Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

ALLAKOS INC.
(Exact name of Registrant as specified in its charter)

Delaware	**2834**	**45-4798831**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

75 Shoreway Road, Suite A
San Carlos, California 94070
(650) 597-5002
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Robert Alexander, Ph.D.
President and Chief Executive Officer
Allakos Inc.
75 Shoreway Road, Suite A
San Carlos, California 94070
(650) 597-5002
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Kenneth A. Clark **Tony Jeffries** **Jennifer Knapp** **Wilson Sonsini Goodrich & Rosati, P.C.** **650 Page Mill Road** **Palo Alto, California 94304** **(650) 493-9300**	**Adam Tomasi, Ph.D.** **Chief Operating Officer and Chief Financial Officer** **Allakos Inc.** **75 Shoreway Road, Suite A** **San Carlos, California 94070** **(650) 597-5002**	**Alan F. Denenberg** **Stephen Salmon** **Davis Polk & Wardwell LLP** **1600 El Camino Real** **Menlo Park, California 94025** **(650) 752-2004**

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

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company." and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee**
Common Stock, $0.001 par value per share	$	$

(1) Includes offering price of any additional shares of common stock that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

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, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This confidential draft #2 of the draft registration statement on Form S-1 of Allakos Inc. is being submitted solely to submit Exhibits 10.9, 10.10 and 10.11. This confidential draft #2 does not modify any provision of the prospectus that forms a part of the Form S-1, and accordingly Part I has been omitted from this submission.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the expenses to be incurred in connection with the offering described in this Registration Statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimates except the Securities and Exchange Commission's registration fee, the Financial Industry Regulatory Authority, Inc.'s filing fee and the exchange listing fee.

	Amount to be Paid
SEC Registration Fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law empowers a corporation to indemnify its directors and officers and to purchase insurance with respect to liability arising out of their capacity or status as directors and officers, provided that the person acted in good faith and in a manner the person reasonably believed to be in our best interests, and, with respect to any criminal action, had no reasonable cause to believe the person's actions were unlawful. The Delaware General Corporation Law further provides that the indemnification permitted thereunder shall not be deemed exclusive of any other rights to which the directors and officers may be entitled under the corporation's bylaws, any agreement, a vote of stockholders or otherwise. The certificate of incorporation of the registrant to be in effect upon the completion of this offering provides for the indemnification of the registrant's directors and officers to the fullest extent permitted under the Delaware General Corporation Law. In addition, the bylaws of the registrant to be in effect upon the completion of this offering require the registrant to fully indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director or officer of the registrant, or is or was a director or officer of the registrant serving at the registrant's request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, to the fullest extent permitted by applicable law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except (1) for any breach of the director's duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) for

payments of unlawful dividends or unlawful stock repurchases or redemptions or (4) for any transaction from which the director derived an improper personal benefit. The registrant's certificate of incorporation to be in effect upon the completion of this offering provides that the registrant's directors shall not be personally liable to it or its stockholders for monetary damages for breach of fiduciary duty as a director and that if the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the registrant's directors shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Section 174 of the Delaware General Corporation Law provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved, or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

As permitted by the Delaware General Corporation Law, the registrant intends to enter into separate indemnification agreements with each of the registrant's directors and certain of the registrant's officers which would require the registrant, among other things, to indemnify them against certain liabilities which may arise by reason of their status as directors, officers or certain other employees.

The registrant expects to obtain and maintain insurance policies under which its directors and officers are insured, within the limits and subject to the limitations of those policies, against certain expenses in connection with the defense of, and certain liabilities which might be imposed as a result of, actions, suits or proceedings to which they are parties by reason of being or having been directors or officers. The coverage provided by these policies may apply whether or not the registrant would have the power to indemnify such person against such liability under the provisions of the Delaware General Corporation Law.

These indemnification provisions and the indemnification agreements intended to be entered into between the registrant and the registrant's officers and directors may be sufficiently broad to permit indemnification of the registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended.

The underwriting agreement between the registrant and the underwriters to be filed as Exhibit 1.1 to this registration statement provides for the indemnification by the underwriters of the registrant's directors and officers and certain controlling persons against specified liabilities, including liabilities under the Securities Act with respect to information provided by the underwriters specifically for inclusion in the registration statement.

