge, but without having made any investigation, the Landlord is not in default of any of the provisions of the Overlease.

8. Incorporation by Reference.

(a) The terms, covenants and conditions of the Overlease are incorporated herein by reference so that, except as set forth in Section 8(b) or elsewhere in this Sublease, and except to the extent that such incorporated provisions are inapplicable to or modified by other provisions of this Sublease (all such incorporated provisions, and all such incorporated provisions as so modified, are referred to as the "***Incorporated Provisions***"), all of the terms, covenants and conditions of the Overlease that bind or inure to the benefit of the Landlord shall, in respect of this Sublease, bind or inure to the benefit of the Sublandlord, and all of the terms, covenants and conditions of the Overlease that bind or inure to the benefit of the tenant thereunder shall, in respect of this Sublease, bind or inure to the benefit of Subtenant, with the same force and effect as if such incorporated terms, covenants and conditions were completely set forth in this Sublease, and as if the words "Landlord" and "Tenant" or words of similar import, wherever they appear in the Overlease, were construed to mean, respectively, "Sublandlord" and "Subtenant" in this Sublease; and as if the words "Premises" and "demised premises" or words of similar import, wherever they appear in the Overlease, were construed to mean "***Subleased Premises***" in this Sublease, and as if the word "Lease" or words of similar import, wherever they appear in the Overlease, were construed to mean this "***Sublease***." Notwithstanding the provisions of the immediately preceding sentence, (i) reference to "Landlord" in any Incorporated Provision relating to the furnishing by "Landlord" of any services (including the services described in Section 13 of the Overlease), utilities (including the furnishing of utilities described in Section 11 of the Overlease), insurance (including the furnishing of insurance described in Section 17(a) of the Overlease), or facilities or the performance of any other installations, repairs, restorations, alterations, rebuilding or work (including work necessary for legal compliance) shall be deemed to refer to the Landlord rather than the Sublandlord, and (ii) the Sublandlord shall have all of the rights afforded the Landlord to enforce the Subtenant's obligations under the Incorporated Provisions described in clause (i) of this sentence, but the Sublandlord shall have no obligation to perform the obligations of the Landlord under the Incorporated Provisions. The time limits contained in the Overlease for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant under the Overlease, or for the exercise by the tenant under the Overlease of any right or remedy, are changed for the purposes of incorporation by reference in this Sublease by shortening the time limits, so that, except where a different time period is expressly provided for in this Sublease, in each instance the Subtenant shall have five fewer days to act under this Sublease than the Sublandlord has to act as the tenant with respect to the related matter under the Overlease, but the Subtenant shall have a minimum of five Business Days' notice (unless the period of time provided under the Overlease is shorter than five Business Days, in which case the Subtenant shall have the time provided for in the Overlease). The time limits contained in the Overlease for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the Landlord, or for the exercise by the Landlord of any right or remedy, are changed for the purposes of incorporation by reference in this Sublease by lengthening the time limits, so that, except where a different time period is specifically provided for in this Sublease, in each instance the Sublandlord shall have five days more time to act under this Sublease than the Landlord has to act with respect to the related matter under the Overlease.

(b) The following provisions of the Overlease shall not be incorporated by reference in this Sublease: the basic lease provisions following the preamble (to

the extent such provisions are not referred to in the Incorporated Provisions), Section 1, all paragraphs but the last paragraph of Section 2, Sections 3, 4, and 5, the last sentence of the first paragraph of Section 7 (beginning "*Except as may be provided under the Work Letter, ...*"), Sections 8, 9, and 10, the third and fourth paragraphs of Section 12, Section 17(a), the third paragraph (beginning "*Prior to Tenant's occupancy of the Premises, ...*") and the fourth paragraph (beginning "*In the instance where ...*") of Section 17(b), Sections 18 and 19, Sections 26, 27, and 28, the second and third paragraphs of Section 31 (beginning "*Notwithstanding the foregoing, ...*"), Sections 35 and 36, the second paragraph of Section 38 (beginning "*Tenant shall have the exclusive right to display, ...*"), Section 39, Section 41(a), Section 41(c), the second sentence of Section 41(d) (beginning "*Notwithstanding the foregoing, Tenant has requested ...*"), Sections 41(m), (o), and (r), Exhibit C, Exhibit D, Exhibit F, Exhibit G, and any provision constituting a representation or warranty by the Landlord under the Overlease.

(c) To the extent any term or condition of this Sublease conflicts with any term or condition of the Overlease, as between the Sublandlord and the Subtenant (but not as to the Landlord), this Sublease shall govern.

9. Performance by Sublandlord. The Sublandlord shall not be required to perform any obligation of the Landlord under the Overlease, and the Sublandlord shall have no liability to the Subtenant for the failure to perform any obligation of the Landlord under the Overlease, except that the Sublandlord shall use reasonable efforts, upon receipt of written request of the Subtenant and at the Subtenant's expense, to cause the Landlord to observe or perform its obligations under the Overlease (although in any event the Sublandlord shall have no obligation to institute any legal proceedings against the Landlord). Prior to the termination of the Overlease, the Subtenant shall not in any event have any rights in respect of the Subleased Premises greater than the Sublandlord's rights under the Overlease. The Subtenant shall have the non-exclusive benefit of (and the Sublandlord shall assign to the Subtenant to the extent necessary for the Subtenant to obtain the effective benefit of) any construction or equipment warranties existing in favor of the Sublandlord with respect to the Subleased Premises.

10. No Breach of Overlease. The Subtenant shall not do or permit to be done any act that may constitute a breach or violation of any term, covenant or condition of the Overlease (including the Rules and Regulations from time to time in effect under the terms of the Overlease), even if such act is not otherwise expressly prohibited under the provisions of this Sublease.

11. Indemnity. The Subtenant shall indemnify, defend and hold harmless the Sublandlord from and against all claims, actions, losses, costs, damages, expenses and liabilities, including reasonable attorneys' fees and expenses, that the Sublandlord may incur or pay by reason of (a) any accidents, damages or injuries to persons or property occurring in, on or about the Subleased Premises during the term of this Sublease (and during any other periods in which Subtenant is in possession of the Subleased Premises), (b) any breach or default hereunder on the Subtenant's part, (c) any work done in or to the Subleased Premises by, or for the benefit of, the Subtenant or the Subtenant's employees, agents, representatives, contractors, invitees or any other person claiming through or under the Subtenant, or (d) any act, omission or negligence on

the part of the Subtenant or the Subtenant's employees, agents, representatives, customers, contractors, invitees or any other person claiming through or under the Subtenant.

12. Releases; Insurance.

(a) The Subtenant hereby releases (i) the Landlord or anyone claiming through or under Landlord by way of subrogation or otherwise, and (ii) the Sublandlord or anyone claiming through or under the Sublandlord by way of subrogation or otherwise, to the extent that the Sublandlord released the Landlord or the Landlord was relieved of liability or responsibility by the provisions of the Overlease. The Subtenant will cause its insurance carriers to include any clauses or endorsements in favor of the Landlord and the Sublandlord that the Sublandlord is required to provide for the benefit of the Landlord under the Overlease.

(b) Anything in this Sublease, including the Incorporated Provisions, to the contrary notwithstanding, the Subtenant and the Sublandlord each hereby releases the other and their respective agents, employees, successors and permitted assignees and subtenants, with respect to any liability for any damage to the Subleased Premises, the Building, the Project or their contents occurring during the term of this Sublease and normally covered by "special form" property insurance, whether or not such damage is caused by the acts of omission of such party or its contractors, employees, servants, visitors or invitees. The Subtenant and the Sublandlord each agrees to notify its insurer of the terms of the foregoing release and to cause its insurer to include in its property insurance policies in respect of the Subleased Premises a provision under which the insurer waives any rights of subrogation against the other party or consents to a waiver of right of recovery prior to the occurrence of any loss.

(c) Notwithstanding the Incorporated Provisions to the contrary (i) the Subtenant shall not have the right to satisfy any obligations to comply with any insurance requirements under this Sublease or the Overlease through self-insurance and (ii) the Subtenant shall, on the Effective Date, deliver to the Sublandlord evidence of insurance reasonably satisfactory to the Sublandlord with respect to the Subtenant's insurance obligations under this Sublease, including a certificate of insurance showing the Sublandlord's interest as an additional insured under the Subtenant's policies of liability insurance with respect to the Subleased Premises and as a loss payee with respect to the Included Personal Property (as that term is defined in Section 29).

13. Late Charges. If payment of any Additional Sublease Rent shall not be made when due, the Subtenant shall pay to the Sublandlord interest on the unpaid amount from the date due until the date paid in full at an annual interest rate (the "***Interest Rate***") equal to the lesser of (a) five percent per annum in excess of the so-called annual "base rate" of interest publicly announced by Citibank, N.A., New York, New York, from time to time, as its "base rate" (or such other term as may be used by Citibank, N.A., from time to time, for the rate currently referred to as its "base rate"), and (b) the then maximum lawful annual interest rate. The interest referred to in the immediately preceding sentence shall be payable by the Subtenant on demand of the Sublandlord, and if the Subtenant is in default of payment of the interest, the Sublandlord shall have (in addition to all other rights and remedies) the same rights and remedies as the Sublandlord has for the nonpayment of Additional Sublease Rent. The Subtenant acknowledges that any late payment of Additional Sublease Rent will cause the Sublandlord to

incur costs and expenses for which Sublandlord is not otherwise reimbursed or compensated under this Sublease, including administrative and collection costs, processing and accounting expenses, and late charges in favor of Landlord under the Overlease, the exact amounts of all of which are extremely difficult to currently ascertain. Therefore, in addition to interest, if payment of any Additional Sublease Rent is not received by the Sublandlord within five days after the date due, the Subtenant shall pay the Sublandlord a late charge equal to the sum of (a) five percent of the amount of the late payment, (ii) any late charge imposed on the Sublandlord under the Overlease to the extent the late charge is attributable to the Subtenant's late payment to the Sublandlord under this Sublease (the Subtenant acknowledging that the Sublandlord anticipates using Additional Sublease Rent payments received from the Subtenant under this Sublease to make payments due to the Landlord under the Overlease), and (iii) any reasonable attorneys' fees incurred by the Sublandlord or the Landlord that is attributable to the Subtenant's failure to pay Additional Sublease Rent when due. The Sublandlord and the Subtenant agree that this late charge represents a reasonable estimate of such costs and expenses and, together with the interest payable hereunder, is fair compensation to the Sublandlord for loss resulting from the Subtenant's late payment. The late charge shall be deemed Additional Sublease Rent and the right to require it shall be in addition to all of the Sublandlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting the Sublandlord's remedies in any manner.

14. Use. No representation or warranty is made by Sublandlord, and nothing contained in this Section 14 or elsewhere in this Sublease shall be deemed to be a representation or warranty by the Sublandlord that the Subleased Premises may be lawfully used for the purposes permitted by this Sublease, or for any other purpose; and the Sublandlord shall have no liability to the Subtenant if such use is not permitted by the present certificate of occupancy or any applicable zoning or other law or ordinance. The Subtenant shall comply with (a) the Overlease, (b) any certificate of occupancy relating to the Subleased Premises, (c) all present and future laws, statutes, ordinances, orders, rules, regulations and requirements of all Federal, state and municipal governments asserting jurisdiction over the Subleased Premises and (d) all requirements applicable to the Subleased Premises of the board of fire underwriters or any fire insurance rating or similar organization performing the same or similar functions.

15. Condition of Subleased Premises. Notwithstanding anything contained in this Sublease or the Overlease to the contrary, but subject to the requirements of the last sentence of this Section 15, the Subtenant acknowledges and agrees that (a) the Subtenant is fully familiar with the condition and state of repair of the Subleased Premises, (b) the Subtenant is leasing the Subleased Premises "as is" in their condition and state of repair on the Effective Date (subject to normal wear and tear and the Sublandlord's right to remove equipment and property as provided in Section 29), and (c) subject to Section 29, the Sublandlord shall have no obligation to furnish, render or supply any work, labor, services, fixtures, equipment, decorations or other items to make the Subleased Premises ready or suitable for the Subtenant's occupancy. Without limiting the generality of the immediately preceding provisions of this Section 15, the Subtenant acknowledges that the Sublandlord has afforded the Subtenant the opportunity for full and complete investigations, examinations and inspections and, in making and executing this Sublease, the Subtenant has relied solely on such investigations, examinations and inspections as the Subtenant has chosen to make or has made. On the Effective Date, the Sublandlord (a) shall deliver to the Subtenant such evidence as the Subtenant may reasonably require to evidence the

Sublandlord's delivery of possession of the Subleased Premises to the Subtenant free of any Tenant HazMat Operations and that the Sublandlord has satisfied the requirements of the Surrender Plan under Section 28 of the Overlease (but in any event the Sublandlord shall not be required to deliver a copy of the Surrender Plan to the Subtenant, except with such redactions as the Sublandlord shall require) and (b) shall cause (i) the carpet and flooring in the Subleased Premises to be cleaned, (ii) all painted surfaces in the Subleased Premises to be touched up (but not repainted as a whole), (iii) any broken or discolored ceiling tiles in the Subleased Premises to be replaced, and (iv) all light fixtures, and all HVAC, plumbing and electrical distributions systems in the Subleased Premises to be in good working order and in material compliance with all Legal Requirements. If any of the delivery conditions specified in the immediately preceding sentence are not satisfied to the Subtenant's reasonable satisfaction, the Sublandlord shall remedy any material deficiency promptly following the Sublandlord's receipt from the Subtenant of a reasonably detailed written notice describing the deficiency.

16. Consents and Approvals. In any circumstance in which the Sublandlord's consent or approval is required under this Sublease, the Sublandlord's refusal to consent to or approve any matter or thing shall be deemed reasonable if, *inter alia*, such consent or approval has not been obtained from the Landlord. In any case in which the Landlord has consented to an Alteration, it shall not be necessary to obtain the Sublandlord's consent to the Alteration if the Landlord has agreed in writing for the benefit of the Sublandlord (in the Landlord Consent or otherwise) that the Sublandlord shall have no obligation to remove the Alteration upon the expiration or earlier termination of this Sublease.

17. Termination Of Overlease.

(a) If for any reason the term of the Overlease shall terminate prior to the Expiration Date, this Sublease shall terminate upon the termination of the term of the Overlease and the Sublandlord shall not be liable to the Subtenant by reason of the termination of the Overlease, unless the termination shall have been caused by a breach or default of the Sublandlord under the Overlease or this Sublease and such breach or default shall not have been attributable to any breach or default by the Subtenant under this Sublease. If the Landlord wrongfully terminates or attempts to wrongfully terminate the Overlease, the Sublandlord shall cooperate with the Subtenant (at the Subtenant's expense) to attempt to keep the Overlease in full force and effect.

(b) So long as the Subtenant is not in default under this Sublease beyond any applicable notice and cure periods, the Sublandlord shall not voluntarily surrender, cancel or terminate the Overlease during the Term, including with respect to a casualty or condemnation, without the prior written consent of the Subtenant. Anything in the immediately preceding sentence to the contrary notwithstanding, the Sublandlord may voluntarily surrender, cancel or terminate the Overlease if, and on the express condition that, the Landlord shall have agreed (it being understood that the Landlord is under no obligation to agree) in writing to continue this Sublease in full force and effect as a direct lease between the Landlord and the Subtenant upon and subject to all of the terms, covenants and conditions of this Sublease for the balance of the Term. If the Landlord so agrees, the Subtenant shall attorn to the Landlord in connection with the voluntary surrender, cancellation or termination and shall execute an attornment agreement in such form as may reasonably be requested by the Landlord, *provided*

that the attornment agreement shall not materially adversely affect the use by the Subtenant of the Subleased Premises in accordance with the terms of this Sublease, materially increase the Subtenant's obligations under this Sublease or materially decrease the Subtenant's rights under this Sublease.

18. Assignment and Subletting. Except in accordance with the applicable provisions of this Sublease and the provisions of Section 22 of the Overlease, the Subtenant shall not assign, sell, mortgage, pledge or in any other manner transfer or encumber this Sublease or any interest therein, or sublet the Subleased Premises or any part thereof, or grant any concession or license or otherwise permit occupancy of all or any part of the Subleased Premises by any person, without in each instance the prior written consent of both the Sublandlord and the Landlord. Neither the consent of the Sublandlord nor the Landlord to any assignment, subletting, mortgage, pledge, transfer, concession, license or use, nor any references in this Sublease to assignees, subtenants, mortgagees, pledges, transferees, concessionaires, licensees or users, shall in any way be construed to relieve the Subtenant of the requirement of obtaining the prior written consent of both the Sublandlord and the Landlord, to any (or to any further) assignment, subletting or use or to the making of any assignment, subletting, mortgage, pledge, transfer, concession or license with respect to this Sublease or all or any part of the Subleased Premises. If the Sublandlord and the Landlord consent to any assignment of this Sublease, the assignee shall execute and deliver to the Sublandlord an agreement, in form and substance satisfactory to the Sublandlord, whereby the assignee shall assume all of the Subtenant's obligations under this Sublease. Notwithstanding any assignment, subletting or transfer, including any assignment, subletting, transfer or use permitted or consented to by the Sublandlord, the original Subtenant named herein, and all other persons and entities who at any time were the "Subtenant" hereunder, shall remain fully liable under this Sublease. Notwithstanding the foregoing provisions of this Section 18, to the extent not prohibited under the terms of the Overlease, the Subtenant shall have the right to obtain financing from investors (including venture capital funding and corporate partners) or undergo a public offering which results in a change in control of the Subtenant without such change of control constituting an assignment of this Sublease, *provided* that in the case of a financing referred to in this sentence (i) the Subtenant notifies the Sublandlord and the Landlord in writing of the financing at least 5 Business Days prior to the closing of the financing, and (ii) the financing does not result in a change in use of the Subleased Premises that is not permitted under this Sublease.

19. Right to Cure Subtenant's Defaults. If the Subtenant shall fail to make any payment or perform any other obligation to be paid or performed on the part of the Subtenant under this Sublease, the Sublandlord shall have the right, but not the obligation, upon ten days' prior written notice to the Subtenant, or without notice to Subtenant in the case of an emergency, and without waiving or releasing the Subtenant from any obligations of the Subtenant under this Sublease, to make such payment or perform such other obligation in such manner and to such extent as the Sublandlord shall deem necessary, and in connection therewith, to pay any incidental costs and expenses, employ attorneys, and incur and pay reasonable attorneys' fees and disbursements. The Subtenant shall pay to the Sublandlord as Additional Sublease Rent under this Sublease, within five Business Days after the Subtenant's receipt of written demand for payment, all sums so paid by the Sublandlord and all incidental costs and expenses paid or incurred by the Sublandlord in connection therewith, together with interest at

the Interest Rate on the amounts payable by the Subtenant, from the date of the making of such expenditures until the day of payment in full to the Sublandlord.

20. Brokerage. The Sublandlord represents that Sublandlord has not dealt with any real estate broker or agent in connection with this Sublease or its negotiation other than Avison Young (the "***Sublandlord's Broker***"). The Subtenant agrees to indemnify, defend (with legal counsel reasonably acceptable to the Sublandlord) and hold harmless the Sublandlord against and from any and all claims for any brokerage commissions, finder's fee or similar compensation (except for commissions payable by the Sublandlord as provided in this Section 20), and all costs, expenses and liabilities in connection therewith, including reasonable attorneys' fees and expenses, if such claim shall arise by, through or on account of any act of the Subtenant or its representatives. The Sublandlord shall pay any commissions due the Sublandlord's Broker with respect to this Sublease (but not in any case with respect to the New Lease or any other direct lease between the Landlord and the Subtenant) in accordance with a separate agreement between the Sublandlord and the Sublandlord's Broker.

21. Notices.

(a) Any notice, statement, demand, consent, approval or other communication that the Subtenant or the Sublandlord may be required or may wish to give, render or make pursuant to this Sublease or pursuant to any legal requirement (collectively, "***notices***") shall be in writing (whether or not so stated elsewhere in this Sublease) and shall be deemed to have been properly delivered, given, rendered or made and received: (i) if mailed, on the third Business Day after the day on which it is deposited in the United States mails in the continental United States, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below; or (ii) if sent by reputable overnight courier service, on the next Business Day after delivery to the courier service, addressed as set forth below. Copies of notices may be sent by electronic mail, but the notice to which any such electronic mail relates shall not be deemed properly delivered, given, rendered or made or received unless the original of such notice is sent in the manner specified in clause (i) or (ii) of the immediately preceding sentence, in which event such notice shall be deemed properly delivered, given, rendered or made or received as provided in the immediately preceding sentence.

If to the Sublandlord:

Novartis Institute for Functional Genomics, Inc.
10675 John Jay Hopkins Drive
San Diego, California 92121
Attention: Chief Financial Officer
(with a copy by e-mail to jmccarthy@gnf.org)

If to the Subtenant:

Nantkwest, Inc.
The Plastino Building
2533 South Coast Highway, Suite 210
Cardiff-by-the-Sea, California 92007-2133
Attention: Lease Administrator
(with a copy by e-mail to rgomberg@conkwest.com)

(b) Either Subtenant or Sublandlord may, by notice as provided in Section 21(a), designate a different address (or addresses) within the United States for notices intended for it.

22. Security Deposit.

(a) The Subtenant shall deposit, and shall maintain on deposit with the Sublandlord at all times during the Term, cash in an amount equal to $134,043.00 (such deposit is referred to as the ***"Security Deposit***"), as security for the full and prompt payment, performance and observance by the Subtenant of all of the covenants and obligations to be paid, performed or observed on the part of the Subtenant under this Sublease, and for the payment (or partial payment, to the extent the Security Deposit shall be insufficient for full payment) of any and all damages for which the Subtenant shall be liable by reason of any act or omission contrary to any of the provisions of this Sublease. Except as otherwise required by applicable law, the Sublandlord may commingle amounts deposited with the Sublandlord under this Section 22 with other funds of the Sublandlord and shall not be obligated to pay any interest thereon. If the Subtenant defaults beyond any applicable notice and cure periods in the full and prompt payment, performance and observance of any of the covenants and obligations to be paid, performed or observed on the part of the Subtenant under this Sublease, including the payment of Additional Sublease Rent, or any other sums or damages payable under this Sublease, the Sublandlord, at the Sublandlord's election, may use, apply or retain the whole or any part of the Security Deposit, to the extent required for the payment of any such Additional Sublease Rent, or any other sums or damages in respect of which the Subtenant is in default, or for any sum which the Sublandlord may expend or may be required to expend by reason of the Subtenant's default, including any damages or deficiency in the reletting of the Subleased Premises, whether such damages or deficiency accrue before or after summary proceedings or other re-entry by the Sublandlord. If the Sublandlord shall so use, apply or retain the whole or any part of the Security Deposit, the Subtenant shall, upon demand, immediately deposit with the Sublandlord a sum equal to the amount so used, applied or retained. If, at any time after the payment by the Subtenant to the Sublandlord of any amounts required to be paid by the Subtenant under this Sublease, the Sublandlord is required to return or repay to the Subtenant, for any reason in connection with the bankruptcy or insolvency of the Subtenant, any Additional Sublease Rent, or any other sums paid by the Subtenant to the Sublandlord under this Sublease, then, at the Sublandlord's election, the Security Deposit may be applied by the Sublandlord to offset all or any portion of the amounts so returned or repaid. The Security Deposit (or any remaining balance of the Security Deposit not applied in accordance with this Section 22) shall be returned to the Subtenant within 30 days after the Expiration Date.

(b) The Subtenant further covenants that it will not assign or encumber, or attempt to assign or encumber, its interest in the Security Deposit, and that neither the Sublandlord nor its successors or assigns shall be bound by any such assignment or encumbrance, or attempted assignment or attempted encumbrance.

23. No Waiver. The Sublandlord's receipt and acceptance of Additional Sublease Rent, or the Sublandlord's acceptance of performance of any other obligation by the Subtenant, with knowledge of the Subtenant's breach of any provision of this Sublease, shall not be deemed a waiver of such breach. No waiver by the Sublandlord of any term, covenant or condition of this Sublease shall be deemed to have been made unless expressed in writing and signed by the Sublandlord.

24. Successors and Assigns. The provisions of this Sublease, except as otherwise expressly provided in this Sublease, shall extend to, bind and inure to the benefit of the Sublandlord and the Subtenant and their respective successors and permitted assigns. In the event of any assignment or transfer of the leasehold estate under the Overlease, the transferor or assignor, as the case may be, shall be and hereby is entirely relieved and freed of all obligations under this Sublease.

25. Liability of Sublandlord and Subtenant.

(a) The Sublandlord's partners, officers, directors, shareholders and principals, disclosed or undisclosed, shall have no personal liability under this Sublease. No property or assets of the Sublandlord's partners, officers, directors, shareholders or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Subtenant's remedies under or with respect to this Sublease, the relationship of the Sublandlord and the Subtenant hereunder or the Subtenant's use or occupancy of the Subleased Premises. If the Subtenant shall acquire a lien on such other property or assets by judgment or otherwise, the Subtenant shall promptly release such lien by executing and delivering to the Sublandlord any instrument, prepared by the Sublandlord at the Subtenant's expense, required for such lien to be released. In addition, notwithstanding anything to the contrary contained in this Sublease (including the Incorporated Provisions), in no event shall the Sublandlord be liable to the Subtenant for consequential damages.

(b) The Subtenant's partners, officers, directors, shareholders and principals, disclosed or undisclosed, shall have no personal liability under this Sublease. No property or assets of the Subtenant's partners, officers, directors, shareholders or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Sublandlord's remedies under or with respect to this Sublease, the relationship of the Sublandlord and the Subtenant hereunder or the Subtenant's use or occupancy of the Subleased Premises. If the Sublandlord shall acquire a lien on such other property or assets by judgment or otherwise, the Sublandlord shall promptly release such lien by executing and delivering to the Subtenant any instrument, prepared by the Subtenant at the Sublandlord's expense, required for such lien to be released. In addition, notwithstanding anything to the contrary contained in this Sublease (including the Incorporated Provisions), in no event shall the Subtenant be liable to the Sublandlord for consequential damages

26. Interpretation. Irrespective of the place of execution or performance, this Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed within the State of California. The captions to the sections of this Sublease are solely for convenience of reference and shall not affect its interpretation. This Sublease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Sublease to be drafted. Each covenant, agreement, obligation or other provision of this Sublease binding upon the Subtenant shall be deemed and construed as a separate and independent covenant of the Subtenant, not dependent on any other provision of this Sublease unless otherwise expressly provided. All terms and words used in this Sublease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. The word "***person***" as used in this Sublease shall mean a natural person or persons, a partnership, a corporation or any other form of business or legal association or entity. Time is of the essence with respect each and every term of this Sublease. The term "***Business Day***" as used in this Sublease means any day other than a Saturday, Sunday or other day on which banks in the State of California are permitted to be closed for business. The use in this Sublease of the words "***herein***", "***hereunder***", or words of similar import is intended to refer to this entire Sublease, unless expressly stated to the contrary. The use in this Sublease of the words "***such as***", "***include***", "***including***" or words of similar import is intended to be construed as if followed by the phrase "without limitation" and shall not be deemed to limit the generality of the term or clause to which they have reference, whether or not expressly non-limiting language is used.

27. Quiet Enjoyment. Subject to the provisions of this Sublease (including the Incorporated Provisions) and to any mortgage, deed of trust, lease or other agreement to which the Overlease may be subordinated, the Sublandlord covenants that so long as the Subtenant is not in default in the performance of its covenants and agreements under this Sublease, the Subtenant's quiet and peaceable enjoyment of the Subleased Premises shall not be disturbed or interfered with by the Sublandlord or any person claiming by, through or under the Sublandlord.

28. Entire Agreement. This Sublease represents the entire agreement of the Sublandlord and the Subtenant with respect to the subject matter hereof, supersedes all prior communications concerning the subject matter of this Sublease and may not be amended except in writing signed by both the Sublandlord's and the Subtenant's authorized officers. This Sublease may be executed in multiple counterparts and shall be deemed fully executed and delivered when a counterpart executed by each of the Sublandlord and the Subtenant has been delivered to the other. Each such counterpart shall be deemed an original, and all such counterparts taken together shall constitute a single instrument.

29. Included Personal Property. So long as this Sublease is in full force and effect, during the term of this Sublease the Subtenant shall be permitted to use the furniture and equipment existing in the Subleased Premises on the Effective Date listed on Exhibit C to this Sublease (the "***Included Personal Property***"), *provided* that: (i) the Subtenant acknowledges that the Included Personal Property is being delivered to the Subtenant in its "as is" "where is" condition on the Effective Date (subject to normal wear and tear following the Effective Date), without representation or warranty as to fitness, merchantability or use or any other representation; (ii) for the purposes of Section 17(b) of the Overlease, as incorporated by reference under the terms of Section 8), the Included Personal Property shall be deemed property

installed in the Subleased Premises by the Subtenant at the Subtenant's expense, and the Subtenant shall deliver to the Sublandlord on the Effective Date evidence of insurance reasonably satisfactory to the Sublandlord with respect thereto, including a certificate of insurance showing the Sublandlord's interest as a loss payee; and (iii) the Included Personal Property shall remain in the Subleased Premises during the Term (or be removed to such storage facilities as may be approved by the Sublandlord in writing) and be delivered to the Sublandlord upon the Expiration Date, in the same condition as delivered to the Subtenant on the Effective Date, reasonable wear and tear and damage by casualty excepted. Upon the expiration of the Term (except as the result of the termination of this Sublease by reason of the Subtenant's default), the Subtenant shall purchase from the Sublandlord, and the Sublandlord shall sell to the Subtenant, all of the Sublandlord's interest in the Included Personal Property, for the sum of $1.00, without representation or warranty as to fitness, merchantability or use or any other representation. The Sublandlord shall have the right, on or before August 20, 2015, to remove from the Subleased Premises any items of telecommunications and audiovisual equipment as are not part of the Included Personal Property, and to enter onto the Subleased Premises for that purpose, at reasonable times and upon reasonable prior notice to the Subtenant, *provided* that, if the Sublessee reasonably cooperates in good faith with the Sublandlord's entry upon the Subleased Premises for the purposes specified in this sentence, any items of telecommunications and audiovisual equipment not removed from the Subleased Premises by the close of business on August 31, 2015 shall be deemed part of the Included Personal Property.

30. Parking. Subject to the terms and conditions of the Overlease, the Subtenant shall have the right, for no additional charge, during the Term to the use of the parking spaces allotted to the Sublandlord under the Overlease.

31. Signage. The Sublandlord agrees, at no cost or expense to the Sublandlord, to cooperate with the Subtenant in connection with any reasonable request by the Subtenant to make available to the Subtenant the signage rights that the Sublandlord would otherwise have under Section 38 of the Overlease. The Subtenant shall have the right, at the Subtenant's expense, to remove all of the Sublandlord's existing signage at the Building, and the Subtenant shall be responsible for any and all costs and expenses (including installation costs) in connection with any signage permitted under the terms of the Overlease or otherwise approved by the Landlord.

32. Certain Rights Reserved to Sublandlord. The Sublandlord reserves to itself, on a non-exclusive basis with the Subtenant and subject to the terms of the Lease, the right to continue the use for itself and its employees of the following amenities available for tenants of the Project: (a) the Nautilus Fitness Center, (b) the conference center located within the Project, and (c) the Green Acres cafeteria (with any associated tenant discount to which the Sublandlord is entitled, if any, under the Lease).

33. Surrender. If the New Lease is in effect on the July 31, 2016, the Subtenant shall have no obligations with respect to the surrender of the Subleased Premises to the Sublandlord on the Expiration Date.

[*remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the Sublandlord and the Subtenant have executed this Sublease as of the Effective Date.

SUBLANDLORD:

NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC.
a Delaware corporation

By: /s/ Julie McCarthy
Name: Julie McCarthy
Title: VP of Legal

SUBTENANT:

NANTKWEST, INC.,
a Delaware corporation

By: /s/ Richard Gomberg
Name: Richard Gomberg
Title: Chief Financial Officer

EXHIBIT A

The Original Overlease

[Attached]

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made this 8th day of August, 2011, between **ARE-JOHN HOPKINS COURT, LLC,** a Delaware limited liability company ("**Landlord**"), and **NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC.,** a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation") ("**Tenant**").

Building: 3530 John Hopkins Court, San Diego, California

Premises: The Building, containing approximately 44,681 rentable square feet as shown on **Exhibit A**.

Project: The real property on which Building in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B.**

Base Rent: $2.90 per rentable square foot of the Premises per month, subject to adjustment pursuant to Section 4.

Rentable Area of Premises: 44,681 sq. ft.; provided, however, that notwithstanding any re-measurements which Landlord may undertake of the Premises in no event shall the rentable area of the Premises exceed 44,681 sq. ft.

Usable Square Footage of Premises: 43,599 sq. ft.

Rentable Area of Project: 216,323 sq. ft.

Tenant's Share of Operating Expenses of Building: 100%

Tenant's Share of Operating Expenses for the Project: 20.65%

Security Deposit: None

Target Commencement Date: April 15, 2012

Rent Adjustment Percentage: 3%

Base Term: Beginning on the Commencement Date and ending 60 months from the first day of the first full month after the Commencement Date.

Permitted Use: Research and development laboratory, related office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

Address for Rent Payment:
P.O. Box 79840
Baltimore, MD 21279-0840

Landlord's Notice Address:
385 E. Colorado Boulevard, Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary

Tenant's Notice Address:
10675 John Jay Hopkins Drive
San Diego, California 92121
Attention: Chief Financial Officer

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

☒ **EXHIBIT A** - PREMISES DESCRIPTION
☒ **EXHIBIT B** - DESCRIPTION OF PROJECT
☒ **EXHIBIT C** - WORK LETTER
☒ **EXHIBIT D** - COMMENCEMENT DATE
☒ **EXHIBIT E** - RULES AND REGULATIONS
☒ **EXHIBIT F** - REMOVABLE INSTALLATIONS
☒ **EXHIBIT G** - SIGNAGE
☒ **EXHIBIT H** - FORM OF MOI

1. **Lease of Premises.** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas.**" Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use.

2. **Delivery; Acceptance of Premises; Commencement Date.** Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Substantially Completed ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 180 days of the Target Commencement Date for any reason other than Force Majeure Delays and Tenant Delays, this Lease may be terminated by Landlord or Tenant by written notice to the other, and if so terminated by either, then neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work**," "**Tenant Delays**" and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. If neither Landlord nor Tenant elects to void this Lease within 5 business days of the lapse of such 180 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The **"Commencement Date"** shall be the earlier of: (i) the date Landlord Delivers the Premises to Tenant; or (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; provided, however in no event shall the Commencement Date occur prior to March 1, 2012. For example, (x) if Landlord Substantially Completes Landlord's Work on February 15, 2012, the Commencement Date shall not occur until March 1, 2012, (y) if Landlord Substantially Completes Landlord's Work (other than as result of a Tenant Delay) on March 15, 2012, the Commencement Date shall be March 15, 2012, and (x) if there are 14 days of Tenant Delay and Landlord Substantially Completes Landlord's Work on March 15, 2012, the Commencement Date for purposes of the commencement of Tenant's obligation to pay Base Rent and Operating Expenses shall be March 1, 2012.

Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The **"Term"** of this Lease shall be the Base Term, as defined above on the first page of this Lease and any Extension Terms which Tenant may elect pursuant to Section 39 hereof.

Except as set forth in this Lease and the Work Letter: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); and (ii) Landlord shall have no obligation for any defects in the Premises. Any occupancy of the Premises by Tenant before the Commencement Date for the purpose of conducting ongoing business shall be subject to all of the terms and conditions of this Lease, including the obligation to pay Base Rent and Operating Expenses.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter

hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein.

3. **Rent**

(a) **Base Rent**. The first month's Base Rent shall be due and payable to Landlord within 30 days after the mutual execution and delivery of this Lease by the parties. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

Notwithstanding anything to the contrary contained herein, so long as no Default has occurred or is continuing under this Lease, Tenant shall not be required to pay Base Rent for the Premises for the first 3 months of the Base Term ("**Base Rent Abatement Period**"). Tenant shall commence paying full Base Rent on the first day of 4th month of the Term. Tenant shall pay all other Rent due under this Lease during the Base Rent Abatement Period.

(b) **Additional Rent**. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in Section 5). and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**. Base Rent shall be increased on each annual anniversary of the first day of the first full month during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant, prior to the Commencement Date for the first calendar year of the Term and thereafter not later than March 1 in each calendar year of the Term, a written estimate of Operating Expenses for such calendar year during the Term (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year. Commencing on the Commencement Date and thereafter on the first day of each month during the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Building (including the Building's Share of all costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project which are not specific to the Building or any other building located in the Project) (including, without duplication, Taxes (as defined in Section 9), reasonable reserves consistent with good business practices for future repairs and replacements, capital repairs and improvements amortized over the lesser of 7 years and the useful life of such capital items, and the costs of Landlord's third party property manager not to exceed 2% of Base Rent or, if there is no third party property manager, administration rent in the amount of 2.0% of Base Rent), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project;

(c) interest, principal payments of Mortgage (as defined in Section 27), points and fees, debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured;

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(j) general organizational, administrative and overhead costs relating to maintaining Landlord’s existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(k) costs (including attorneys’ fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7) or due to correcting any latent defect in the original construction or renovation of the Building or the Project;

(m) penalties, fines or interest incurred as a result of Landlord’s inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord«‘s failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(n) that portion of any billing by Landlord, its subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services if rendered by unaffiliated third parties on a competitive basis;

(o) costs of Landlord’s charitable or political contributions, or of fine art maintained at the Project;

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(q) costs incurred in the sale or refinancing of the Project;

(r) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein; and

(s) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90 day period, Tenant questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent regionally recognized public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated.

Notwithstanding anything to the contrary contained herein, Landlord shall have the right, during the Term, to re-measure the rentable square footage of the Premises and the square footage of Common Areas of the Project, which recalculation shall be at the sole cost and expense of Landlord. Any such re-measurement shall be performed in accordance with the Building Owners and Managers Association (BOMA) International, Gross Areas of a Building: Standard Methods of Measurement (2009) and will include the enclosed areas of the Building or Common Areas only. Tenant acknowledges and agrees that any measurement of the rentable square footage of the Premises shall include Tenant's pro rata share of the Common Areas of the Project. If the re-measurement determines that the actual rentable square footage of the Premises and/or the square footage of the Common Areas of the Project deviate

from the rentable square footage specified in the definition of "**Premises**" on page 1 of this Lease and/or the actual square footage of the Common Areas of the Project applicable as of the Commencement Date, then, upon Landlord's request, Landlord and Tenant shall cause (i) this Lease shall be amended so as to reflect the actual square footage thereof in the definitions, as applicable, of ''**Premises**," "**Project**," "**Rentable Area of Premises**," "**Rentable Area of Project**" and "**Tenant's Share of Operating Expenses of Project**"; provided, however, that such re-measurement shall not affect the Base Rent payable under this Lease or the Tenant Improvement Allowance granted to Tenant. The results of the re-measurements provided for in the first sentence of this paragraph shall conclusively be deemed to be the rentable square footage of the Premises and shall not be subject to further re-measurement except as provided in Section 19 or resulting from a permanent physical reduction of the Premises as a result of any casualty. In the event that Landlord does not elect to re-measure the Premises and the Common Areas of the Project, then the square footages listed on page 1 of this Lease shall conclusively be deemed to be the rentable square footage of the Premises and the Project and shall not be subject to further re-measurement except as provided for in the next sentence. "**Tenant's Share**" shall be the percentage set forth on the first page of this Lease as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

6. **Intentionally Omitted**.