Item 15. Recent Sales of Unregistered Securities

The following list sets forth information regarding all unregistered securities sold by us since January 1, 2015. No underwriters were involved in the sales and the certificates representing the securities sold and issued contain legends restricting transfer of the securities without registration under the Securities Act or an applicable exemption from registration.

(a) In March 2015, we issued 1,638,637 shares of our Series A convertible preferred stock at $1.80 per share, for aggregate proceeds of $2.9 million, to a total of 9 accredited investors.

(b) In January 2016, we issued 10,555,556 shares of our Series A convertible preferred stock at $1.80 per share, for aggregate proceeds of $19.0 million, to a total of 10 accredited investors.

(c) In June 2016, we issued to one accredited investor a warrant to purchase an aggregate of 29,761 shares of our common stock for an exercise price of $0.42 per share, for an aggregate exercise price of approximately $12,000. In December 2016, the number of shares exercisable under the warrant was increased to 59,522 shares due to the occurrence of an event that triggered such increase under the terms of the warrant. The additional 29,761 shares of our common stock that became exercisable under the warrant in December 2016 have an exercise price of $0.55 per share, for an aggregate exercise price of approximately $16,000.

(d) In August 2017, we issued unsecured convertible promissory notes in the aggregate principal amount of $7.5 million to a total of 17 accredited investors. These notes converted into 963,863 shares of our Series B convertible preferred stock in November 2017 upon the closing of our Series B financing.

(e) In November 2017, we issued 12,631,506 shares of our Series B convertible preferred stock at $7.9279 per share, for aggregate proceeds of $100.1 million, including shares issued upon the conversion of the principal amount and accrued interest of outstanding notes, to a total of 40 accredited investors.

(f) From January 2015 through March 2018, we granted stock options to purchase an aggregate of 8,202,615 shares of common stock to certain employees, directors and consultants under our 2012 Plan at exercise prices per share ranging from $0.34 to $3.21, for an aggregate exercise price of approximately $8.8 million.

(g) From January 2015 through March 2018, we issued and sold to our employees an aggregate of 1,474,020 shares of common stock upon the exercise of options under our 2012 Plan at exercise prices per share ranging from $0.29 to $0.42, for an aggregate exercise price of approximately $0.5 million.

The offers, sales and issuances of the securities described in Items 15(a) through 15(e) were exempt from registration under the Securities Act under Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited person and had adequate access, through employment, business or other relationships, to information about the registrant.

The offers, sales and issuances of the securities described in Items 15(f) and 15(g) were exempt from registration under the Securities Act under either (1) Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701 or (2) Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering. The recipients of such securities were the registrant's employees, consultants or directors and received the securities under the registrant's 2012 Plan. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions.

Item 16. Exhibit and Financial Statement Schedules

(a) Exhibits.

We have filed the exhibits listed on the accompanying Exhibit Index of this Registration Statement.

(b) Financial Statement Schedules.

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, 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 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 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 and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, 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 of 1933 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, 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.

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 currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon the completion of this offering.
3.3^	Amended and Restated Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon the completion of this offering.
4.1^	Amended and Restated Investors' Rights Agreement among the Registrant and certain of its stockholders, dated November 30, 2017.
4.2*	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+^	2012 Equity Incentive Plan, as amended, and forms of agreement thereunder.
10.3+*	2018 Equity Incentive Plan and forms of agreements thereunder, to be in effect upon the completion of this offering.
10.4+*	Offer Letter between the Registrant and Robert Alexander, Ph.D.
10.5+*	Offer Letter between the Registrant and Adam Tomasi, Ph.D.
10.6+*	Offer Letter between the Registrant and Henrik Rasmussen, M.D., Ph.D.
10.7+*	Offer Letter between the Registrant and Christopher Bebbington, D.Phil.
10.8^	Lease Agreement between the Registrant and ARE-San Francisco No. 29, LLC, dated May 1, 2013, as amended.
10.9	Lease Agreement between the Registrant and Westport Office Park, LLC, dated January 4, 2018, as amended.
10.10#	Non-exclusive License Agreement between the Registrant, BioWa, Inc. and Lonza Sales AG, dated October 31, 2013.
10.11#	Amended and Restated Exclusive License Agreement between the Registrant and the Johns Hopkins University, dated September 30, 2016.
23.1*	Consent of 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 (see page II-6 to this Form S-1).

* To be filed by amendment.
^ Previously submitted.
\+ Indicated management contract or compensatory plan.
\# Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Carlos, State of California, on , 2018.

ALLAKOS INC.

By: _____
Robert Alexander, Ph.D.
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Alexander, Ph.D. and Adam Tomasi, Ph.D. as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and substitution, for him or her and in his or her name, place and stead, in any and all capacities (including his capacity as a director and/or officer of Allakos Inc.) to sign any or all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they, he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
Robert Alexander, Ph.D.	President, Chief Executive Officer and Director *(Principal Executive Officer)*	, 2018
Adam Tomasi, Ph.D.	Chief Operating Officer, Chief Financial Officer and Secretary *(Principal Financial and Accounting Officer)*	, 2018
Daniel Janney	Chair of the Board	, 2018
Steve James	Director	, 2018
John McKearn, Ph.D.	Director	, 2018
Paul Walker	Director	, 2018

Exhibit 10.9

LEASE AGREEMENT

By and Between

WESTPORT OFFICE PARK, LLC,
a California limited liability company

("Landlord")

and

ALLAKOS INC.,
a Delaware corporation

("Tenant")

January 4, 2018

TABLE OF CONTENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT, (this "Lease") is made and entered into as of January 4, 2018 by and between WESTPORT OFFICE PARK, LLC, a California limited liability company ("Landlord"), and Tenant identified in the Basic Lease Information below.

BASIC LEASE INFORMATION

Tenant: ALLAKOS INC., a Delaware corporation

Premises: The second floor of the Building, containing approximately 25,194 square feet of rentable area, outlined in Exhibit B to this Lease.

Building: The Building commonly known as 975 Island Drive, Redwood City, California 94065. The rentable area of the Building is 50,444 square feet.

Base Rent:

Period (In Months)	Annual Base Rent	Monthly Base Rent
01 – 09	Abated*	Abated*
10 – 12	N/A	$99,516.30
13 – 24	$1,230,021.48	$102,501.79
25 – 36	$1,266,922.08	$105,576.84
37 – 48	$1,304,929.80	$108,744.15
49 – 60	$1,344,077.64	$112,006.47
61 – 72	$1,384,400.04	$115,366.67
73 – 84	$1,425,932.04	$118,827.67
85 – 96	$1,468,710.00	$122,392.50
97 – 108	$1,512,771.24	$126,064.27
109 – 120	$1,558,154.40	$129,846.20
121 – 129	N/A	$133,741.59

* As an inducement to Tenant entering into this Lease, so long as no Monetary Default or other material Event of Default shall have occurred and be continuing under this Lease, Base Rent in the amount of $99,516.30 per month shall be abated for the first nine (9) months commencing as of the Commencement Date, or if the Commencement Date is other than the first day of a calendar month, commencing as of the first day of the first full calendar month of the Term. The amount of Base Rent set forth in the foregoing table for that period reflects that rent abatement. During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease.

Security Deposit Amount: $802,449.54. In the event Tenant delivers to Landlord the Letter of Credit meeting the requirements of Article 57 of this Lease upon Tenant's execution and delivery of this Lease, Tenant shall be deemed to have irrevocably elected to provide that

Letter of Credit as required by Article 57 and the Security Deposit Amount shall be reduced to $0.00. If Tenant does not deliver the Letter of Credit in accordance with Article 57 with its execution and delivery of this Lease, Tenant shall instead provide a cash Security Deposit in the Security Deposit Amount upon its execution and delivery of this Lease and Article 57 shall be of no further force or effect.

Rent Payable Upon Execution: $129,749.10

Tenant's Building Percentage: 49.94%

Tenant's Common Area Building Percentage: 2.53%

Commencement Date: The earlier of (i) the date Tenant commences business operations in the Premises, or (ii) the later of (a) the date of Substantial Completion (as defined in the Tenant Work Letter attached hereto as Exhibit C) of the Premises and tender of delivery of possession of the Premises to Tenant, or (b) February 1, 2018.