7. **Use.** The Premises shall be used solely for the Permitted Use set forth in the basic lease provisions on page 1 of this Lease, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, materially increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section and/or this Lease. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment in or upon the Premises that would overload the floor or structure or, except upon notice to Landlord as part of the scheduled move-in process, transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Landlord shall be responsible for the compliance of the Common Areas of the Project with Legal Requirements as of the Commencement Date. After the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) or at Tenant's expense (to the extent such Legal Requirement is

applicable solely by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements, including the ADA. Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's use or occupancy of the Premises. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement.

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. For the avoidance of any doubt, Taxes shall include and Tenant shall be responsible for paying the Taxes during the Term on the Building and the land parcel on which the Building is located and Tenant's Share of the Taxes on Common Areas (including the buildings and land on which the Common Areas) are located. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is

increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**. Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Tenant shall be allocated 2.50 parking spaces per 1,000 usable square feet of the Premises in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations. As of the date of this Lease, Tenant's allocated number of parking spaces equals 109. Landlord may allocate parking spaces among Tenant and other tenants in the Project as described above if Landlord determines that such parking facilities are becoming crowded. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. There shall be no additional charge for the parking rights granted under this Lease during the Term.

11. **Utilities, Services**. Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), refuse and trash collection for the Common Areas (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon, unless the same are the result of Landlord's failure to timely pay such charges and do not result from any late payment by Tenant. Landlord may cause, at Tenant's expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant shall be responsible for obtaining and paying for its own janitorial services for the Premises.

Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any Utilities which Landlord is required to provide hereunder, or if Tenant's use and occupancy of the Premises or any part thereof shall be disturbed in violation of Section 24 hereof (thereby rendering the Premises or a portion thereof substantially untenantable) such that, for the duration of the Landlord Service Interruption Cure Period (hereinafter defined), the continued operation in the ordinary course of Tenant's business in any portion of the Premises is materially and adversely affected, and if Tenant ceases to use the affected portion of the Premises (the "**Affected Portion**") during the period of untenantability as the direct result of such lack of Utilities, then, provided that Tenant ceases to use the Affected Portion during the entirety of the Landlord Service Interruption Cure Period and that such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or any of the Tenant Parties, Base Rent, Operating Expenses and Taxes shall thereafter be abated in proportion to such untenantability until the day such condition is completely corrected. For purposes hereof, the "**Landlord Service Interruption Cure Period**" shall be defined as three (3) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Affected Portion. The provisions of this Section 11 shall not apply in the event of untenantability caused by fire or other casualty, or a Taking, which shall be governed by Sections 18 and 19 below, respectively, or in the event of untenantability caused by causes beyond Landlord's control or if Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to the Project shall be: (i) to provide an emergency generator with not less than the

capacity of Landlord's emergency generator located at the Project as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generator as per the manufacturer's standard maintenance guidelines. Subject to complying with all of the provisions of this Lease including, without limitation, Section 12, Tenant shall also have the right, at its own cost and upon its own election, to install and operate its own supplemental emergency generator to service the Premises. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generator is maintaining the generator as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generator when the emergency generator is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Landlord shall endeavor to notify Tenant in advance of any periods of replacement, repair or maintenance where the emergency generator is scheduled not to be operational. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generator will be operational at all times or that emergency power will be available to the Premises when needed.

12. **Alterations and Tenant's Property.** Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other then by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems and shall not be otherwise unreasonably withheld. Tenant may construct nonstructural Alterations in the Premises without Landlord's prior approval if the aggregate cost of all such work does not exceed $20,000 per Alteration (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice- Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 10 business days in advance of any proposed construction. For the avoidance of doubt, Tenant shall not be required to provide notice to Landlord of de minimis decorative or utilitarian alterations such as placing nails in the walls for hanging pictures, fixing shelves and/or installing marker boards. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 10 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to Landlord's actual out-of-pockets costs to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting

Landlord against liability for personal injury or property damage during construction. Within 30 days after completion of any Alterations (other than Notice-Only Alterations), Tenant shall deliver to Landlord: (i) statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration if such Alterations was of a type that would ordinarily be depicted in "as built" plans.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested (excepting work performed in connection with the Tenant Improvements), or at the time it receives notice of a Notice Only Alteration, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Notwithstanding anything to the contrary contained herein, upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on Exhibit F attached hereto and any items agreed by Landlord in writing to be included on Exhibit F in the future, (y) "**Tenant's Property**" means Removable Installations and, other than Installations, any personal property or equipment of Tenant that may be removed without material damage to the Premises, and (z) "Installations" means all property of any kind paid for with the TI Fund, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

Notwithstanding any of the foregoing to the contrary, Landlord shall not require Tenant to (and Tenant shall not) remove the Tenant Improvements upon the expiration or earlier termination of the Term, or to restore the Premises to the condition they were in prior to the execution of this Lease.

13. **Landlord's Repairs**. Landlord, as an Operating Expense, shall maintain all of the structural and exterior portions of the Building and the Project, all of the parking and other Common Areas of the Project, and the HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the reasonable judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, give Tenant 2 business days' advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. If Tenant becomes aware of any repairs required to be undertaken by Landlord pursuant to this Section 13, Tenant shall promptly give Landlord written notice

thereof after which Landlord shall make a commercially reasonable effort to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

Tenant shall have the self-help rights provided for in Section 31.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls, except if the need for such repair arises from a condition (not caused or contributed to by Tenant or any Tenant Party) in the roof or exterior of the Premises in which event the repair shall be made by Landlord as an Operating Expense except to the extent the cost thereof is covered by any applicable construction warranty. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises (including as provided for in the next paragraph, if applicable), Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 business days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 business days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the reasonable costs of such cure from Tenant. Subject to Sections 17 and 18 and except for any ordinary wear and tear, Tenant shall bear the full cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party, unless insurance proceeds are available to cover such cost (with Tenant responsible for paying any deductibles), and any repair that benefits only the Premises.

Tenant shall have the right, upon not less than 30 days prior written notice to Landlord, to elect to maintain the Building Systems exclusively serving the Premises in which case Tenant shall be required to maintain the same in good condition shall include, without limitation, any and all required servicing, repairs, maintenance and replacements. During any periods where Tenant is maintaining the Building Systems exclusively serving the Premises, Tenant shall, at its expense, implement and strictly comply with (i) any maintenance program reasonably required by Landlord including, without limitation, maintaining service contracts with vendors reasonably acceptable to Landlord, and (ii) the recommendations contained in any inspections reports obtained from time to time by Landlord and/or Tenant with respect to the Building and Building Systems. Tenant shall, upon written request from Landlord from time to time, provide Landlord with a written summary of the maintenance and other work undertaken by Tenant in order to comply with the provisions of this Section 14.

15. **Mechanic's Liens**. Except for the Tenant Improvements, Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of the use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further hereby irrevocably waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records), unless caused by the willful misconduct or negligence of Landlord. Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

Except to the extent caused by the gross negligence or willful misconduct of Tenant or any of the Tenant Parties, Landlord shall defend, indemnify and save Tenant harmless from and against any and all Claims asserted by or on behalf of any person, firm, corporation or public authority arising from any injury to or death of any person, or loss of or damage to property, sustained or occurring in or about the Project to the extent arising from the gross negligence or willful misconduct of Landlord or any of the Landlord Parties.

17. **Insurance**.

(a) **Landlord's Insurance**. During the Term and any other period during which Tenant has full possession of the Premises, Landlord will maintain at all times in full force and effect, the insurance coverages with the minimum limits set forth below. Landlord's insurance shall be purchased from insurance companies licensed to do business within the state where the Premises are located, and rated A.M. Best A-, VII or better.

(i) All-Risk Property insurance, including boiler and machinery and sprinkler damage, covering the Premises, the Project, and any Landlord-owned equipment used in the connection with this Lease against loss due to fire in an amount at least equal to 100% replacement cost thereof.

(ii) Commercial General Liability insurance, including hostile fire and contractual liability coverage, with a single loss limit of not less than $3,000,000 per occurrence for bodily injury and personal injury including death, and property damage and $3,000,000 in the aggregate with respect to the Project.

Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem reasonably necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation, and fidelity bonds for employees employed to perform services. All such insurance applicable to the operation of the Project shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the operation of the Project will be determined by Landlord based upon the insurer's cost calculations).

The limits of insurance coverage required of Landlord will not affect or limit the liability or indemnity obligations of Landlord stated elsewhere in this Lease or as required by Legal Requirements. By requiring Landlord to maintain insurance, Tenant does not represent that coverage and limits required of Landlord will be adequate to fund all losses for which Landlord may be liable.

Before Tenant's occupancy of the Premises, upon request from Tenant, Landlord will provide Tenant a certificate of insurance evidencing that the commercial general liability coverages set forth above are in full force and effect. Such coverages will not be cancelled, non-renewed or materially changed through the issuance of other policy(ies) of insurance or otherwise.

(b) **Tenant's Insurance**. During the Term and any other period during which Tenant has full possession of the Premises, Tenant will maintain at all times, at its sole cost, and in full force and effect, the insurance coverages with the minimum limits as set forth below. Tenant's insurance shall be purchased from insurance companies licensed to do business within the state where the Leased Premises are located and rated A.M. Best A-,VII or better.

(i) Commercial General Liability insurance, including hostile fire and contractual liability coverage, with a single loss limit of not less than $3,000,000 per occurrence for bodily injury and personal injury, including death, and property damage and $3,000,000 in the aggregate;

(ii) Statutory Workers' Compensation insurance, including occupation disease, as required by the state in which Premises is located;

(iii) Employer's Liability insurance in the amount of $500,000 bodily injury for each accident, $500,000 bodily injury by disease for each employee, and $500,000 bodily injury and bodily injury by disease in the aggregate.

The Tenant shall maintain through the means of insurance or self-insurance All-Risk Property insurance with rental income and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; provided, however, that such right to self-insure shall not be assignable by Tenant without Landlord's consent in its sole and absolute discretion. If Tenant elects to self-insure its All-Risk Property insurance obligations pursuant to this Section 17, Tenant agrees this self-insurance shall be treated as if it purchased actual insurance and that such self-insurance shall be primary coverage for All-Risk Property for which Tenant is liable or responsible for hereunder. Tenant's election to self-insure All-Risk Property coverage required pursuant to this Section 17 shall not negate or alter any of Tenant's obligations associated with All-Risk Property exposure.

The limits of insurance coverage required of Tenant or the Tenant's ability to self-insure specifically All-Risk Property coverage will not affect or limit the liability or indemnity obligations of Tenant stated elsewhere in this Lease or as required by Legal Requirements. By requiring Tenant to maintain insurance, Landlord does not represent that coverage and limits required of Tenant will be adequate to fund all losses for which Tenant may be liable.

Prior to Tenant's occupancy of the Premises, Tenant will, if requested by Landlord, provide Landlord with evidence of its Commercial General Liability insurance coverage via the Tenant's Memorandum of Insurance website link which shall permit Landlord to print out evidence of Tenant's insurance in the format attached hereto as **Exhibit H** (an "**MOI**"). Landlord will be able to access Tenant's evidence of its renewed Commercial General Liability insurance at the expiration of the Tenant's current policy term. Notwithstanding the foregoing, in the event that Tenant assigns this Lease or subleases all or a portion of its interest in this Lease, then any such transferee of Tenant's interest hereunder shall deliver to Landlord certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured upon commencement of the assignment or sublease and upon each renewal of said insurance.

In the instance where Tenant's Commercial General Liability insurance is to name Landlord as an additional insured, Tenant shall, upon request of Landlord, furnish Landlord access to its Memorandum of Insurance website link and Landlord shall be able to print an MOI for its records which indicates language that the Landlord and its following required parties (collectively "**Additional Insured Parties**") are additional insureds per the written terms of this Lease: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) ARE-3535/3565 General Atomics Court, LLC, and (iii) Alexandria Real Estate Equities, Inc.

The All-Risk property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, and agents ("**Related Parties**"), in connection with any loss or damage thereby insured against. Except in the case of negligence or willful misconduct, neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under its All-Risk property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify ("**Restoration Notice**") Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), either party may, in a written notice to the other party delivered within 5 business days after the Restoration Notice, elect to terminate this Lease as of the date that is 75 days after the later of: (a) discovery of such damage or destruction, or (b) the date all required Hazardous Materials Clearances are obtained. Unless Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 5 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is reasonably suitable Tenant for the temporary conduct of Tenant's business.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within

10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period. Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is reasonably suitable Tenant for the temporary conduct of Tenant's business. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking (i) would in Landlord's reasonable judgment either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Building or the Project, or (ii) would in Landlord's reasonable judgment, after consultation with Tenant (as resolved, if the parties are unable to agree, by arbitration by a single arbitrator with the qualifications and experience appropriate to resolve the matter and appointed pursuant to and acting in accordance with the rules of the American Arbitration Association), materially interfere with or impair Tenant's use of the Premises, then upon written notice by Landlord or Tenant, as applicable, this Lease shall immediately terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

In the event of a Taking that substantially reduces the parking available to Tenant at the Project, Landlord shall endeavor to provide parking on a temporary basis (so that Tenant has an opportunity to seek other potential solutions) at another project in the general vicinity of the Project which other project is owned by Landlord or an affiliate of Landlord as of the date of this Lease but only if and to the extent there is available parking at such other project. Nothing contained in this paragraph is intended to (i) imply that parking will be available at any other project, (ii) create an obligation on the part of Landlord or any of its affiliates to take any action to make parking available if it is not otherwise readily available, and/or (iii) preclude or limit Landlord or any of its affiliates from leasing space at such other project which results in the elimination of any or all of the parking that would have been available to Tenant at such other project. The provisions of this paragraph shall only apply so long as the current Landlord is the owner of the Project and shall not apply to any successor Landlord.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed without Landlord's prior written consent, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises. Tenant shall not be deemed to have abandoned the Premises if (i) Tenant provides Landlord with reasonable advance notice prior to vacating and, at the time of vacating the Premises, Tenant completes Tenant's obligations with respect to the Surrender Plan in compliance with Section 28, (ii) Tenant has made reasonable arrangements with Landlord for the security of the Premises for the balance of the Term, and (iii) Tenant continues during the balance of the Term to satisfy all of its obligations under the Lease as they come due.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge, bond over or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 business days after any such lien is filed against the Premises (except liens related to the Tenant Improvements being constructed by Landlord).

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 10 business days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 10 business days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 10 business day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment By Landlord; Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, and after any applicable notice and cure period provided for herein, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 1% of the overdue Rent as a late charge and which late charge amount shall be further increased to 3% of the overdue Rent if payment is not received by Landlord within 10 days after the date such payment is due. Notwithstanding the foregoing, before assessing a late charge the first time in any 12 month period, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

(i) Terminate this Lease, or at Landlord's option, Tenant's right to possession only, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor;

(ii) Upon any termination of this Lease, whether pursuant to the foregoing Section 21(c)(i) or otherwise, Landlord may recover from Tenant the following:

(A) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(B) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, brokerage commissions and advertising

expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 21 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 21(c)(ii)(A) and (B), above, the "**worth at the time of award**" shall be computed by allowing interest at the Default Rate. As used in Section 21(c)(ii)(C) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(iii) Landlord may continue this Lease in effect after Tenant's Default and recover rent as it becomes due (Landlord and Tenant hereby agreeing that Tenant has the right to sublet or assign hereunder, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease following a Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

(iv) Whether or not Landlord elects to terminate this Lease following a Default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. Upon Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

(v) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d) hereof, at Tenant's expense.

(d) **Effect of Exercise**. Exercise by Landlord of any remedies hereunder or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, it being understood that such surrender and/or termination can be effected only by the express written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same and shall not be deemed a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of Rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. To the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter, re-take or otherwise obtain possession of the Premises as provided in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. Any reletting of the Premises or any portion thereof shall be on such terms and conditions as Landlord in its sole discretion may determine. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting or otherwise to mitigate any damages arising by reason of Tenant's Default.

22. **Assignment and Subletting**.

(a) **General Prohibition.** Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment, then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, or (ii) refuse such consent, in its reasonable discretion (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting). Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are reasonably considered by Landlord to be controversial; (4) in Landlord's reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) in Landlord's reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (7) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (8) the proposed assignee or subtenant is an entity with whom Landlord is negotiating to lease space in the Project; or (9) the assignment or sublease is prohibited by Landlord's lender. Landlord shall respond in a timely manner to any Assignment Notice received from Tenant pursuant to this paragraph. No failure of Landlord to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to One Thousand Five Hundred Dollars ($1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of all or any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Tenant shall provide Landlord with prior written notice and a copy of the form of any such proposed sublease or assignment. In addition, Tenant shall have the right to assign this Lease, upon 10 business days prior written notice (or prompt subsequent notice if prior notice is prohibited by Legal Requirements) to Landlord but without obtaining Landlord's prior written consent, to a corporation

or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant's most current quarterly or annual financial statements, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**." Landlord shall, however, have the right to approve the form of any such sublease or assignment constituting a Permitted Assignment provided such approval shall not be unreasonably withheld or delayed.

Notwithstanding anything to the contrary contained herein, a grant by Tenant of a license to clients or others having a business relationship with Tenant (each, a "**Relationship Party**") to enter the Premises and perform services for Tenant in connection with Tenant's Permitted Use, shall not constitute an assignment or subletting requiring Landlord consent under this Section 22. Notwithstanding anything to the contrary contained herein, Tenant shall be fully responsible for the acts of the parties entering the Premises pursuant to the immediately preceding sentence and Landlord shall have no liability to or in connection with such parties.

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms

of any such sublease ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22. if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take material remedial actions in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a Default under this Lease, and, in any event, shall be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E** and Tenant shall be notified in writing by Landlord of any changes thereto. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and

provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project but shall endeavor to require compliance by other tenant if such breach materially and adversely impacts use of the Premises for the Permitted Use) and shall not enforce such rules and regulations in a discriminatory manner. Any change in such rules and regulations which materially and adversely affects Tenant's use of the Premises for the Permitted Use shall be subject to Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed.

27. **Subordination.** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. As of the date of this Lease, there is no existing Mortgage encumbering the Project. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions as described in this Section 27 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises during the Term or any holding over, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall reasonably request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $5,000. Landlord shall have the unrestricted right to deliver such Surrender Plan and any

report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the reasonable cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental

Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30. Tenant shall not be responsible for, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to contamination in the Premises which Tenant can prove to Landlord's reasonable satisfaction existed in the Premises immediately prior to the Commencement Date, except to the extent Tenant and/or or any Tenant Party has exacerbated or contributed to such contamination.

As used in this Lease, "**Landlord Party**" shall mean ARE-3535/3565 General Atomics Court, LLC, and Landlord, and their officers, directors, employees, managers, agents, invitees and contractors.