Expiration Date: The date that is the day prior to the day that is one hundred twenty-nine (129) months after the Commencement Date. If the Expiration Date falls on a day other than the last day of the calendar month, then, the Expiration Date shall be extended to the last day of the calendar month in which the day that the Term of this Lease would otherwise end but for this proviso occurs, and the Term of this Lease shall be extended accordingly.

Landlord's Address:

c/o PGIM Real Estate
4 Embarcadero Center, 27th Floor
San Francisco, CA 94111
Attn: PRISA II Asset Management

With a copy by the same method to:

c/o PGIM Real Estate
7 Giralda Farms
Madison, New Jersey 07940
Attention: James Marinello, Esquire

With a copy by the same method to:

Harvest Properties, Inc.
6425 Christie Avenue, Suite 220
Emeryville, California 94608
Attention: Joss Hanna

Address for rental payment:

Payments via FedEx/UPS/Courier:

JP Morgan Chase

2710 Media Center Dr.
Building #6, Suite #120
Los Angeles, CA 90065
Attn: PREI's Westport Office Park/100170

Payments via regular mail (lockbox address):

Remit to: PREI's Westport Office Park #171201
P. O. Box 100170
Pasadena, CA 91189-0170

Payments via either FED wire or ACH wire:

Bank Account Name:
Harvest Properties, Inc. LLC,
as agent for PREI's Westport Office Park
Bank Account Number
Bank Name: JP Morgan Chase Bank, N.A.
Bank City & State Location: Baton Rouge, LA
ABA Routing Number:

Tenant's Address:

75 Shoreway Road, Suite A
San Carlos, CA 94070
Attention: Chief Financial Officer

(If on or after the Commencement Date to the Premises)
Attention: Chief Financial Officer

Landlord's Broker: Cushman & Wakefield.

Tenant's Broker: T3 Advisors.

Maximum Parking Allocation: Eighty-three (83), which is based on a parking ratio of 3.3 non-exclusive parking spaces per one thousand (1,000) square feet of rentable space in the Premises.

Tenant Improvement Allowance: $1,385,670.00

The Basic Lease Information is incorporated into and made part of this Lease. Each reference in this Lease to any Basic Lease Information shall mean the applicable information set forth in the Basic Lease Information, except that in the event of any conflict between an item in the Basic Lease Information and this Lease, this Lease shall control. Additional defined terms used in the Basic Lease Information shall have the meanings given those terms in this Lease.

ARTICLE 1.
PREMISES; COMMON AREAS

1.1 Subject to all of the terms and conditions hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises. The property shown on Exhibit A to this Lease and all improvements thereon and appurtenances on that land thereto, including, but not limited to, the Building, other office buildings, access roadways, and all other related areas, shall be collectively hereinafter referred to as the "Project." Tenant acknowledges and agrees that Landlord may elect to sell one or more of the buildings within the Project and that upon any such sale Tenant's pro-rata share of those Operating Expenses and Taxes (each as defined below) allocated to the areas of the Project other than buildings may be adjusted accordingly by Landlord. The parties hereto hereby acknowledge that the purpose of Exhibit A and Exhibit B are to show the approximate location of the Premises in the Building and the general layout of the Project and such Exhibits are not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the Building or the Project, the precise area of the Premises, the Building or the Project or the specific location of the Building, "Common Areas," as that term is defined in Section 1.3, below, or the elements thereof or of the accessways to the Premises, or the Project, or the identity or existence of any other tenant or occupant of the Project.

1.2 For purposes of this Lease, (1) "rentable area" and "usable area" shall be calculated pursuant to the Standard Method for Measuring Floor Area in Office Buildings (ANSI/BOMA Z65.1, 1996); (2) "rentable square feet" and "rentable footage" shall have the same meaning as the term "rentable area;" and (3) "usable square feet" and "usable square footage" shall have the same meaning as the term "usable area." Notwithstanding anything to the contrary in this Lease, although the recital of the rentable area herein above set forth is for descriptive purposes only, it shall be deemed binding upon both parties. Tenant shall have no right to terminate this Lease or receive any adjustment or rebate of any Base Rent or Additional Rent (as hereinafter defined) payable hereunder if said recital is incorrect. Tenant has inspected the Premises and is fully familiar with the scope and size thereof and agrees to pay the full Base Rent and Additional Rent set forth herein in consideration for the use and occupancy of said space, regardless of the actual number of square feet contained therein.

1.3 Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 27 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas are collectively referred to herein as the "Common Areas"). The Common Areas shall consist of the "Project Common Areas" and the "Building Common Areas." The term "Project Common Areas," as used in this Lease, shall mean the portion of the Project reasonably designated as such by Landlord. The term "Building Common Areas," as used in this Lease, shall mean the portions of the Common Areas located within the Building reasonably designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord and the use thereof shall be subject to such reasonable and non-discriminatory rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that in exercising its rights under this sentence,

Landlord shall make commercially reasonable efforts to minimize the disruption to Tenant's business operations during standard business hours. Subject to "Applicable Laws," as that term is defined in Section 5.1(a) of this Lease, except when and where Tenant's right of access is specifically excluded in this Lease, and except in the event of an emergency, Tenant shall have the right of access to the Premises, the Building, and the parking facilities servicing the Building twenty-four (24) hours per day, seven (7) days per week during the "Term," as that term is defined in Section 2.1, below.

ARTICLE 2.
TERM AND CONDITION OF PREMISES

2.1 The term of this Lease (the "Term") shall commence on the Commencement Date and end on the Expiration Date, unless sooner terminated (the "Termination Date") as hereinafter provided. The Commencement Date of this Lease and the obligation of Tenant to pay Base Rent, Additional Rent and all other charges hereunder shall not be delayed or postponed by reason of any delay by Tenant in performing changes or alterations in the Premises not required to be performed by Landlord. In the event the Term shall commence on a day other than the first day of a month, then the Base Rent shall be paid when due for such partial month prorated in accordance with Section 4.4 below. In the event Landlord shall deliver to Tenant a Commencement Date Memorandum in the form attached hereto as Exhibit F, setting forth the Commencement Date and the Expiration Date, then Tenant shall execute and return such Commencement Date Memorandum to Landlord within ten (10) days after Tenant's receipt thereof. Tenant's failure to execute such Commencement Date Memorandum shall not affect Tenant's liability hereunder.

2.2 Except as expressly set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit C (the "Tenant Work Letter"), Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "As Is" condition on the Commencement Date.

2.3 The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises and the portion of the Building in which the Premises is located were in good and satisfactory condition at such time. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the condition of the Building, the Premises, the land upon which the Building is constructed, or any other matter or thing affecting or related to the Building or the Premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in this Lease.

2.4 Notwithstanding Section 2.3 above, Landlord warrants that the roof, structural components of the Building, HVAC system, electrical and plumbing systems, elevator, parking lot or site lighting (the "Covered Items"), other than those constructed by Tenant, shall be in good operating condition on the date possession of the Premises is delivered to Tenant. If a non-compliance with such warranty exists as of the delivery of possession, or if one of such Covered Items should malfunction or fail within sixty (60) days after the delivery of possession to Tenant, Landlord shall, as Landlord's sole obligation with respect to such matter, promptly

after receipt of written notice from Tenant setting forth in reasonable detail the nature and extent of such non-compliance, malfunction or failure, rectify the same at Landlord's expense. If Tenant does not give Landlord the required notice within sixty (60) days after the delivery of possession to Tenant, Landlord shall have no obligation with respect to that warranty other than obligations regarding the Covered Items set forth elsewhere in this Lease.

ARTICLE 3.
USE, NUISANCE, OR HAZARD

3.1 The Premises shall be used and occupied by Tenant solely for general office purposes, Biological Safety Laboratory (BSL), biology labs, chemistry labs, dry lab, and light storage consistent with Comparable Buildings and for no other purposes without the prior written consent of Landlord.