(b) **Business.** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list to the extent that any change to the Tenant's Hazardous Materials inventory at the Premises requires an update to Tenant's Hazardous Materials Business Plan pursuant to the Legal Requirements of the City and/or County of San Diego. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) Tenant has not been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant or resulted from Tenant's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of

the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing**. Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the reasonable cost of such annual test of the Premises if contamination is identified for which Tenant is responsible under this Lease or Tenant is found to be in violation of this Section 30. Tenant shall, however, have the right, at its sole cost and expense, to conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30. Tenant shall pay all reasonable costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Environmental Reports**. Landlord has delivered copies of the following reports to Tenant: (i) with respect to 3530-3550 John Hopkins Court, a Phase I Environmental Site Assessment Update, prepared by ENVIRON, dated August 29, 2000; and (ii) with respect to 3565 General Atomics Court, Closure Report–Agouron/Pfizer, prepared by various parties, dated September 30, 2004, and Phase I Environmental Site Assessment, prepared by Occupational Services, Inc., dated June 20, 2008.

(f) **Underground Tanks**. If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, whether local, state or federal, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste,

pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

Notwithstanding the foregoing, if any claimed Landlord default hereunder will immediately, materially and adversely affect Tenant's ability to conduct its business in the Premises (a "**Material Landlord Default**"), Tenant shall, as soon as reasonably possible, but in any event within 2 business days of obtaining knowledge of such claimed Material Landlord Default, give Landlord written notice of such claim which notice shall specifically state that a Material Landlord Default exists and telephonic notice to Tenant's principal contact with Landlord. Landlord shall then have 2 business days to commence cure of such claimed Material Landlord Default and shall diligently prosecute such cure to completion. If such claimed Material Landlord Default is not a default by Landlord hereunder, Landlord shall be entitled to recover from Tenant, as Additional Rent, any costs incurred by Landlord in connection with such cure in excess of the costs, if any, that Landlord would otherwise have been liable to pay hereunder. If Landlord fails to commence cure of any claimed Material Landlord Default as provided above, Tenant, upon notice to Landlord, may commence and prosecute such cure to completion provided that is does not affect the Building structure or Building Systems affecting other tenants, and shall be entitled to recover the costs of such cure (but not any consequential or other damages) from Landlord by way of reimbursement from Landlord with no right to offset against Rent, to the extent of Landlord's obligation to cure such claimed Material Landlord Default hereunder, subject to the limitations set forth in the immediately preceding sentence of this paragraph and the other provisions of this Lease.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing (except any such obligations arising before such transfer to the extent not assumed by the new owner), but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose provided such entry occurs during business hours on not less than 2 business days' advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time, provided Landlord shall give Tenant prompt notification of such emergency entry as soon as possible) for the purpose of effecting any such repairs, inspecting the Premises, prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. In addition, Landlord shall have the right to show the Premises to third parties from time to time upon not less than 12 hours

advance notice to Tenant during which entries Landlord shall endeavor not to interfere with Tenant's business operations in the Premises. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Neither Tenant nor Landlord shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond their reasonable control ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than BRE Commercial and Cassidy Turley. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) NEITHER LANDLORD NOR ANY LANDLORD PARTY SHALL BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD OR ANY LANDLORD PARTY FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY

INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD OR ANY LANDLORD PARTY IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY LANDLORD PARTY. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY LANDLORD PARTY BE LIABLE FOR INJURY TO TENANTS BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be of a size, color and type acceptable to Landlord.

Tenant shall have the exclusive right to display, at Tenant's sole cost and expense, signage with Tenant's name on the monument sign in front of the Building in the location shown on **Exhibit G** ("**Monument Sign**"). Also, Tenant shall have the exclusive right to display, at Tenant's sole cost and expense, signage bearing Tenant's name on the top of the Building in a location depicted on **Exhibit G** ("**Building Sign**"). Tenant acknowledges and agrees that Tenant's signage on the Monument Sign and the Building Sign including, without limitation, the size, color and type, shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed and shall be consistent with Landlord's signage program at the Project and applicable Legal Requirements. Tenant shall be responsible, at Tenant's sole cost and expense, for the maintenance of Tenant's signage on the Monument Sign and the Building Sign, for the removal of Tenant's signage from the Monument Sign and the Building Sign at the expiration or earlier termination of this Lease and for the reasonable repair of damage resulting from such removal.

39. **Right to Extend Term**. Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Rights**. Tenant shall have 2 consecutive rights (each, an "**Extension Right**") to extend the term of this Lease for 5 years each (each, an "**Extension Term**") on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice (each, an "**Extension Notice**") of its election to exercise each Extension Right at least 12 months prior to the expiration of the Base Term of the Lease or the expiration of any prior Extension Term. Landlord shall provide Tenant with Landlord's determination of the Market Rate for the applicable Extension Term within 15 days after Landlord's receipt of an Extension Notice but in no event prior to 13 months before the expiration of the Base Term of the Lease or the expiration of any prior Extension Term, as applicable.

Upon the commencement of any Extension Term, Base Rent shall be payable at 95% of the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by the Rent Adjustment Percentage. As used herein,

"**Market Rate**" shall mean the then market rental rate for similar buildings with similar improvements in similar condition in the Torrey Pines submarket of San Diego as of the expiration of the expiring Term, taking into account concessions typically being offered by similar landlords, as reasonably determined by Landlord and agreed to by Tenant.

If, on or before the date which is 10 business days after Tenant's receipt of Landlord's determination of the Market Rate, Tenant has not agreed with Landlord's determination of the Market Rate for the first year of the applicable Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Notwithstanding anything to the contrary contained herein, Tenant shall have the right, by delivery of written notice to Landlord no later than 10 months before the expiration of the Base Term of this Lease, or, if applicable, the expiration of the first Extension Term, to rescind Tenant's election to extend for such Extension Term. Tenant acknowledges and agrees that, if Tenant has elected to exercise any Extension Right by delivering written notice to Landlord as required in this Section 39(a) and thereafter fails to timely deliver to Landlord the rescission notice provided for in the preceding sentence, Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for such Extension Term.

(b) **Arbitration.**

(i) Within 5 days of Tenant's notice to Landlord of its election (or deemed election) to arbitrate Market Rate, each party shall deliver to the other a proposal containing the Market Rate that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent for the first year of the applicable Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 5 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 5 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 5 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 15 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. Landlord and Tenant shall then execute an amendment recognizing the Market Rate for the applicable Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater San Diego metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater San Diego metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal**. Extension Rights are personal to Tenant and are not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease, except that they may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, Extension Rights shall, at Landlord's option, not be in effect and Tenant may not exercise any of the Extension Rights:

(i) during any period of time that Tenant is in material Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times during the 12 month period immediately prior to the date that Tenant intends to exercise an Extension Right, whether or not the Defaults are cured.

(e) **No Extensions**. The period of time within which any Extension Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Rights.

(f) **Termination**. The Extension Rights shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of an Extension Right, if, after such exercise, but prior to the commencement date of an Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of an Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. **Redevelopment of Project**. Tenant acknowledges that Landlord, in its sole discretion, may from time to time expand, renovate and/or reconfigure the Project as the same may exist from time to time and, in connection therewith or in addition thereto, as the case may be, from time to time without limitation: (a) change the shape, size, location, number and/or extent of any improvements, buildings, structures, lobbies, hallways, entrances, exits, parking and/or parking areas relative to any portion of the Project; (b) modify, eliminate and/or add any buildings, improvements, and parking structure(s) either above or below grade, to the Project, the Common Areas and/or any other portion of the Project and/or make any other changes thereto affecting the same; and (c) make any other changes, additions and/or deletions in any way affecting the Project and/or any portion thereof as Landlord may elect from time to time, including without limitation, additions to and/or deletions from the land comprising the Project, the Common Areas and/or any other portion of the Project. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to seek damages (including abatement of Rent) or to cancel or terminate this Lease because of any proposed changes, expansion, renovation or reconfiguration of the Project nor shall Tenant have the right to restrict, inhibit or prohibit any such changes, expansion, renovation or reconfiguration; provided, however, Landlord shall not change the size, dimensions, location or Tenant's Permitted Use of the Premises. In connection with its work pursuant to this Section 40. Landlord shall not materially and adversely affect Tenant's use of the Premises for the Permitted Use or (other than on a temporary basis) materially and adversely affect Tenant's access to the Premises.

41. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent audited annual financial statements within 90 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders, all of which shall be treated by Landlord as confidential information belonging to Tenant. So long as Tenant is controlled by Novartis AG, a "public company," and Novartis AG's financial information is publicly available, then the foregoing delivery requirements of this Section 41(c) shall not apply.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. . Notwithstanding the foregoing, Tenant has requested and Landlord has agreed that, at Tenant's sole cost and expense, Landlord shall prepare and file after execution by Landlord and Tenant a memorandum of lease which memorandum shall contain only the following information and any other additional information that may be required by applicable law: (i) the names of the parties to this Lease, (ii) description of the Premises and the Project, and (iii) the Term.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the

term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement.** This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Discontinued Use.** If, at any time following the Commencement Date, Tenant does not continuously operate its business in the Premises for a period of 6 consecutive months, Landlord may, but is not obligated to, elect to terminate this Lease upon 30 days' written notice to Tenant, whereupon this Lease shall terminate 30 days' after Landlord's delivery of such written notice ("**Termination Date**"), and Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Termination Date and those which, pursuant to the terms of the Lease, survive the expiration or early termination of the Lease.

(p) **Attorneys' Fees.** If a dispute of any type arises, or an action is filed under this Lease based in contract, tort or equity, or this Lease gives rise to any other legal proceeding between any of the parties hereto, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees, costs and expenses, including, but not limited to, expert witness fees, accounting and engineering fees, and any other professional fees incurred in connection with the prosecution or defense of such action, whether the action is prosecuted to a final judgment. For purposes of this Lease, the terms "attorneys' fees," "costs" and "expenses" shall also include the fees and expenses incurred by counsel to the parties hereto for photocopies, duplications, deliveries, postage, telephone and facsimile communications, transcripts of proceedings relating to the action and all other costs not ordinarily recoverable under California Code of Civil Procedure § 1033.5(b), and all fees billed for law clerks, paralegals, librarians, secretaries and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees," "costs" and "expenses" shall also include, without limitation, fees and costs incurred in the following proceedings: (a) mediations; (b) arbitrations; (c) bankruptcy proceedings; (d) appeals; (e) post-judgment motions and collection actions; and

(f) garnishment, levy and debtor examinations. The prevailing party shall also be entitled to attorneys' fees and costs after any dismissal of an action.

(q) **Roof Equipment**. Subject to the provisions of this Lease, Tenant may, at its sole cost, install, maintain, and from time to time replace a communication equipment and other related equipment on the roof of the Building (collectively, "**Roof Equipment**") in a location reasonably selected by Tenant and reasonably acceptable to Landlord for Tenant's own communication purposes only; provided, however, that (i) Tenant shall obtain Landlord's prior written approval with respect to the method of installation of such Roof Equipment which approval shall not be unreasonably withheld, conditioned or delayed and shall include consideration of all relevant factors including, without limitation, the proposed location of the Roof Equipment and method for fastening the same to the roof, (ii) Tenant shall, at its sole cost, comply with any reasonable requirements imposed by Landlord and all applicable Legal Requirements and the conditions of any bond or warranty maintained by Landlord on the roof, and (iii) Tenant shall remove, at its expense, at the expiration or earlier termination of this Lease, any Roof Equipment which Landlord requires to be removed. Landlord shall have the right to supervise any roof penetration. Tenant may not access the roof without a representative of Landlord (who shall be reasonably available) being present. Tenant shall repair any damage to the Building caused by Tenant's installation, maintenance, replacement, use or removal of the Roof Equipment.

(r) **Improvements to Premises**. Notwithstanding anything to the contrary contained in this Lease, if Tenant does not build out the entire Premises as part of the Tenant Improvements, then, prior to the earlier to occur of (i) the subletting of all or any portion of the Premises by Tenant or any assignment of this Lease, or (ii) the expiration or earlier termination of this Lease (each, a "**Build Out Event**"), Tenant shall be required to build out all of the unimproved portions of the Premises, which build out shall be at Tenant's sole cost and expense and shall be performed as an Alteration pursuant to Section 12 of this Lease. Tenant's obligation pursuant to this Section 41 (r) shall be to construct improvements that are consistent with (including, without limitation, the same quality and finish as) the Tenant Improvements and contain the same laboratory to office ratio as the balance of the Premises. Notwithstanding anything to the contrary contained in this Section 41 (r), if Tenant elects to exercise an Extension Right and actually leases the Premises for at least one Extension Term, then the provisions of this Section 41 (r) shall not apply.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC., a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation")

/s/ Timothy L. Smith
By: TIMOTHY L. SMITH, J.D., PH.D.
Its: GENERAL COUNSEL AND VICE PRESIDENT OF LEGAL

LANDLORD:

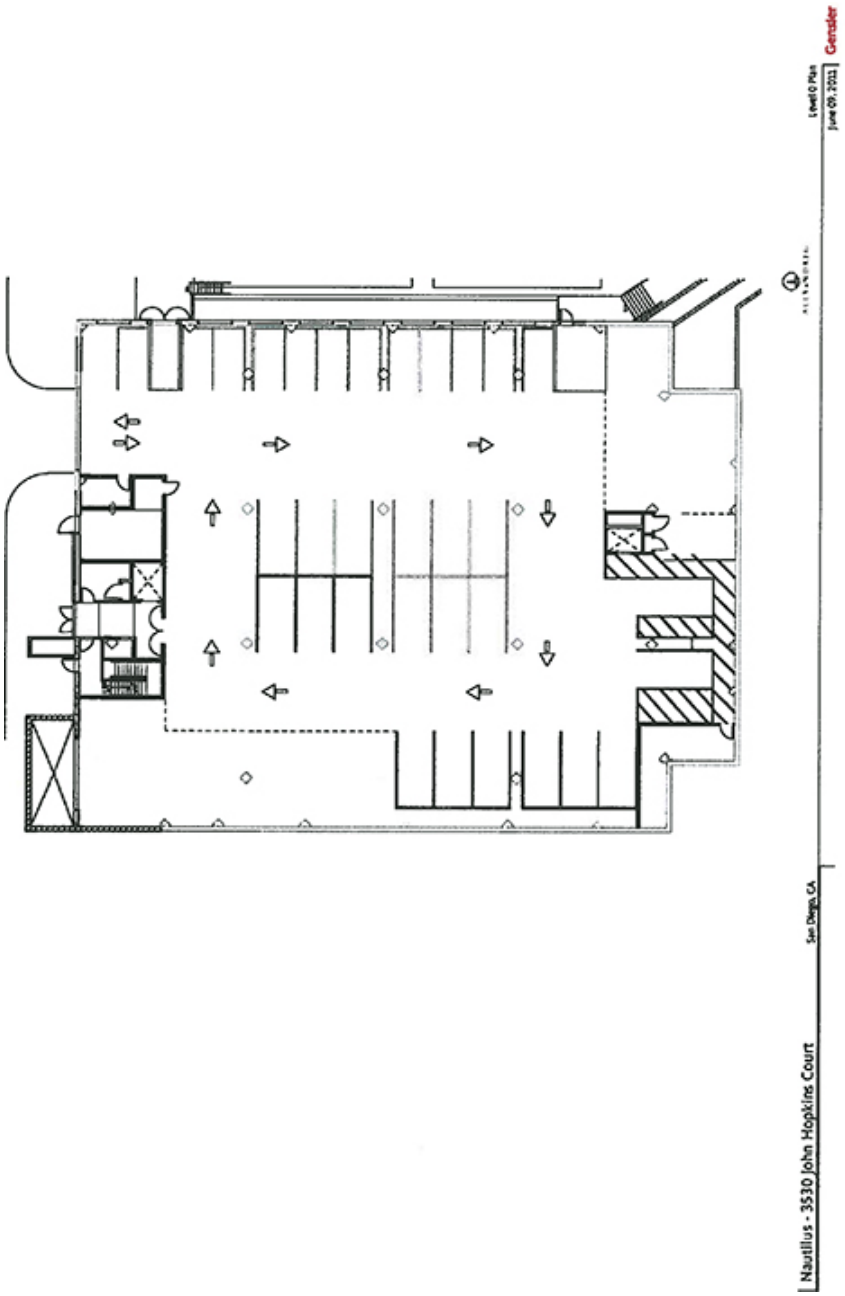
ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

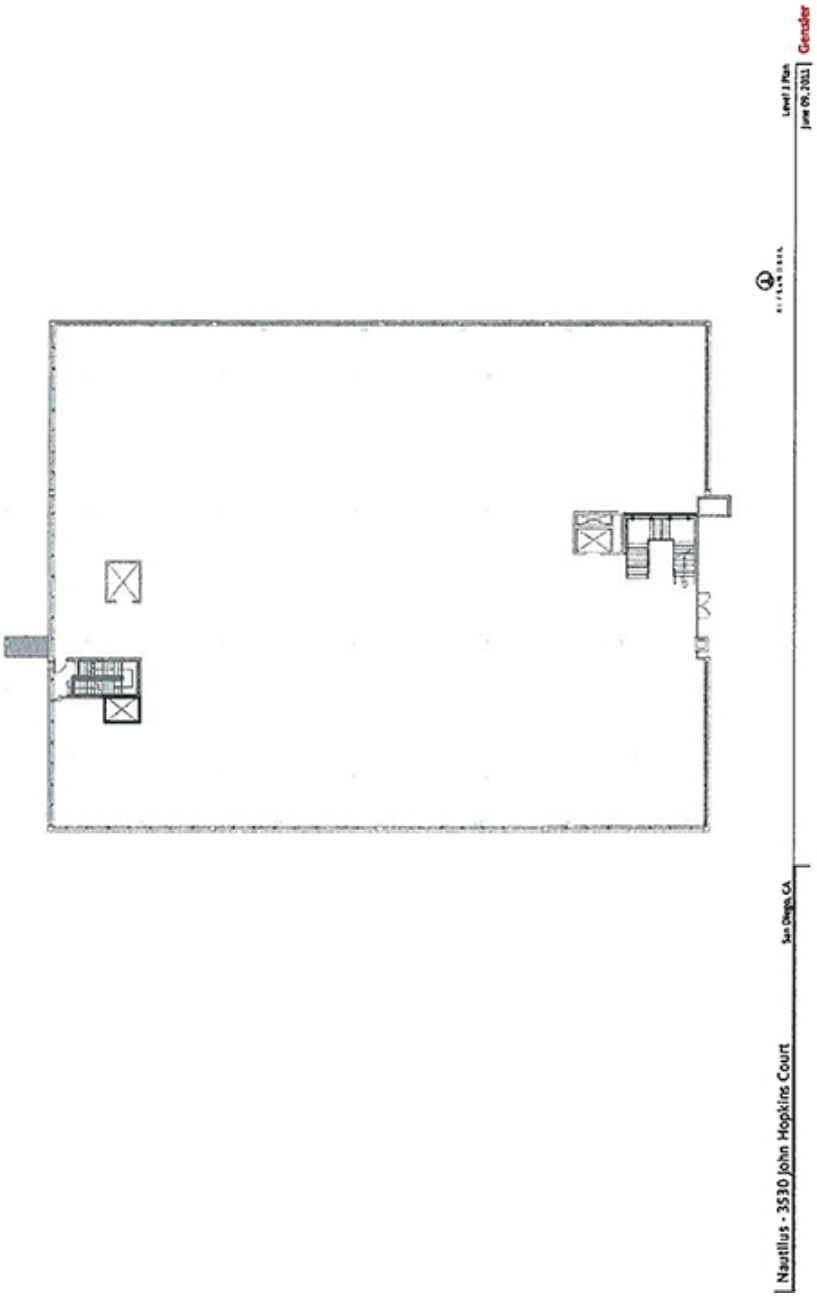
By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By: /s/ GARY DEAN
GARY DEAN
Its: VP - RE LEGAL AFFAIRS

EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES





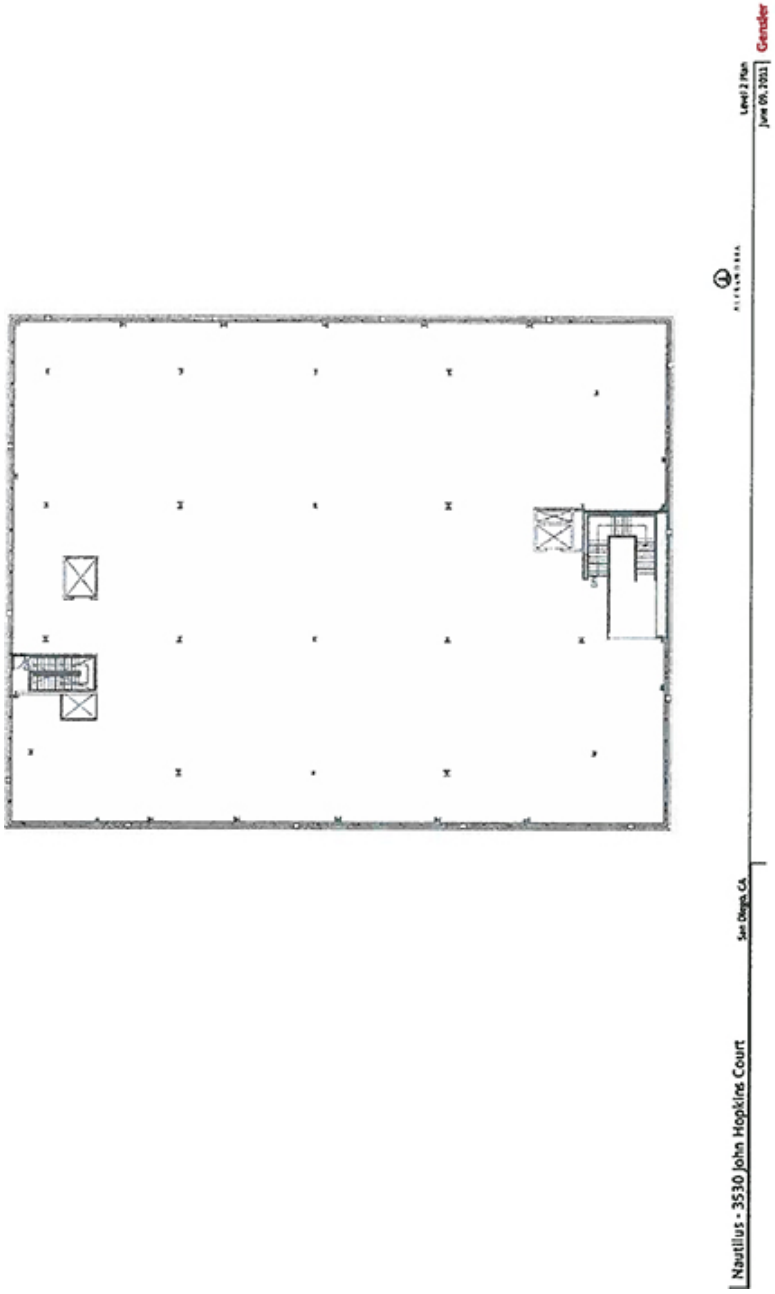


EXHIBIT B TO LEASE

DESCRIPTION OF PROJECT

PARCELS 1 & 2 IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AS SHOWN AT PAGE 16665 OF PARCEL MAPS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 24, 1991.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS, NON-HYDROCARBON GASES OR GASEOUS* SUBSTANCES, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS OF WHATSOEVER NATURE, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE PROPERTY, PROVIDED, HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED TO GRANTEE, NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREINAFTER EXPRESSLY SET FORTH RESERVED IN DEED RECORDED JANUARY 25, 1991 AS FILE NO. 91-0035394.

FURTHER EXCEPTING THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO DRILL AND MAINTAIN WELLS OR OTHER WORKS INTO, ON OR THROUGH THE PROPERTY BELOW A DEPTH OF 500 FEET AND TO PRODUCE, INJECT, STORE AND REMOVE FROM OR THROUGH SUCH WELLS OR WORKS, OIL, GAS AND OTHER SUBSTANCES OF WHATEVER NATURE INCLUDING THE RIGHT TO PERFORM BELOW A DEPTH OF 500 FEET ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS, PROVIDED, HOWEVER, THAT THE EXERCISE OF SUCH RIGHTS BELOW A DEPTH OF 500 FEET CONFERS NO RIGHTS TO GRANTOR WITH RESPECT TO, AND SHALL NOT INTERFERE WITH GRANTEE'S USE AND ENJOYMENT OF THE SURFACE OF, THE PROPERTY RESERVED IN DEED RECORDED JANUARY 25, 1991 AS FILE NO. 91-0035394.

LOTS 6, 7 AND 8 OF TORREY PINES SCIENCE CENTER UNIT NO. 1, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12419, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JULY 12, 1989.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS, NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS OF WHATSOEVER NATURE, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE LAND, AS RESERVED BY CHEVRON LAND AND DEVELOPMENT COMPANY, A DELAWARE CORPORATION ("GRANTOR") IN THAT CERTAIN CORPORATION GRANT DEED TO NEXUS SCIENCE CENTER - TORREY PINES, A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE") , RECORDED MARCH 9, 1990, AS FILE NO. 90-127215, PROVIDED HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE LAND ARE HEREBY CONVEYED TO GRANTEE NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREIN EXPRESSLY SET FORTH.

FURTHER EXCEPTING AND RESERVING TO GRANTOR, ITS SUCCESSOR AND ASSIGNS, THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO DRILL AND MAINTAIN WELLS OR OTHER WORKS INTO, ON OR THROUGH THE LAND BELOW A DEPTH OF 500 FEET AND TO PRODUCE, INJECT, STORE AND REMOVE FROM OR THROUGH SUCH WELLS OR WORKS, OIL, GAS AND OTHER SUBSTANCES OF WHATEVER NATURE INCLUDING THE RIGHT TO PERFORM BELOW A DEPTH OF 500 FEET ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXCERCISE OF SUCH RIGHTS, PROVIDED, HOWEVER, THAT THE EXERCISE OF SUCH RIGHTS BELOW A DEPTH OF 500 FEET CONFERS NO RIGHTS TO GRANTOR WITH RESPECT TO, AND SHALL NOT INTERFERE WITH GRANTEE'S USE AND ENJOYMENT OF THE SURFACE OF, THE LAND.

EXHIBIT C TO LEASE

WORK LETTER

THIS WORK LETTER dated August 8, 2011 (this "**Work Letter**") is made and entered into by and between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company (**"Landlord"**), and **NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC**., a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation") ("**Tenant**"), and is attached to and made a part of the Lease Agreement dated August 8, 2011 (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. **General Requirements**.

(a) **Tenant's Authorized Representative**. Tenant designates Karl Olsen, Eli Serrano and Mark Weselak (any of such individuals acting alone, "**Tenant's Representative**") as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change any Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's contractors in the performance of Landlord's Work (as hereinafter defined).

(b) **Landlord's Authorized Representative**. Landlord designates Jay Ingram and Stu Berry (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord's Representative shall be the sole persons authorized to direct Landlord's contractors in the performance of Landlord's Work.

(c) **Architects, Consultants and Contractors**. Landlord and Tenant hereby acknowledge and agree that the architect (the "**TI Architect**") and general contractor for the Tenant Improvements shall be selected by Landlord and approved by Tenant which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall select any subcontractors.

2. **Tenant Improvements**.

(a) **Definition of Tenant Improvements and Landlord's Work**. As used herein, the term, "**Building Shell**" shall mean a shell containing the Base Building Description as more particularly described on **Annex 1** attached hereto. As used herein, the term "**Tenant Improvements**" shall mean all improvements to the Building of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below and which shall be designed and constructed following the specifications set forth on **Annex 2** attached hereto. **Annex 2** is intended as a design guideline only, and reasonable deviations shall be allowed provided that all material deviations that present lower quality or lower efficiency standards must be approved by Landlord. As used herein, the term **"Landlord's Work"** shall mean collectively the work of the design and construction of (i) the Building Shell and (ii) the Tenant Improvements.

Tenant shall be solely responsible for ensuring that the Building and the Tenant Improvements design and specifications for the Premises are consistent with Tenant's requirements. Tenant shall be solely responsible for all costs incurred by Landlord to alter the Building as a result of Tenant's requested changes. Landlord shall have no obligation to, and shall not, secure any permits, approvals or entitlements related to Tenant's specific use of the Premises or Tenant's business operations therein.

Other than its obligation to perform Landlord's Work, Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant's use and occupancy.

(b) **Tenant's Space Plans**. Landlord and Tenant acknowledge and agree that the schematic drawings and outline specifications (the "**Space Plan**") detailing Tenant's requirements for the Tenant Improvements were approved by the parties on August 1, 2011.

(c) **Working Drawings**. Not later than on or about November 3, 2011, Landlord shall cause the TI Architect to prepare and deliver to Tenant for review and comment construction plans, specifications and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the Space Plan. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Tenant shall deliver its written comments on the TI Construction Drawings to Landlord not later than 10 business days after Tenant's receipt of the same. If Tenant desires to make any changes (including, without limitation, any so called "value engineering" changes that would reduce the overall cost of the Tenant Improvements), Tenant may do so but shall be required to submit a Change Request. Landlord and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Tenant how Landlord proposes to respond to such comments, but Tenant's review rights pursuant to the foregoing sentence shall not delay the design or construction schedule for the Tenant Improvements. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the Space Plan, Tenant shall approve the TI Construction Drawings submitted by Landlord, unless Tenant submits a Change Request. Once approved by Tenant, subject to the provisions of Section 4 below, Landlord shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below). If the TI Construction Drawings have not been mutually agreed upon by the parties within 21 days after delivery of the initial draft of the TI Construction Drawings to Tenant for Tenant's review and comments, the Target Commencement Date shall be extended on a day for day basis and the same shall constitute Tenant Delay.

(d) **Approval and Completion**. It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved not later than November 24, 2011, in order for the Landlord's Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease). Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building or any Building systems. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of Landlord's Work**.

(a) **Commencement and Permitting**. Landlord shall commence and complete the Tenant Improvements in a diligent manner upon obtaining a building permit (the "**TI Permit**") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall assist Landlord as reasonably necessary in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord's Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord's obligations hereunder, (ii) increase the cost of constructing Landlord's Work, or (iii) will materially delay the construction of Landlord's Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(b) **Completion of Landlord's Work**. Landlord shall substantially complete or cause to be substantially completed Landlord's Work in a good and workmanlike manner, with the Tenant Improvements being completed in accordance with the TI Permit subject, in each case, to Minor Variations and normal "punch list" items of a non-material nature that do not interfere with the use of the Premises and shall obtain a certificate or temporary certificate of occupancy (or an equivalent approval) for the Premises permitting lawful occupancy of the Premises (but specifically excluding any permits, licenses or other governmental approvals required to be obtained in connection with Tenant's operations in the Premises) ("**Substantial Completion**" or "**Substantially Complete**"). Upon Substantial Completion of the Tenant Improvements, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects ("**AIA**") document G704. For purposes of this Work Letter, "**Minor Variations**" shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord's Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord's Work.

(c) **Selection of Materials**. Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Tenant and Landlord, the option will, unless Tenant has requested in advance as part of a construction meeting and documented in the minutes thereof that Landlord use a specific material or structure, be within Landlord's discretion if the matter concerns the Tenant Improvements, and within Landlord's sole and absolute subjective discretion if the matter concerns the structural components of the Building or any Building System.

(d) **Delivery of the Premises**. When Landlord's Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(d), Tenant shall accept the Premises. Tenant's taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of Landlord's Work with applicable Legal Requirements, or (iii) any claim that Tenant Improvements were not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion of the Tenant Improvements within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within a reasonable period thereafter. Notwithstanding the foregoing, Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect within a reasonable period so long as Landlord, within 30 days thereafter, commences and diligently and continuously prosecutes such remedial action to completion. If Landlord fails to timely perform any repair or replacement of any Construction Defect which will immediately and adversely affect Tenant's ability to conduct its business in the Premises within 30 days after delivery of Tenant's notice that such defective condition exists (or such longer period as may be required if Landlord is diligently pursuing remedial action), Tenant shall have the right to pursue remedial action with respect to such Construction Defect in accordance with the requirements of Section 31 of the Lease. Notwithstanding the foregoing, if Landlord disputes an item in question, any reimbursement shall be subject to reconciliation following the final determination of the disputed item 30 days thereafter.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises, and Landlord shall cooperate with Tenant, at no cost or expense to Landlord, in connection with the enforcement of such warranties. In addition, if DPR is the general contractor, Landlord shall cause the construction agreement with DPR to name Tenant as a third party beneficiary to the construction agreement. If DPR is not the general contractor, Landlord shall use reasonable efforts to cause the general contractor to name Tenant as a third party beneficiary of the construction agreement; provided, however, Tenant acknowledges and agrees that such naming of Tenant as a third party beneficiary to the construction agreement shall be

subject to the approval of the general contractor. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

(e) **Commencement Date Delay**. Except as otherwise provided in the Lease, Delivery of the Premises shall occur when Landlord's Work has been Substantially Completed, except to the extent that completion of Landlord's Work shall have been actually delayed by any one or more of the following causes **(**"**Tenant Delay**"):

(i) Tenant's Representative was not available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder;

(ii) Tenant's request for Change Requests (as defined in Section 4(a) below) whether or not any such Change Requests are actually performed;

(iii) Construction of any Change Requests;

(iv) Tenant's request for materials, finishes or installations requiring unusually long lead times but only if such materials are actually ordered;

(v) Tenant's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;

(vi) Tenant's delay in providing information critical to the normal progression of the Project. Tenant shall provide such information as soon as reasonably possible, but in no event longer than one week after receipt of any request for such information from Landlord;

(vii) Tenant's delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(d) below) beyond a period of 5 business days following Landlord's request; or

(viii) Any other act or omission by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons which continues after notice from Landlord of the existence of the act or omission causing delay.

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the TI Architect to certify the date on which the Tenant Improvements would have been completed but for such Tenant Delay and such certified date shall be the date of Delivery.

4. **Changes**. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the Space Plan shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.

(a) **Tenant's Request For Changes**. If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings

involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete. Landlord shall not proceed with such Change unless Tenant thereafter executes a written change order with respect to the Change Request ("**Change Order**"). Any such delay in the completion of Landlord's Work caused by a Change, Change Request (even if rescinded) or Change Order, including any suspension of Landlord's Work while any such Change is being evaluated and/or designed, shall be Tenant Delay.

(b) **Implementation of Changes**. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect's determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.

5. **Costs.**

(a) **Budget For Tenant Improvements.** Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the **"Budget"**). The Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 2% of the TI Costs for monitoring and inspecting the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d). Administrative Rent shall include, without limitation, all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, and shall be payable out of the TI Fund. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d).

(b) **TI Allowance.** Landlord shall provide to Tenant a tenant improvement allowance (**"TI Allowance")** in the maximum amount of $175.00 per usable square foot in the Premises for a total TI Allowance of $7,629,825.00, which is included in the Base Rent set forth in the Lease. The TI Allowance shall be disbursed in accordance with this Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4.

(c) **Costs Includable in TI Fund**. The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the Space Plan and the TI Construction Drawings, all costs set forth in the Budget, including Landlord's Administrative Rent, Landlord's out-of-pocket expenses, costs resulting from Tenant Delays and the cost of Changes (collectively, "**TI Costs**"). Notwithstanding anything to the contrary contained herein, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant's voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements. Notwithstanding the foregoing, Tenant shall have the right to apply up to $10 per usable square foot in the Premises of the TI Allowance to pay for Tenant's voice or data cabling and/or furniture in the Premises.

(d) **Excess TI Costs**. Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with

Landlord, as a condition precedent to Landlord's obligation to complete the Tenant Improvements, 100% of the then current TI Cost in excess of the remaining TI Allowance ("**Excess TI Costs**"). If Tenant fails to deposit any Excess TI Costs with Landlord within 10 business days after Landlord's written demand therefor, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the "**TI Fund**." Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon Substantial Completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

6. **Tenant Access**.

(a) **Tenant's Access Rights**. Landlord hereby agrees to permit Tenant access, at Tenant's sole risk and expense, to the Building (i) 10 business days prior to the Commencement Date to perform any work ("**Tenant's Work**") required by Tenant other than Landlord's Work, provided that such Tenant's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of Landlord's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of Landlord's Work and acceptance thereof by Tenant.

(b) **No Interference**. Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord's Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of Landlord's Work.

(c) **No Acceptance of Premises**. The fact that Tenant may, with Landlord's consent, enter into the Project prior to the date Landlord's Work is Substantially Complete for the purpose of performing Tenant's Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant's property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party resulting from such entry.

7. **Miscellaneous**.

(a) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

Annex 1

Base Building Description

ALEXANDRIA.

Nautilus

3530 John Hopkins Court

SAN DIEGO

BASE BUILDING DESCRIPTION
SINGLE TENANT
WARM SHELL LAB & OFFICE BUILDING

July 6, 2011

CONFIDENTIAL & PROPRIETARY

Alexandria Nautilus Campus
3530 John Hopkins Court
Base Building Description
July 6, 2011

CONFIDENTIAL & PROPRIETARY

PROJECT DATA

PROJECT:	**Nautilus**
ADDRESS:.	**3530 John Hopkins Court** **San Diego, CA 92122**
DATE:	**July 6, 2011**

General Base Building Information

1.	Project:	Redevelopment project of a four building campus
2.	Construction Type	Type II B, Fully Sprinklered
3.	Number of Buildings in Campus	Four (4)
4.	Number of Stories	Two (2) with one level of below grade parking
5.	Use	B Occupancy
6.	Estimated Project Site Area	8.48 acres
8.	Parking provided	Tenant will be provided with parking ratio of 2.5/1,000 USF leased
9.	Trash and Recycling	Existing trash enclosure north west of building
10.	Drive Aisle Widths	26’-0” wide drive aisles provided at fire lanes and 24’-0” wide drive aisles provided for parking aisles
11.	Applicable Codes:	2010 California Building Code (CBC) *based on the 2009 IBC and including numerous State of California Amendments* 2010 California Green Building Standards Code (GBC) 2010 California Electrical Code (CEC) based on the 2009 NEC and including State of California Amendments 2010 California Mechanical Code (CMC) *based on the 2009 UMC with the State of California Amendments* 2010 California Plumbing Code (CPC) *based on the 2009 UPC with the State of California Amendments* 2010 California Fire Code (CFC)

	based on the 2009 International Fire Code	
	2010 California Energy Efficiency Standards	
	Other Regulations:	
	NFPA (Current Edition)	
	CAL-OSHA	
	CCR 2010 Title 24 California Code of Regulations Energy Commission	
	Handicap Standards – Federal Regulations and American Disabilities Act (ADA)	
	Note: Applicable codes may change as the applicable local and state governing bodies adopt new codes.	
12. Live Loads	Flat Roof: All Floors:	20 PSF 125 PSF
13. Floor-to-Floor Height	Basement Parking First Floor: Second Floor:	(+/-)12’-0” 15’-0” 15’-0”

SHELL COMPONENTS TO BE PROVIDED BY LANDLORD

Underground Parking:

One level of below grade parking existing beneath 3530 John Hopkins Court.