3.2 Tenant shall not use, occupy, or permit the use or occupancy of the Premises for any purpose which Landlord, in its reasonable discretion, deems to be illegal or dangerous; permit any public or private nuisance; do or permit any act or thing which may disturb the quiet enjoyment of any other tenant of the Project; keep any substance or carry on or permit any operation which might introduce offensive odors or conditions into other portions of the Project, use any apparatus which might make undue noise or set up vibrations in or about the Project; permit anything to be done which would increase the premiums paid by Landlord for special causes of loss form property insurance on the Project or its contents or cause a cancellation of any insurance policy covering the Project or any part thereof or any of its contents; or permit anything to be done which is prohibited by or which shall in any way conflict with any law, statute, ordinance, or governmental rule, regulation or covenants, conditions and restrictions affecting the Project, including without limitation the CC&R's (as defined below) now or hereinafter in force. Should Tenant do any of the foregoing without the prior written consent of Landlord, and the same is not cured within five (5) business days after notice from Landlord (which five (5) business day period shall be subject to extension if the nature of the breach is such that it is not possible to cure the same within such five (5) business day period so long as the Tenant commences the cure of such breach within such five (5) day period and diligently prosecutes the same to completion) it shall constitute an Event of Default (as hereinafter defined) and shall enable Landlord to resort to any of its remedies hereunder.

3.3 The ownership, operation, maintenance and use of the Project may in the future be subject to certain conditions and restrictions contained in an instrument ("CC&R's") to be recorded against title to the Project. Tenant agrees that regardless of when those CC&R's are so recorded, this Lease and all provisions hereof shall be subject and subordinate thereto and Tenant shall comply therewith; provided, however, that except as required by Applicable Laws (as defined below), Tenant's obligation to comply with CC&R's recorded after the date of this Lease shall be subject to Tenant's prior consent, which will not be withheld unless the same would materially adversely affect Tenant's rights under this Lease. Accordingly, as a consequence of that subordination, during any period in which the entire Project is not owned by Landlord, (a) the portion of Operating Expenses and Taxes (each as defined below) for the Common Areas shall be allocated among the owners of the Project as provided in the CC&R's, and (b) the CC&R's shall govern the maintenance and insuring of the portions of the Project not owned by Landlord. Tenant shall, promptly upon request of Landlord, sign all reasonable documents reasonably required to carry out the foregoing into effect.

ARTICLE 4.
RENT

4.1 Tenant hereby agrees to pay Landlord the Base Rent. For purposes of Rent adjustment under the Lease, (a) if the Commencement Date falls on a date that is prior to the 15th day of the calendar month, the number of months is measured from the first day of the calendar month in which the Commencement Date falls, or (b) if the Commencement Date falls on a date that is the 15th or a later day of the calendar month, the number of months is measured from the first day of the calendar month after the calendar month in which the Commencement Date falls. Each monthly installment (the "Monthly Rent") shall be payable by check or by money order on or before the first day of each calendar month. In addition to the Base Rent, Tenant also agrees to pay Tenant's Share of Operating Expenses and Taxes (each as hereinafter defined), and any and all other sums of money as shall become due and payable by Tenant as set forth in this Lease, all of which shall constitute additional rent under this Lease (the "Additional Rent"). Landlord expressly reserves the right to apply any payment received to Base Rent or any other items of Rent that are not paid by Tenant. The Base Rent, the Monthly Rent and the Additional Rent are sometimes hereinafter collectively called "Rent" and shall be paid when due in lawful money of the United States without demand, deduction, abatement, or offset to the addresses for the rental payment set forth in the Basic Lease Information, or as Landlord may designate from time to time.

4.2 In the event any Monthly or Additional Rent or other amount payable by Tenant hereunder is not paid within five (5) days after its due date, Tenant shall pay to Landlord a late charge (the "Late Charge"), as Additional Rent, in an amount of five percent (5%) of the amount of such late payment. Failure to pay any Late Charge shall be deemed a Monetary Default (as hereinafter defined). Provision for the Late Charge shall be in addition to all other rights and remedies available to Landlord hereunder, at law or in equity, and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner. Failure to charge or collect such Late Charge in connection with any one (1) or more such late payments shall not constitute a waiver of Landlord's right to charge and collect such Late Charges in connection with any other similar or like late payments. Notwithstanding the foregoing provisions of this Section 4.2, the Late Charge shall not be imposed with respect to the first late payment in any calendar year during the Term unless the applicable payment due from Tenant is not received by Landlord within five (5) days following written notice from Landlord that such payment was not received when due. Following the first such written notice from Landlord in any calendar year during the Term (but regardless of whether such payment has been received within such five (5) day period), the Late Charge will be imposed without notice for any subsequent payment due from Tenant during such calendar year which is not received within five (5) days after its due date.