Lobby:

Landlord to provide new passenger elevator and feature stair at the main lobby entrance. Feature stair to include a steel stair with typical steel pipe railing. Landlord to provide structural openings for a two story lobby including the structural opening for the feature stair. All lobby flooring, walls, ceiling, HVAC, electrical, etc including finishes at the stair to be provided by Tenant.

Elevators:

Landlord to provide one (1) passenger elevator and one (1) combination passenger/freight elevator for a total of two (2) elevators. Elevator interiors to be provided with stainless steel and white panel finishes.

Secondary Exit Stairs:

3530 John Hopkins Court to be provided with a secondary exit stair at the North side of the building with a small lobby vestibule at the basement level to allow access to the Nautilus courtyard and amenity space.

HVAC:

Landlord to provide chilled and heating hot water infrastructure to support a warm shell lab-office building including heating hot water and chilled water supplied from the existing central plant in 3550 John Hopkins Court. Landlord to install a BTU metering system to accurately allocate the utility costs to run the central plant between 3530 and 3550 John Hopkins Court.

Electrical

Landlord to provide a 2,500 AMP, 480V underground pull section in the main 3530 John Hopkins Court main SDGE room as well as a small panel and mater for house loads (elevators, garage lighting, etc).

SHELL OUTLINE SPECIFICATIONS

SITE WORK:

Site Utilities

All sewer, gas, water, storm drain, electrical, services as required with the following minimum sizes:

1. Fire Service – existing
2. Sanitary Sewer - existing
3. Domestic Water - existing
4. Reclaimed water as required for site irrigation -
5. Chilled Water – stubbed into parking garage from 3550 John Hopkins Court
6. Heating Hot Water – stubbed into parking garage from 3550 John Hopkins Court

Site Area

All site scope including asphalt paving, curb and gutter, concrete walkways, landscaping and enhanced paving areas.

Landscaping and Hardscape

Existing site irrigation system to be expanded to cover new improved landscaped area. New landscaping throughout the site and new hardscape at main building entrances and courtyard area

Parking Lot Lighting

Existing parking lot lighting to remain

Pedestrian Lighting

Tree up-lighting and low level fixtures, minimum lighting levels per City of San Diego lighting Ordinance.

Signage

Landlord to install one monument sign at the drive entrance to 3530 John Hopkins Court for future tenant installed signage.

Loading Dock and Equipment Pads

Building to be provided with a new loading dock on the east side of the building to allow for access into the garage and a path of travel to the new freight elevator.

Alexandria Nautilus Campus
3530 John Hopkins Court
Base Building Description
July 6, 2011

CONFIDENTIAL & PROPRIETARY

BUILDING SKIN:

Vision Areas

Curtain wall glazing is comprised of 1” thick radiant low-E insulating glass unit provided by Viracon. Green and light gray glazing colors are to be alternated in 40’- 0” bays to achieve a staggered grid appearance. A custom frit pattern is to be applied to the top spandrel lite above the ceiling line, and to the vision glazing 30” above the ground floor level.

Aluminum Framing

Curtain wall framing is a shop fabricated - unitized system, comprised of 3” x 7 1/4” offset captured verticals and 3” x 7 1/4” glazed in horizontals utilizing “rain screen” principles.

Exterior Wall Finish

Areas not provided with curtain wall (below first floor deck) with have smooth plaster finish with a paint color applied.

Entry Doors

6’-0” x 8’-6” entry doors are to be set within a 1” thick laminated structural glazing system. Doors are to be ½” thick herculite doors with satin stainless steel top patch fittings, and bottom rail, and concealed floor closers.

MOISTURE AND THERMAL PROTECTION:

Roofing

Landlord to provide new foam roof with 15 year warranty installed over existing roofing.

Building /Sound & Thermal Insulation

Landlord to provide where applicable fiber glass batts or blankets of types and R-values specified below for the various applications as manufactured by Manville Building Products Corp., Owens-Corning Fiberglas Corp., or equal. Wall insulation to be kraft faced batts, R-13 or the R-value required for the specified wall cavity. Provide fiber glass batts or approved equal with vapor barrier at spandrel glass. Provide full thick batts at toilet rooms and all interior walls. Code required roof insulation to be installed above roof deck as part of the foam roofing system.

Fire Safing

Landlord to provide applicable fire safing as required by code at top of wall conditions and slab deck conditions

EXIT STAIRWAYS:

Treads and Landings

Fabricate stairs with closed risers and pan treads to receive concrete fill, as indicated. Form treads with minimum 12 gage bent plate with deformed bars full length of tread welded to bent ends. Form stringers of structural steel channel sections or rolled steel rectangular hollow sections

MISCELLANEOUS:

Sealants

Sealant Standard: Provide manufacturer's standard sealant of type indicated, complying with ASTM C 920 requirements. Use silicone based sealants at all glazing conditions. In general, for use on areas subject to foot or vehicle traffic use multi-part, pourable, urethane sealant. At exterior or perimeters of openings in exterior walls use non-sag, urethane sealant. All stone to be provided with an appropriate sealer.

Sheet Metal

Provide minimum 24 GA galvanized sheet metal to comply with recommendations of SMACNA "Architectural Sheet Metal Manual" for the basement and lobby space complete; including reglets and counter flashings.

Steel Doors

Landlord to provide 18 gauge hollow metal steel doors, frames and stops for the basement only. Prime and paint (see Division 9, painting). Applicable weatherstripping to be provided at all exterior doors.

Hardware

All building hardware shall be 626 finish (satin stainless steel finish). Lock and latch sets shall be equal to Schlage Series L, Full mortise with lever handle design. All fire rated doors and storefront entry doors shall be equipped with closers. All hardware shall meet state Title 24 requirements for handicapped accessibility.

Fireproofing

Landlord to provide 2 hour fireproofing provided at all primary and secondary structural columns, beams and metal floor decks, supporting the first and second floor level to allow for multiple control areas on each floor.

FINISHES:

Custom Interior Doors

To be provided by Tenant.

Paint

Landlord to provide all interior gypsum drywall in the basement (Lo-Glo satin sheen), exposed steel surfaces, hollow metal doors and frames and interior columns to receive paint: 3 coats over primer at exterior, 2 coats over primer at interior.

Metal Framing & Furring Channels

Steel studs shall be 16, 20, and 25 gauge as indicated on drawings or as required. Drywall furring shall be 25 gauge 'hat' sections. Backing plates shall be 1/8" steel of proper size to accommodate fastenings and shall be welded to 20 gauge steel studs.

Gypsum and Drywall

Landlord to provide gypsum wallboard at north exit stair, elevator shafts, basement MPOE, basement SDGE room and basement elevator vestibule. Board thickness to be 5/8" at vertical and horizontal surface applications. In areas requiring fire ratings, wall board shall be 5/8" Type "X". In areas subject to moisture, use water resistant (WR) gypsum board. All gypsum board surfaces in lobby shall be Level 5 finish and all others shall be Level 4. Tenant side of all walls shall be Level 1 (Fire Taped).

Alexandria Nautilus Campus
3530 John Hopkins Court
Base Building Description
July 6, 2011

SPECIALITIES:

Window Coverings

Electrical Mecho shades in lobby area to be provided by Tenant. Building standard non-electrical mecho shades for the balance of the building to also be provided by Tenant.

Signage

Tenant to provide all suite entrance, building and monument signage per Landlord standards.

Fire Extinguishers

Landlord to provide as required by code in garage area.

Parking Equipment

Existing coiling door and card reader monument to remain to allow for controlled Access to the garage

CONVEYING SYSTEMS:

Hydraulic Elevators

2,500 lbs Holeless traction passenger elevator in the lobby; front only 3'-6" wide x 7'- 0" high entry doors, brushed stainless steel, center opening, 26' rise with 3 stops, 150 fpm, 480V Three phase power, Machine location inside hoistway with adjacent control closet, provided by Kone or approved equal:

1. Cab interior is 8'-0" high with LF-94 ceiling with stainless steel side panels & colored white glass back wall

4,000 lbs Holeless traction passenger elevator at the North side of the building; front only 3'-6" wide x 7'-0" high entry doors, brushed stainless steel, right side opening, 26' rise with 3 stops, 150 fpm, 480V Three phase power, Machine location inside hoistway with adjacent control closet, provided by Kone or approved equal:

2. Cab Interior is 8'-0" high with LF-94 ceiling with stainless steel side panels & colored white glass back wall

MECHANICAL AND PLUMBING:

Plumbing

Landlord to provide plumbing for roof drains only.

Heating, Ventilating & Air Conditioning

225 tons of the existing chiller plant located in 3550 John Hopkins Court will be allocated to 3530 John Hopkins Court. Landlord to provide for 3530's use, the existing heating hot water plant at 3550 John Hopkins Court with 2.0 BTU allocated to 3530 John Hopkins Court.

Chilled water and heating hot water lines will be run from the garage in 3550 below grade to 3530 and will be stubbed into the garage along the east elevation to allow for future tie in for future tenant use.

Controls: Landlord will provide a controls system to support the central plant mechanical system in 3550 only. System to be expanded for future tenant improvement HVAC systems.

NOTE: (The HVAC infrastructure is designed to accommodate future tenant improvements including the lobby to be provided by the Tenant) Any air handlers, exhaust fans, fan coils, etc for the tenant space to be provided by Tenant.

ELECTRICAL:

Building Power and Lighting

Landlord to provide electrical room and main telephone room. 277/480 volt, 2,500 AMP underground pull section to be provided in the main electrical room with a small house meter for house loads (i.e. elevators, etc). The main distribution board, tenant meter section and other electrical distribution to be provided by Tenant.

Power for Equipment

Landlord to provide power wiring and connection to garage exhaust fan and elevators.

Building Power and Lighting

Typical below grade parking structure lighting to be provided in the underground parking level. All other power and associated devices to be provided by Tenant.

Telephone, Data Communications, and Access Control

Landlord to provide base building MPOE room to be provided for future use by tenant as necessary.

Landlord to provide first floor building perimeter doors and two basement perimeter doors with electrified hardware and conduit roughed in to accessible ceiling space for future connections to a tenant installed access control system. All necessary devices, control panels, wiring, additional conduit, access doors, etc., for operation and monitoring of access control system shall be provided by Tenant however the system shall be the landlord standard Kantech System provided by CCS.

UPS System and Emergency Generator

Any UPS systems are to be provided by tenant for their computer servers or to provide standby-power to the building.

The existing campus generator located south of 3550 JHC will be available for tenant to use on a pro-rata basis. Tenant is required to provide individual standby power distribution, switchgear, ATS, wiring from existing generator and new breaker in the existing generator, etc.

Fire Protection

Landlord to provide a typical shell sprinkler system. The fire sprinkler system shall be per the CBC, CFC and NFPA requirements. Isolation valves to be installed to allow for isolation of the fire sprinkler system by floor.

Fire Alarm System

Landlord to provide fully functional fire alarm system for the flow meters and elevators. System to be expandable to cover future Tenant Improvements.

END OF BASE BUILDING DESCRIPTION

Annex 2

Tenant Improvement Specifications

3530 John Hopkins Court-GNF Tenant Improvement
July 6, 2011

TENANT IMPROVEMENTS SPECIFICATIONS

State and Local Code Compliance

Design and construction shall conform to all Federal, State and Local building codes and ordinances to include but not limited to the most current version of the following documents:

- 2010 California Building Code
- 2010 California Plumbing Code
- 2010 California Mechanical Code
- 2010 California Energy Code
- 2009 National Electric Code/2010 California Electric Code
- 2008 Title 24, California Energy Efficiency Standards
- 2010 California Fire Code
- 2010 California Green Building Standards Code
- California Division of Occupational Safety and Health
- San Diego Municipal Code

ARCHITECTURAL IMPROVEMENTS

Interior Partitions	Metal stud and drywall partitions per tenant's floor plan requirements. 3-5/8" studs typical, gauge and spacing as required by code, and Type X, 5/8" drywall Standard Interior Partitions penetrate ceiling grid 6" Full height partitions to underside of structure at demising locations or where sound/security requirements occur Fire rated assemblies as required by code, full height, tunnel or shaft wall construction as approved by local building officials Backing required in any walls where casework, appliances, equipment or fixtures will be mounted Coordinate with structural engineer to determine any specialty requirements for heavy loads. Smooth drywall finish to Level 4
Insulation	Batt insulation within wall cavity as required for sound control.
Doors, Frames & Hardware	Offices/ General Use Areas Suite entry door assemblies are 3' x 9' or 6' x 9' pair, glass, flush face doors with no added urea- formaldehyde resins. Interior door assemblies are 3' x 8', solid core, wood veneer, flush face doors with no added urea-formaldehyde resins. Anodized aluminum frames, natural finish, 3' x 8' or 6' x 8' pr, with integral 24" sidelights at offices and conference rooms. Lever style, heavy duty, satin aluminum hardware. Suite entry doors are require Blumcraft hardware; interior doors are passage or cylindrical locksets. Include components and ratings as required by code. Keying to be compatible with Landlord's master system

Lab/ Lab Support/ Equipment/Storage Areas

Door Assemblies are 3’ x 8’ or 3’-6” x 8’ to match offices except where noted as painted hollow metal (fully welded)

Doors stained to match offices and 2’w x 3’h vision lite

Lab offices and shall be 3’ x 8’, 3’-6” x 8’ or 6’ x 8’ custom stained to match office areas with Alum frames to match offices, except where noted to be welded hollow metal frames

Lever style, heavy duty, satin aluminum cylindrical passage lockset hardware

Include components and ratings as required by code

Keying to be compatible with Landlord’s master system

Windows Frames to match style of door frames in office areas

Ceiling System General

Ceiling height at 10’-0”

T-Bar suspension installation per code, utilize BERC clips in lieu of 2” wall angle

Office Areas

Armstrong XL 2’x2’,15/16” exposed T-Grid, white

Armstrong 2’ x 2’ acoustic tile, Dune 1775NF (no added/low formaldehyde) with beveled tegular edge, white

Lab/ Lab support/ equipment/ storage areas

Armstrong XL 2’ x 4’, 15/16” exposed T-grid, white

Armstrong 2’ x 4’ Climaplus (No added/ low formaldehyde) with beveled, tegular edge, white

Vivarium

Suspended 5/8” gyp. board 1-5/8” hat channel and black iron runners, where shown

Window Covering MechoShade Systems or Equal roller shades, manual controls, EcoVeil 1350, color #1369 Silver, shade cloth mounted within blind pocket Lobby shades to be electrified.

Cabinetry Construction Designation APA C-D plugged with exterior glue, $^{3}/_{4}$” thick or 3/4” high-pressure particle board with no added urea-formaldehyde containing resins for Break Rooms, Copy/Work Rooms and Conference Rooms. Adhesive compliant with Indoor Air Quality criteria per ASTM D-5116 Plastic laminate finish, countertops and splashes shall be constructed in accordance with WI Manual of Millwork, ‘Custom’ grade

Self-closing hinges with vertical, horizontal and depth adjustment

Adjustable shelf standards, full extension, heavy-duty drawer glides

Lab casework shall be metal Hanson Lab Furniture Inc, Fisher Hamilton, or equivalent or plastic laminate and constructed in accordance with Wl Manual of Millwork, “Custom” grade

Self-closing hinges with vertical, horizontal and depth adjustment

Adjustable shelf standards, full extension, heavy-duty drawer glides

Countertops at labs to be TRESPA or equivalent countertops

Refer to drawings for modular casework requirements

Floor Covering Office and Admin Areas

Monterey or Equal, Overview Multi-Level Loop Pattern, minimum allowance of $30.00/syd installed

Adhesives: GLP16003 – latex resin based multi-purpose carpet floor adhesive, C16E
GLP91505 – floor preparation primers, C36E, C46E
GLP58266 – latex resin based multi-purpose broadloom carpet adhesive, B-19
GLP60151 – latex based carpet broadloom seam sealer, B-71

4” rubber base with adhesive compliant with Indoor Air Quality criteria per ASTM D-5116

	Lab/Lab Support/Equipment/ Storage Areas
	Vinyl Composition Tile, Armstrong or equivalent, 12” x12” x 1/8”
	Adhesive compliant with Indoor Air Quality criteria per ASTM D-5116
	4” rubber coved base with adhesive compliant with Indoor Air Quality criteria per ASTM D-5116
	Vivarium & Glass Wash Epoxy flooring w/ 8” integral coved base
	Server Room Static Dissipative tile 24” x 24” Mipolam or VPI. non-grounded
	Tissue Culture Resilient sheet flooring with matching welded seams and 6” integral coved base-Medintech or equal
Paint	Shall not exceed the VOC and chemical component limits of Green Seal’s Standard GS-11
	Epoxy paint – provide at Vivarium, Glass Wash and Tissue Culture
Restrooms	Floors and wet walls to be finished with porcelain tile (60” AFF on wet walls), vinyl wall covering above tile and on non-wet walls, solid surface countertops with full coverage laminate aprons, stainless steel toilet partitions, stainless steel Boberick accessories, drywall ceilings with recessed can lights and cove lighting above toilets, urinals and mirrors.
Cold Rooms	Wall Panels Withstand live lateral load of 100 lbs point load, 5 psf uniform load
	Ceiling Panels Withstand their own weight, dead loads, and live loads of 25 lbs with maximum deflection of 1:180
	Cooler Rooms Maintain 4 degrees F; plus or minus 2 F degrees
	Air Tightness of Assembled Unit Limit air infiltration through assembly to 0.06 cu ft/min/sq ft of wall area, measured at a reference differential pressure across assembly of 1.57 psf as measured in accordance with ASTM E 283
	Vapor Seal Interior room atmospheric pressure of 1 inch sp, 72 degrees F; 40 percent RH: No failure
	Vapor Tightness Sufficient to eliminate frost accumulation
	Insulation Thickness 4 inches
	Doors: Overlap type for 34 x 78 inch opening, construction as for walls but with edges closed: 2-1/2 inch thick insulation; flexible gasket containing magnetic strip on four edges; heated gasket thermostatic control with two way air relief valve. Configuration and quantity as shown on drawings
	View Windows Sealed insulating glass units in doors
	Hardware Cast brass, nylon bearing self closing hinges, roller catch latch and keeper, cylinder lock and inside safety release mechanism
	Shelving and Supports Stainless steel construction, open rod construction, free standing style, adjustable supports
	Deli Boxes Rear load, deep shelving with front access at each door
	Light Fixtures Vapor tight. incandescent with 150 watt lamp, operating toggle switch on exterior wall of room with pilot light, wired in rigid conduit
	Cooling System Direct expansion refrigerant, water cooled; remote located condensing unit for all rooms.

evaporator, unit cooler, self contained with valves, controls, switches, timers, refrigerant piping, insulated suction lines, and wiring. Size and capacity to maintain environment specified; hot gas defrost; electrically heated trace condensate drain

Cooling Unit Locate remote from cold storage rooms. Pipe coolant to cold rooms

Specialties

Pass Throughs stainless steel (#3t60 with mechanical interlock, view window in doors and exhausted by rooftop fan. Unit shall be seamless and fully welded, shall have installation flange and supplied with support brackets as required

Lockers 4 High x 12” w. plastic laminate lockable units with matching sloped top. Provide on built up 6” pedestal. Interiors shall be white melamine. Supply with number plates

Corner guards Stainless Steel in all lab / lab support areas $3^1/_2$” x $3^1/_2$” x 5’

Coat Racks Provide unitized aluminum coat hooks at each locker location

Projector Screens Install motorized projections screens (Daylite or equal) with recessed housing above ceiling and controls to switch

STRUCTURAL

Floor Care must be taken prior to cutting any portion of the slab to confirm location of structural slab elements. Cutting, removal, repair and replacement must be done in accordance with structural engineering drawings and instructions

Bldg Structure Replacement of any spray-applied fire protection that is removed or damaged during the course of tenant improvements is required

Roof Structure A licensed structural engineer design a platform to accommodate any roof top equipment. Equipment on the north side of the roof shall be housed in the existing penthouse or on a platform

FIRE PROTECTION

Fire Sprinkler Spacing and number of heads shall comply with recommendations of NFPA 13 for type of occupancy. Ceiling mounted high temperature heads (pendant, natural brass with chrome finish, semi-recessed with matching adjustable metal escutcheon) shall be used in those areas required by code. Server rooms shall have pre-action fire protection system with separate riser

Fire Extinguisher Semi-Recessed, stainless steel fire extinguisher cabinet

Dry chemical fire extinguisher bottle: Sentry 5 or equivalent

Provide quantity required by code

Fire Alarm Suite improvements to include all devices required by code and must be connected to the building fire alarm system. All work must be performed by an authorized Notifier representative with a minimum of 10 years experience

PLUMBING - TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes & standards

Uniform Plumbing Code
Uniform Building Code
Uniform Fire Code
Local Fire Department Regulations
National Fire Protection Association
All other Authorities Having Jurisdiction

1. All water fixtures used in general office space including restrooms but not including Process Fixtures, shall exceed the minimum rating by 30% specified in the Energy Policy Act of 1992, in accordance with LEED calculations
2. Adhesives shall comply: VOC content shall be less than the current VOC content limits of SCAQMD Rule #1168, AND all sealants used as fillers must meet to exceed the requirements of the South Coast Air Quality Management District Regulation 8, Rule 51

Principal Systems to be Included in the Design

1. Sanitary sewer drain, waste & vent - all spaces above ground level drain by gravity to the public sewer.
2. Compressed Gases ((CA, N2, CO2)
3. House Vacuum System
4. Water Systems (ICW, IHW, DCW, DHW, DI). Water usage shall be submetered and measured for bill back purposes to the tenant
5. Liquid Nitrogen System
6. Typically, localized instantaneous electric domestic hot water heaters serve lavatories and sinks in the tenant suites
7. Condensate drain piping runs from the HVAC units to the nearest indirect waste receptor (max. 60” AFF.) or to a Janitor’s Sink
8. All drain piping from HVAC equipment and plumbing equipment runs to the nearest indirect waste receptor or Janitor Sink

Materials

Soil, Waste and Vent above Ground: Service-weight, no-hub cast-iron pipe and fittings

Soil, Waste and Vent Below Ground and to 5’-0” Outside of Building: Service-weight, cast-iron hub & spigot pipe and fittings

Industrial Waste and Vent piping above ground to be plenum rated polypropylene DWV

Industrial Waste and Vent piping below ground to be polypropylene DWV.

Industrial Waste piping to route to a sample port just prior to connection to sanitary system

Water and Condensate Drain Piping Above Ground: Type ‘L” hard-drawn copper type, ASTM

B88, and wrought copper fittings, ANSI B1 6.22. All hot water supply piping shall be insulated with 1-inch thick fiberglass insulation for sizes up to 2-1/2 inch size, 1-1/2 inch thick above 2-inch size piping. Condensate drain piping above ceilings to be insulated

Water Piping Below Ground 4-inches and smaller. Type “K” hard-drawn copper tubing, ASTM

B88, and wrought copper fittings ANSI B16.22, silver brazed joints

Natural Gas Piping: Buried piping to be Polyethylene per ASTM D2513; above grade to be Schedule 40 black steelper ASTM D 2513

Indirect Drains: Type “M” copper fittings, ANSI B16.22, solder joint type. Insulate with Manville Micro-Lok 650AP

Specialty gas piping shall be type L copper, silver brazed

Deionized Water: Schedule 40 polypropylene with socket fused joints

Liquid Nitrogen: Vacuum insulated stainless steel tubing

	Adhesives shall comply: VOC content shall be less than the current VOC content limits of SCAQMD Rule ealants used as fillers must meet or exceed the requirements of the South Coast Air Quality Management District Regulation 8, Rule 51
Plumbing Fixtures	Water Closets, ADA Compliant: Handicap-height, vitreous china, wall mounted, floor outlet, low-flush toilet with flush valve
	Water Closet: Vitreous china, wall mounted, floor outlet, low-flush toilet with flush valve
	Urinal, ADA Compliant: Wall hung, vitreous china, ultra low-flush urinal with flushometer. Mount at handicap height
	Urinal: Wall hung, vitreous china, pint urinal with flushometer
	Lavatory: Vitreous china wall hung lavatory with a single temperature-metering low flow faucet
	Faucet: Infra-red sensor control faucet on 120 v power
	Lab sink: 25 in. x 22 in. x 12 in. deep stainless steel sink.
	Scullery sink: Double compartment stainless steel sink with 14 in. deep basin
	Service Sink: Corner model, terrazzo mop service basin with vacuum breaker faucet.
	Emergency Shower/Eyewash: Water Saver Faucet Co. Model SSBF2150 or equivalent
	Electric Water Cooler. Barrier-free, wall hung water cooler with push bar control and equipped for handicap usage
	All water fixtures used in general office space including restrooms but not including Process Fixtures, shall exceed the minimum rating by 30% specified in the Energy Policy Act of 1992, in accordance with LEED calculations
Drains	Floor Drains: Cast iron body floor drains with nickel bronze top, membrane clamp and adjustable collar
	Floor Sinks: Cast iron body receptor with acid-resistant coated interior, bottom dome strainer, seepage flange and grate

Break rooms shall have either single or double compartment 18 gauge stainless steel sinks. Minimum acceptable building standard sinks and accessories:

Single Compartment Sink:	Just Model #SX-2133-A-GR
Double Compartment Sink:	Just Model #DL-2133-A-GR
Drain:	Just Model # J-35FS
Faucet:	Just #J-900 single handle 8” center
Garbage Disposer:	In-Sink-Erator #444 0.75HP @ 120/1/60
Provide air gap fitting for dishwasher, if installed.	

HVAC - TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes and standards
- Uniform Mechanical Code
- Uniform Plumbing Code
- Uniform Building Code
- Uniform Fire Code
- Local Fire Department Regulations
- National Fire Protection Association
- All other Authorities Having Jurisdiction

Principal Systems to be Included in Design

1. Summer-Winter air conditioning for all occupied areas, including corridors and restrooms
2. The current building has a common central plant that provides CHW for cooling. CHW piping is

delivered to the basement and capped

3. Tenant spaces shall be conditioned by either fan coils above the ceiling space or air handlers located in basement
4. Toilet exhaust systems for all restrooms and janitor rooms per code
5. Building controls to be Johnson Metasys DDC System integrated with the existing site-wide DDC system with electric controllers

Existing Cooling Plant

The existing cooling plant consists of (1) 300T centrifugal and (1) 250T Turbocor chiller allocated on a pro-rata basis between 3550 John Hopkins Court and 3530 John Hopkins Court and chilled water usage shall be monitored for billing purposes

The tenant shall be responsible for providing and installing all necessary CHW BTU monitoring devices

Areas that require continuous 7/24 operation (computer rooms, network server rooms, etc.) shall be considered for stand-alone systems; be Liebert, Data-Aire *or* equivalent. The system configuration shall be dependent on room capacity requirements

Existing Heating Plant

The existing heating plant consists of (2) Parker boilers, 2880 MBH output/each, to be allocated between 3550 John Hopkins Court and 3530 John Hopkins Court on a pro-rata basis. Heating Hot Water usage shall be monitored for billing purposes

Office Areas

Fan coils can be installed in office areas above the ceiling space with ducted supply and return. Minimum standard for cabinet style fan coils shall Carrier 42BH type or equal

Lab Areas

These areas shall be serviced by basement 100% OSA air handling units equipped as described below

Basement

Air Handling Units shall be based on Energy Lab Units or approved equivalent with the following minimum components and accessories:

- Double wall outdoor construction
- Backward Inclined Supply fans with high efficiency motors and VFD’s
- Airflow monitoring stations
- Moisture eliminator section
- Filtration with 2 in. 30/30 prefilters and 85% efficient final filters
- Cooling and heating coils with corrosion resistant protection
- Stainless steel drain pan

Telephone/IT Room

Dedicated 24/7 independent split system units with the fan coil units mounted above the ceiling space and the condensing unit located in the basement

Environmental Design Conditions

The following criteria will be used for sizing the heating and cooling systems:

Outdoor Ambient Design Conditions:

Summer:	88¥F dB, 72¥F mwB, 13¥F dB outdoor daily range
Winter:	42¥F dB

Indoor Conditions for Air Conditioned Area:

Offices, Labs	72¥F dB ± 3¥F dB, No Humidity Control
Electrical, Telecom, Storage	Typical of office space unless equipment

requires a more specifically controlled environment

Ventilation Air Requirements

Outdoor air for ventilation on this project exceeds the requirements of the American Society of Heating Ventilating and Air Conditioning Engineers (ASHRAE) Standard 62-1989, Ventilation for Acceptable Indoor Air Quality. On average approximately 0.2 cfm per square foot should be provided for all office environments.

For laboratory areas provide 100% outside air with target air change rates of 6 AC/Hr occupied and 4 AC/Hr unoccupied. It is acknowledged that air change rates above the target rates may be required to satisfy heat loads and address worker safety in certain laboratory areas.:

Energy Use & Conservation

The Energy Efficiency Standard, Title 24, to be used to set the minimum performance requirements of this installation, though Tenant agrees their design will exceed the minimum savings to comply with LEED Silver Certification.

Ceiling Registers & Diffusers

Ceiling diffusers with perforated face with frame style compatible with the type of ceiling used. Surface mounted diffusers require gaskets to prevent leakage. Diffuser faceplate to have concealed hinges and latches. Faceplates to be easily removable from the frame. Supply diffusers, Titus-PMC perforated modular face-size 24” X 24’ for lay-in ceiling tile. Linear diffusers for all hard lid areas.

These manufacturers are considered equal, providing corresponding models meet specified requirements. Equivalent substituted equipment to be submitted for the Designer’s review during bid of major equipment.

Air Filters	AAF, Air Guard
Diffusers, Registers, Grilles	Titus, EH Price, Krueger

Duct Work

Supply ducts, return ducts, and exhaust ducts plenum chambers, housing, and panels fabricated from zinc-coated (galvanized) steel sheets conforming to the latest ASTM Specs A-525. Zinc- coating to be of the “Commercial” class

Exhaust duct from fume hoods shall be 304 stainless steel back to main exhaust duct Exhaust duct from Glasswash area shall be 304 stainless steel back to main exhaust duct Ductwork shall be installed in strict accordance with the latest SMACNA guidelines and shall also adhere to the latest State and Federal seismic requirements

Install Flexible ducts in a fully extended condition free of sags and kinks, using minimum length required for connection. Flexible duct suspended on 36’ centers with a min 3/4’ wide flat banding material where horizontal support is required. Joints and connections to be made in accordance with Underwriters Laboratories, Inc. Connect to rigid sheet metal with min 1/2” wide collar positively clamped and secured with screws or other approved fastening

Toilet Exhaust Ventilation

Exhausted all restrooms and janitor rooms shall with a min of 12 air changes per hour

Miscellaneous Exhaust/ Ventilation Systems

The following exhaust system have been installed as part of the shell design, it is assumed that outside ambient air shall provide makeup air to the exhausted area:

Elevator Machinery Rooms.
Electrical Room(s).

Controls

Electronic DDC building automation system controls the central pant, located in 3550 John Hopkins Court. The system operates the HVAC system and controls occupied and non-occupied temperature and ventilation schedules. The system includes monitoring, alarm and by-pass functions for efficient energy management

The DDC System is programmed to log utilities

Electronic digital control to be provided at the tenant zone level; controls shall be coordinated with the shell building system. Purchase and installation of all utility devices within the tenant space are part of Tenant Improvement scope of work

ELECTRICAL—TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes and standards
NFPA 70 National Electrical Code
NFPA 101 Life Safety Code
BOCA Building Codes
IES - Illuminating Engineering Society of North America

Distribution

The building distribution is located in basement with 277/408 volt, 2,500 AMP underground pull section to be provided in the main electrical room with a small house meter for house loads (ie: lobby, elevators, etc). The main distribution board, tenant meter section and other electrical distribution work will be part of the Tenant Improvement

Electrical panels must grouped in dedicated electrical rooms not installed randomly within tenant spaces.

All conductors for new switchgear to be installed as new

New HVAC equipment to be fed from the first floor distribution switchgear. New external starters for HVAC equipment. New Nema 3R combination starters will be added to the roof equipment feeding the first and second floor

Panelboards and distribution boards shall be located at the satellite electrical rooms to feed the office/lab and support areas.

All new transformers are energy efficient Energy Star type

Tenant to provide 208V branch circuit panelboards within the tenant space

Distribution Equipment

Panelboards

All Panelboards to be new, all TI panels to be surface mounted and stacked if necessary, inside the dedicated electrical rooms.

Panelboards for lighting to be 480Y/277V 3f 4W to be series rated for fault current. All Electrical panels are to be located in electrical equipment rooms.

Panelboards for power and control power shall be 208Y/120V 3f 4W with minimum fault current ratings of 10,000 AIC. located in electrical equipment rooms. Panelboards served through transformers shall have integral main over current protection, sized as indicated on the drawings.

All panelboards have bolt-on circuit breakers, 42-pole space, bus ratings (as indicated on the panel schedules) and are either surface or flush mounted (as indicated on the panel schedules). All panels located in electrical rooms to be stacked or switchboard mounted to minimize space used by the panels

Panelboards with an isolated ground bus are required as noted. All 208Y/120V 3f 4W panelboards shall be provided with 100% rated neutral bus; panelboards for IT room UPS equipment to be 200% rated neutral bus with an isolated ground bus.

Feeders

Feeders shall be copper conductors (Type THHN or THW) routed in electro metallic tubing (EMT), polyvinylchloride (PVC), conduit or rigid galvanized steel (RGS) conduit EMT shall be used in all indoor, concealed locations where the feeder is protected from damage or weather. RGS conduit shall be used in exterior applications or where the conduit may be exposed to physical damage. PVC shall be used for all below-grade applications.

Feeders shall be sized according to the singleline diagram in the construction documents.

Feeders shall be rack-mounted in accessible ceiling spaces or routed below grade under the slab.

Emergency Power System

Tenant will be allocated pro-rata share of existing generator at 3550 John Hopkins Court. All other emergency power system components to be provided by tenant

Branch Circuitry

1. Conduit and Wire
    a. Branch circuits for all power circuits serving furniture partition systems, office power, convenience outlets, control power, etc. to be nominally sized as 120V 20A.
    b. Branch circuits for lighting circuits to be either 277V 20A unless specifically indicated otherwise (undercabinet lighting is connected to 120V 20A circuits).
    c. All area branch circuit conductors to be copper and routed in metal conduit.
    d. Branch circuiting to individual offices shall be (3) #12AWG (two ‘hot’ and one neutral) plus (1) #12 green ground wire forming a two dedicated 120V 20A 3- wire circuits to feed a maximum of four offices.
    e. Each office to include (2) duplex receptacles, and (1) ring and string devices per 130 SF office. Quantity to be adjusted per square footage room size.
    f. Systems furniture feeds to be provided as (4) circuit (8) wire systems with three normal circuits and one isolated ground circuit.
    g. Branch circuits may be increased in size for specific loads or as necessary to prevent excessive voltage drop on longer circuits.
    h. MC cable to be provided as for concealed office wall wiring and concealed lighting only. All homeruns to be provided in EMT conduit.
2. Electrical Devices
    a. Electrical devices including (receptacles and switches) shall be rated according to the load served.
    b. Electrical devices shall be Decora type, white in color with white thermoplastic cover plates.
    c. Cover plates for receptacles and junction boxes shall be labeled indicating the circuit and panelboard from which the device is fed.
    d. All floor furniture feeds shall be flush type, and flush type to be provided at conference rooms. Floor devices must be 2 hr rated at second floor locations.
    3. Lighting Systems
    a. Fixtures shall be suitable for the application including the ability to provide egress illumination where required. Egress light shall be wired and remain on a night lights.
    b. Fixtures shall meet U.L requirements and selection and placement of fixtures shall comply with ADA requirements.

c. All lighting fixtures shall operate at 277 V unless specifically noted otherwise.

d. Lighting Power Densities (LPD) must exceed with the Title 24 energy savings by 25% - 35% to comply with LEED Silver Certification efforts.

e. Office area to consist of direct/indirect linear pendant style fixtures or recessed direct/indirect light fixtures type: Focal Point Skylite 2'x4', FBX-24-B Perforated Shield, White, lamping and voltage to be confirmed. Landlord reserves the right to determine use and location of either style of fixture.

f. Exit Lights—Lithonia LRP, Green on clear, 120/277, EL N.

4. Lighting Control Systems

a. Lighting control must comply with Title 24 requirements (including over-ride control for automatically shutting the lights off at prescribed periods of time and the ability to over-ride the lighting control for up to two hours of use).

b. Lighting control equipment shall include a programmable lighting control panel, relay panels (quantity as necessary), over-ride switches (distributed throughout the space), and interconnecting conductors.

c. Control zones to include perimeter areas for daylit spaces, skylit areas, and interior areas under 5.000SF.

d. Lighting over-ride switches to be located in corridors and similar areas to allow ease of access.

e. Each room shall be controlled by dual-level switching for local control.

f. Each private enclosed office to be provided with wall mounted dual-level switching and a ceiling mounted override motion sensor. Manufacturer: Hubbell or equal.

5. Mechanical Equipment

a. Mechanical equipment on the roof to be provided with meter distribution per tenant.

b. Power provided from the 480 V or 208 Y/120 V system for line voltage to mechanical equipment.

c. Control power wiring (other than 120 V as indicated on Mechanical control wiring diagrams) by the mechanical contractor.

d. Smoke detectors, time clocks, relays, contactors, etc. by the mechanical contractor.

e. Motor starters and disconnect switches by the electrical contractor according to the control wiring diagrams provided by mechanical contractor.