4.3 Simultaneously with the execution hereof, Tenant shall deliver to Landlord (i) the Rent Payable Upon Execution as payment of the first full installment of Monthly Rent and Tenant's Share of Operating Expenses and Taxes due hereunder and (ii) an amount equal to the Security Deposit Amount to be held by Landlord as security for Tenant's faithful

performance of all of the terms, covenants, conditions, and obligations required to be performed by Tenant hereunder (the "Security Deposit"). The Security Deposit shall be held by Landlord as security for the performance by Tenant of all of the covenants of this Lease to be performed by Tenant and Tenant shall not be entitled to interest thereon. The Security Deposit is not an advance rent deposit, an advance payment of any other kind, or a measure of Landlord's damages in any case of Tenant's default. If Tenant fails to perform any of the covenants of this Lease to be performed by Tenant within applicable notice and cure periods, including without limitation the provisions relating to payment of Rent, the removal of property at the end of the Term, the repair of damage to the Premises caused by Tenant, and the cleaning of the Premises upon termination of the tenancy created hereby, then Landlord shall have the right, but no obligation, to apply the Security Deposit, or so much thereof as may be necessary, for the payment of any Rent or any other sum in default and/or to cure any other such failure by Tenant. If Landlord applies the Security Deposit or any part thereof for payment of such amounts or to cure any such other failure by Tenant, then Tenant shall immediately pay to Landlord the sum necessary to restore the Security Deposit to the full amount then required by this Section 4.3. Landlord's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Landlord shall not be required to maintain the Security Deposit separate and apart from Landlord's general or other funds and Landlord may commingle the Security Deposit with any of Landlord's general or other funds. Upon termination of the original Landlord's or any successor owner's interest in the Premises or the Building, the original Landlord or such successor owner shall be released from further liability with respect to the Security Deposit upon the original Landlord's or such successor owner's complying with California Civil Code Section 1950.7. Subject to the foregoing, Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, to the extent such provisions (a) establish a time frame within which a landlord must refund a security deposit under a lease, and/or (b) 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 caused by the default of Tenant under this Lease, including without limitation all damages or Rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code. So long as no Event of Default then remains uncured and no amounts due Landlord from Tenant under this Lease remain unpaid, the unused portion of the Security Deposit shall be returned to Tenant or the last assignee of Tenant's interest under this Lease within thirty (30) days following expiration or termination of the Term of this Lease. Subject to the remaining terms of this Section 4.3, and provided the Reduction Conditions (as defined below) have been satisfied at the reduction effective date, Tenant shall have the right to reduce the amount of the Security Deposit so that the new Security Deposit amount shall be $401,224.77 effective as of the first day of the later of the forty-sixth (46th) month of the Term or the month following the date Tenant meets the Reduction Conditions. If Tenant is entitled to a reduction in the Security Deposit, Tenant shall provide Landlord with written notice requesting that the Security Deposit be reduced as provided above (the "Reduction Notice"). If Tenant provides Landlord with a Reduction Notice, and Tenant is entitled to reduce the Security Deposit as provided herein, Landlord shall refund the applicable portion of the Security Deposit to Tenant within thirty (30) days after the later to occur of (a) Landlord's receipt of the Reduction Notice, or (b) the date upon which Tenant is entitled to a

reduction in the Security Deposit as provided above. The term "Reduction Conditions" means the following conditions have been satisfied:

(a) Either of the following shall have occurred: (i) an initial public offering of equity securities of Tenant under the Securities Act of 1933, as amended, which results in Tenant's stock being traded on a national securities exchange, including, but not limited to, the NYSE, the NASDAQ Stock Market or the NASDAQ Small Cap Market System or any sale thereafter of such equity securities on such national securities exchanges, or (ii) an infusion of not less than $70,000,000.00 of additional equity capital in Tenant as evidenced by Tenant's most current audited financial statement (the "Financial Condition"); and

(b) No Event of Default shall have occurred and be continuing under this Lease.

For the avoidance of doubt, the Financial Condition shall be deemed satisfied as of the first day of the forty-sixth (46th) month of the Term if such Financial Condition is satisfied prior to the execution and delivery of this Lease.