6. Telephone/Data Room and Low Voltage Wiring

a. The existing MPOE room in the basement can be utilized

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made this day of , , between **ARE-JOHN HOPKINS COURT, LLC,** a Delaware limited liability company **("Landlord"),** and **NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC.,** a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation") **("Tenant"),** and is attached to and made a part of the Lease dated , (the **"Lease"),** by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is , and the termination date of the Base Term of the Lease shall be midnight on , . In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC., a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation")

By: _____
Its: _____

LANDLORD:

ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By: _____
Its: _____

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Except as provided for in the Lease, Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in material violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects that are visible and obvious or otherwise actually known to Tenant in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking (except with the use of microwave ovens) or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

EXHIBIT F TO LEASE

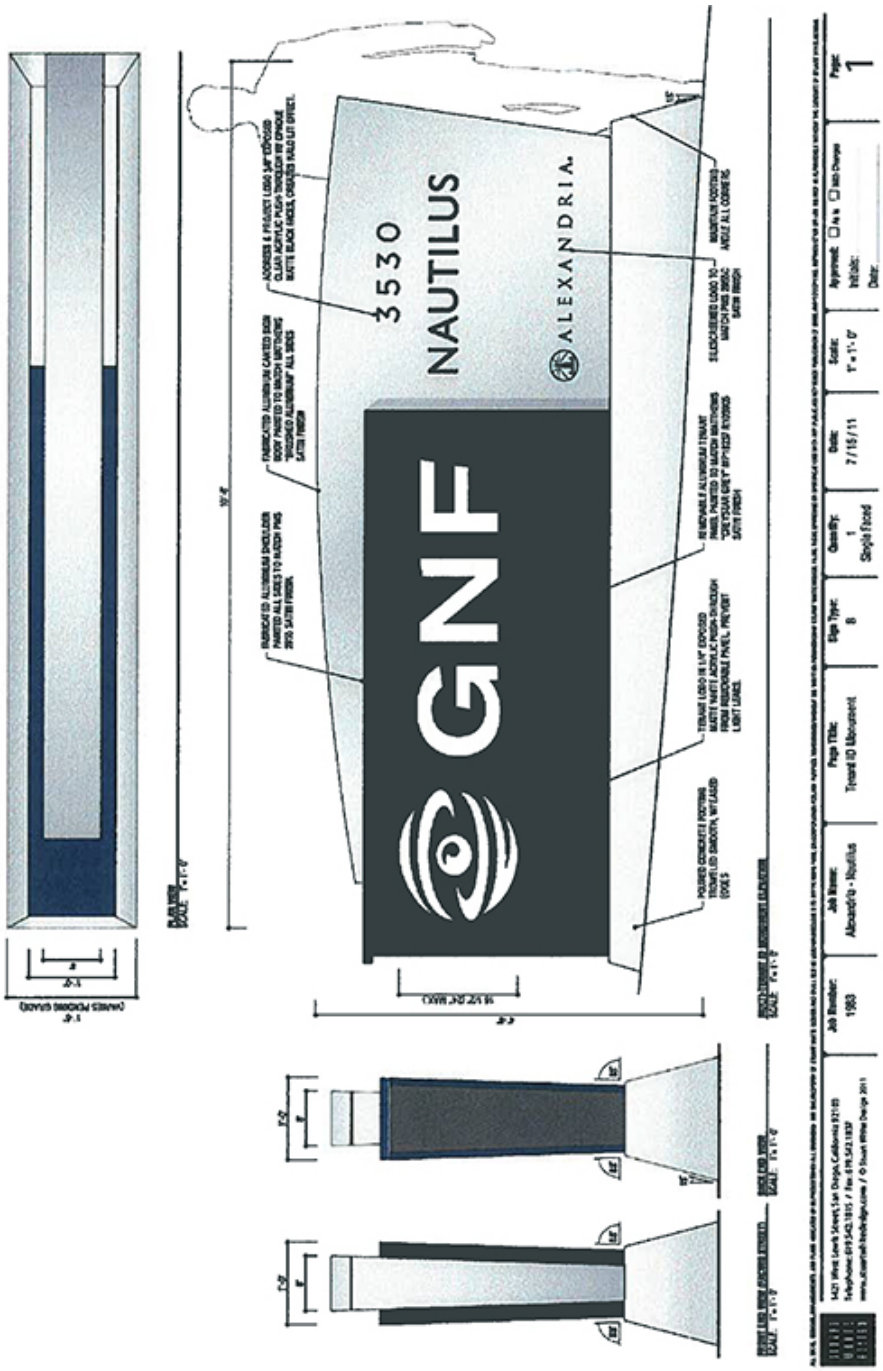
REMOVABLE INSTALLATIONS

None.

EXHIBIT G TO LEASE

SIGNAGE

(Location of Monument Sign and Building Sign)



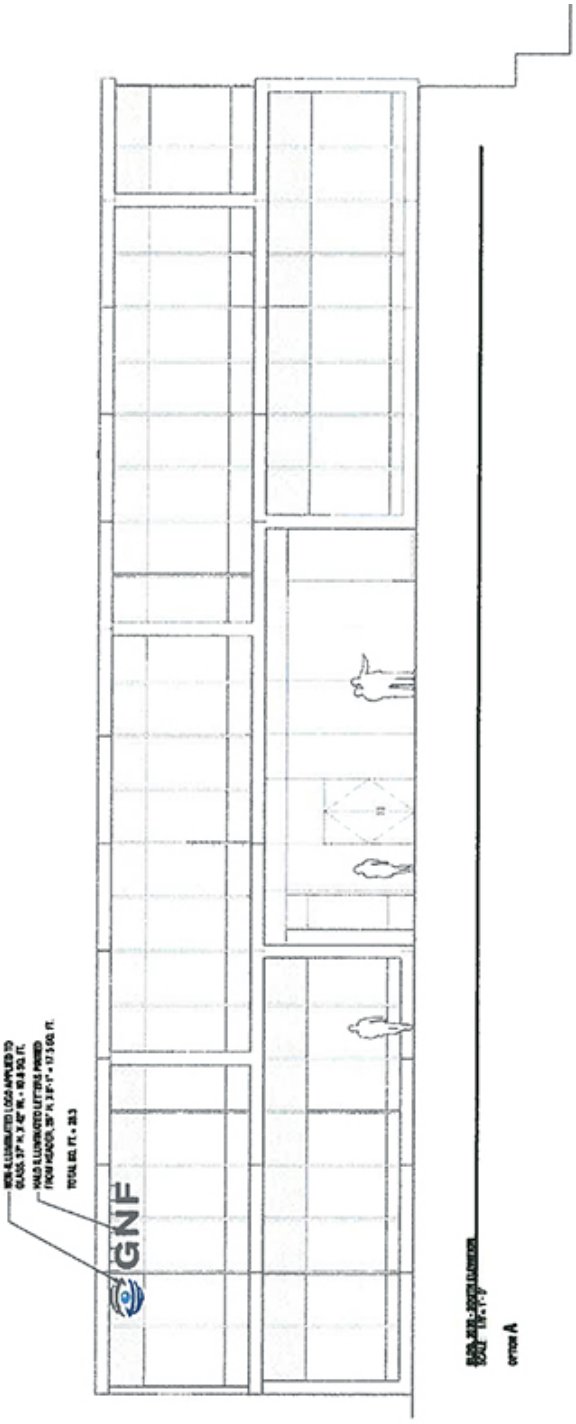


EXHIBIT H TO LEASE

FORM MEMORANDUM OF INSURANCE

******SAMPLE****MEMORANDUM OF INSURANCE** **DATE XX/XX/2011**

This Memorandum of Insurance is issued as a matter of information only to Authorized Viewers for their internal use only and confers no rights upon any viewer or holder of this Memorandum. This Memorandum does not affirmatively or negatively amend, extend or alter the insurance coverage described below. This Memorandum may only be viewed, copied, printed and distributed by an Authorized Viewer for such Authorized Viewer's internal use. Any other use, duplication or distribution of this Memorandum without the consent of Wells Fargo Insurance Service USA, Inc. is prohibited. "Authorized Viewer" shall mean an entity or person authorized by the insured named herein to access this Memorandum via https://wfis.wellsfargo.com/ProductServices/Misc/novartis/faq XXXX/. The information contained herein is current as of the date of this Memorandum. Wells Fargo Insurance Service USA, Inc. shall be under no obligation to update such information.

PRODUCER
SAMPLE—Broker name here

INSURED
SAMPLE MOI

Novartis Institute for Functional Genomics, Inc.
Novartis Corporation
One South Ridgedale Avenue
East Hanover, New Jersey 07936

COMPANIES AFFORDING COVERAGE

Co.**A** XXXXXXX

Co.**B**

Co.**C**

Co.**D**

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
A	GENERAL LIABILITY	XXXX	01-Jan-2011	01-Jan-2012	GENERAL AGGREGATE	$3,000,000
	COMMERCIAL				PRODUCTS-COMP/OP AGG	INCLUDED IN GEN. AGG,
	GENERAL LIABILITY				PERSONAL AND ADV INJURY	$3,000,000
	CLAIMS MADE				EACH OCCURRENCE	$3,000,000
					FIRE DAMAGE (ANY ONE FIRE)	$1,000,000
					MED EXP (ANY ONE PERSON)	$10,000

AUTOMOBILE LIABILITY	COMBINED SINGLE LIMIT
	BODILY INJURY (PER PERSON)
	BODILY INJURY (PER ACCIDENT)
	PROPERTY DAMAGE
EXCESS LIABILITY	EACH OCCURRENCE
	AGGREGATE
GARAGE LIABILITY	AUTO ONLY (PER ACCIDENT)
	OTHER THAN AUTO ONLY:
	EACH ACCIDENT
	AGGREGATE
WORKERS COMPENSATION / EMPLOYERS LIABILITY	WORKERS COMP LIMITS
	EL EACH ACCIDENT
	EL DISEASE—POLICY LIMIT
	EL DISEASE—EACH EMPLOYEE

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

MEMORANDUM OF INSURANCE **DATE**

XX/xx/2011

This Memorandum is issued as a matter of information only to Authorized Viewers for their internal use only and confers no rights upon any viewer or holder of this Memorandum. This Memorandum does not affirmatively or negatively amend, extend or alter the insurance coverage described below. This Memorandum may only be viewed, copied, printed and distributed by an Authorized Viewer for such Authorized Viewer's internal use. Any other use, duplication or distribution of this Memorandum without the consent of Wells Fargo Insurance Service USA, Inc. is prohibited. "Authorized Viewer" shall mean an entity or person authorized by the insured named herein to access this Memorandum via https://wfis.wellsfargo.com/ProductServices/Misc/novartis/faq. The information contained herein is current as of the date of this Memorandum. Wells Fargo Insurance Service USA, Inc. shall be under no obligation to update such information.

PRODUCER

XXX SAMPLEXXX

INSURED

Novartis Institute for Functional Genomics, Inc.
Novartis Corporation
One South Ridgedale Avenue
East Hanover, New Jersey 07936

ADDITIONAL INFORMATION

THE GENERAL LIABILITY POLICY INCLUDES THE FOLLOWING ENDORSEMENTS:

BROAD FORM VENDORS COVERAGE—ANY VENDOR WITH WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT, EXECUTED PRIOR TO LOSS, TO NAME AS AN ADDITIONAL INSURED, BUT ONLY FOR THE LIMITS AGREED TO IN SUCH CONTRACT OR TO THE LIMITS OF INSURANCE OF THIS POLICY, WHICHEVER IS THE LESSER OF THE TWO.

MANAGERS OR LESSORS OF PREMISES—ANY MANAGER OR LESSOR OF PREMISES WITH WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT, EXCUTED PRIOR TO LOSS, TO NAME AS AN ADDITIONAL INSURED, BUT ONLY FOR THE LIMITS AGREED TO IN SUCH CONTRACT OR TO THE LIMITS OF INSURANCE OF THIS POLICY, WHICHEVER IS THE LESSER OF THE TWO.

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

EXHIBIT B

The First Amendment

[Attached]

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "**First Amendment**") is made as of July , 2015, by and between **ARE-JOHN HOPKINS COURT, LLC**, a Delaware limited liability company ("**Landlord**"), and **NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC.**, a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation") ("**Tenant**").

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of August 8, 2011 (the "**Lease**"). Pursuant to the Lease, Tenant leases from Landlord certain premises consisting of approximately 44,681 rentable square feet (the "**Premises**") in a building located at 3530 John Hopkins Court, San Diego, California ("**Building**"). The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. The Term of the Lease is scheduled to expire on May 31, 2017.

C. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, accelerate the expiration date of the Lease to July 31, 2016.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Base Term**. Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant hereby agree to accelerate the expiration date of the Term of the lease from May 31, 2017, to July 31, 2016 ("**Termination Date**").

Notwithstanding the foregoing, prior to the Conkwest Sublease Commencement Date (as defined below) Tenant shall vacate the Premises and deliver the Premises to Conkwest (as defined below) in the condition in which Tenant is required to surrender the Premises as of the expiration of the Lease. Tenant agrees to reasonably cooperate with Landlord in all matters, as applicable, relating to (i) vacating the Premises prior to the Conkwest Sublease Commencement Date in accordance with the surrender requirements and in the condition required pursuant to the Lease, and (ii) except as otherwise provided in this First Amendment, all other matters related to restoring the Premises to the condition required under the Lease.

2. **Base Rent and Operating Expenses**. Except as otherwise set forth in this First Amendment, Tenant shall be responsible for the payment of all Base Rent, Operating Expenses and any other obligations due under the Lease through the Termination Date.

3. **Insurance**. If Tenant enters into a sublease ("**Conkwest Sublease**") for the entire Premises with Conkwest, Inc. ("**Conkwest**"), so long as Conkwest delivers to Landlord a certificate of insurance showing the limits of coverage required under the Lease and showing Landlord and the Additional Insured Parties as additional insureds on or before the commencement date of the Conkwest Sublease ("**Conkwest Sublease Commencement Date**"), then, as of the Conkwest Sublease Commencement Date, Tenant shall no longer be required to maintain the insurance required to be maintained by Tenant pursuant to Section 17 of the Lease. Notwithstanding the foregoing, Tenant shall be required to reinstate and maintain such insurance required to be carried by Tenant pursuant to Section 17 of the Lease if (i) a Default occurs under the Lease, (ii) an event of default occurs under the Conkwest Sublease, (iii) any of the policies required under Section 17 of

the Lease and carried by Conkwest terminates or expires and Conkwest does not timely deliver renewal certificates, or (iv) Tenant enters onto any portion of the Project following the Conkwest Sublease Commencement Date.

4. **Improvements to Premises**. Section 41 (r) of the Lease is hereby deleted in its entirety and is null and void and of no further force or effect and Tenant shall have no obligation to build out any portions of the Premises that remain unimproved as of the date of this First Amendment.

5. **Project Maintenance**. Landlord and Tenant acknowledge that as of the date of this First Amendment, Tenant is performing certain maintenance obligations of Landlord pursuant to the second paragraph of Section 14 of the Lease. Landlord and Tenant agree that commencing on the Conkwest Sublease Commencement Date, Tenant shall cease all maintenance of the Project and Landlord shall be responsible for maintaining the Project in accordance with the terms of the Lease and the cost of such maintenance shall be payable to Landlord by Tenant as part of Operating Expenses. As of the Conkwest Sublease Commencement Date, the second paragraph of Section 14 of the Lease shall be null and void and of no further force or effect and Tenant shall have no further rights to elect to maintain all or any portion of the Project.

6. **Extension Rights**. Section 39 of the Lease is hereby deleted in its entirety and is null and void and of no further force or effect and Tenant shall have no right to extend the Base Term of the Lease.

7. **Condition Precedent**. Notwithstanding anything to the contrary contained in this First Amendment, Tenant and Landlord acknowledge and agree that the effectiveness of this First Amendment shall be subject to the following conditions precedent ("**Conditions Precedent**") having been satisfied: (i) Tenant shall have entered into the Conkwest Sublease with Conkwest, and (ii) the execution by Tenant, Conkwest and Landlord, on or before July 31, 2015, of a consent to sublease reasonably acceptable to Landlord. In the event that the Conditions Precedent are not satisfied, Landlord shall have the right to terminate this First Amendment upon delivery of written notice to Tenant, in which event this First Amendment shall be null and void and of no further force or effect. Landlord shall have no liability whatsoever to Tenant relating to or arising from Landlord's inability or failure to cause the Conditions Precedent to be satisfied.

8. **Disclosure**. For purposes of Section 1938 of the California Civil Code, as of the date of this Amendment, Tenant acknowledges having been advised by Landlord that the Project has not been inspected by a certified access specialist.

9. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.

10. **Miscellaneous**.

a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

c. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

d. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[Signatures are on the next page.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the day and year first above written.

TENANT:

NOVARTIS INSTITUTE FOR FUNCTIONAL GENOMICS, INC., a Delaware corporation (doing business as "The Genomics Institute of the Novartis Research Foundation")

By: _____
Its: _____

LANDLORD:

ARE-JOHN HOPKINS COURT, LLC,
a Delaware limited liability company

By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By: _____
Its: _____

EXHIBIT C

Description of Included Personal Property

[Attached]

Exhibit C

Personal Property to Remain in 3530 Building

Office Furniture:

Item	Manufacturer	Model	Quantity	Location
Bubble Rooms	DIRTT		4	2nd floor office area
Workstation, Larger Desks	Knoll	Antenna	26	2nd floor office area
Workstation, Smaller Desks	Knoll	Antenna	18	2nd floor office area
Desk Chairs	SitOnIt	Focus	44	2nd floor office area
Lateral Files	Knoll	Calibre, 42W“x39“W	56	2nd floor office area
Stool, Bar Height	Enea	Lotus	10	2nd floor collaboration area
Lounge Chair	Geiger	Comes Around	2	2nd floor collaboration area
Huddle Room Chairs	Geiger	Deft	12	6 in each Huddle room
Conference room chairs	SitOnIt	Messenger	32	spread amongst the three conference rooms
Bubble Room Chairs	SitOnIt	Sona	8	Two in each of 4 bubble rooms
Break Room Chairs	SitOnIt	Rowdy	8	Break Room
Lounge Chair	Krug	Carlyle	2	Lobby
Break Room Tables	Prismatique		2	Break Room
Glass Top Table			1	Colloboration Area
Bubble Room Tables	Nevins	Rectangle, 60x30 nesting	4	1 in each bubble room
Conference Room Table	Krug	Boat, 120x48- 42	2	1 in each upstairs conference room
Conference Room Table	Krug	Boat, 192x54- 48	1	downstairs conference room
Collobaration Tables Room Table	Enea	Lotus	2	Colloboration Area
Conference room Credenza	Krug	Buffet-Full Glass Top,75x24x35	2	1 in each upstairs conference room
Conference room Credenza	Krug	Buffet-Full Glass Top,60x27x35	1	downstairs conference room
Table between lounge chairs		Double Take 24” round table	1	Colloboration Area

Huddle Room Table	Geiger	48” Round Table	1	Huddle Room
Huddle Room Table	Geiger	60” Round Table	1	Huddle Room
Refrigerator	KitchenAid	KBFS22EWMS7	1	First Floor Break Room

Lab

Item	Manufacturer	Model	Quantity	SN	Location
6’ Lab Bench	Hanson	NuFlex	30	n/a	lab
5’ Lab Bench	Hanson	NuFlex	6	n/a	lab
35” wide double door cabinets on casters	Hanson	n/a	48	n/a	lab
4’ Trespa bench	VWR	n/a	7	n/a	lab
5’ Trespa bench	VWR	n/a	6	n/a	lab
6’ Trespa bench	VWR	n/a	15	n/a	lab
Lab Chairs			33	n/a	lab
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	107040	221
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	105370	221
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	107029	227
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	107965	233
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	105524	264
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	107048	236
6” Class II, Type A2 Biosafety Cabinet	Baker	SG603A HE	1	107038	238

5L Process Vessel		Walker Barrier Systems		1	235
High Potency Compounding Isolator		Walker Barrier Systems		1	236
Vial Entry Filler		Walker Barrier Systems		1	237
Lyophillizer Isolator		Walker Barrier Systems		1	237
Conjugation Fume Hood		Reynoldstech	custom	1	235

IT

Item	Manufacturer	Model	Quantity	Location
Cabling	Siemon	CAT6	Distribution to workstations on 2nd floor, 101 and front desk on first floor	
19 inch rack	Chatsworth		1	Garage level IDF
Patch panels	Siemon		2	Garage level IDF
Fiber	Corning	50 micron Multimode	12 strands	1st floor IDF to 2nd floor IDF
19 inch racks	Chatsworth		3	1st floor IDF
Patch panels	Siemon		8	1st floor IDF
19 inch racks	Chatsworth		3	2nd floor IDF
Patch panels	Siemon		20	2nd floor IDF
AT&T cell site equipment				1st floor IDF
AT&T cellular access points			9	distributed thoughout 1st and 2nd floors
AT&T cabling				distributed thoughout 1st and 2nd floors
Outdoor intercom boxes	Viking	E-30 hands free speakerphone	2	front entry and loading dock