4.4 If the Term commences on a date other than the first day of a calendar month or expires or terminates on a date other than the last day of a calendar month, the Rent for any such partial month shall be prorated to the actual number of days in such partial month.

4.5 All Rents and any other amount payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest from the date due until paid at a rate equal to the prime commercial rate established from time to time by Bank of America, plus four percent (4%) per annum; but not in excess of the maximum legal rate permitted by law. Failure to charge or collect such interest in connection with any one (1) or more delinquent payments shall not constitute a waiver of Landlord's right to charge and collect such interest in connection with any other or similar or like delinquent payments.

ARTICLE 5.
RENT ADJUSTMENT

5.1 Definitions.

(a) "Operating Expenses", as said term is used herein, shall mean all expenses, costs, and disbursements of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, operation, management, security, repair, restoration, replacement, or maintenance of the Project, or any portion thereof. Operating Expenses shall be computed in accordance with generally accepted real estate practices, consistently applied, and shall include, but not be limited to, the items as listed below:

(i) Wages, salaries, other compensation and any and all taxes, insurance and benefits of, the Project manager and of all other persons engaged in the operation, maintenance and security of the Project;

(ii) Payments under any equipment rental agreements or management agreements, including without limitation the cost of any actual or charged management fee and all expenses for the Project management office including rent, office supplies, and materials therefor;

(iii) Costs of all supplies, equipment, materials, and tools and amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof;

(iv) All costs incurred in connection with the operation, maintenance, and repair of the Project including without limitation, the following: (A) the cost of operation, repair, maintenance and replacement of all systems, including without limitation laboratory ventilation systems and emissions control systems, and equipment and components thereof of the Project; (B) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (C) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which are-reasonably anticipated by Landlord to increase Operating Expenses, and the cost incurred in connection with a transportation system management program or similar program; and (D) the cost of landscaping, decorative lighting, and relamping, the cost of maintaining fountains, sculptures, bridges; and (E) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire, public health and police protection, trash and regulated waste disposal and removal, community services, or other services which do not constitute "Taxes" as that term is defined below.

(v) The cost of supplying all utilities, the cost of operating, maintaining, repairing, replacing, renovating and managing the utility systems, mechanical systems, ventilation systems, sanitary, storm drainage systems, communication systems and escalator and elevator systems, and the cost of supplies, tools, and equipment and maintenance and service contracts in connection therewith.

(vi) Costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices reasonably implemented or enacted from time to time at the Building, including, without limitation, in connection with any LEED (Leadership in Energy and Environmental Design) rating or compliance system or program, including that currently coordinated through the U.S. Green Building council or Energy Star rating and/or compliance system or program (collectively, "Conservation Costs");

(vii) The cost of all insurance carried by Landlord in connection with the Project as reasonably determined by Landlord, including without limitation commercial general liability insurance, physical damage insurance covering damage or other loss caused by fire, earthquake, flood or other water damage, explosion, vandalism and malicious mischief, theft or other casualty, rental interruption insurance, environmental insurance and such insurance as may be required by any lessor under any present or future ground or underlying lease of the Building or Project or any holder of a mortgage, deed of trust or other encumbrance now or hereafter in force against the Building or Project or any portion thereof, and any deductibles payable thereunder; including, without limitation, Landlord's cost of any self insurance deductible or retention provided that Landlord's cost of any self-insurance shall not exceed the cost that would have been payable for a policy covering the same risks as to which Landlord is self-insuring;

(viii) Capital improvements made to or capital assets acquired for the Project, or any portion thereof, after the Commencement Date that (1) are intended to reduce Operating Expenses, or (2) are necessary for the health, safety, environmental protection and/or security of the Project, its occupants and visitors and are deemed advisable in the reasonable judgment of Landlord, or (3) are Conservation Costs, or (4) are required under any and all applicable laws, statutes, codes, ordinances, orders, rules, regulations, conditions of approval and requirements of all federal, state, county, municipal and governmental authorities and all administrative or judicial orders or decrees and all permits, licenses, approvals and other entitlements issued by governmental entities, and rules of common law, relating to or affecting the Project, the Premises or the Building or the use or operation thereof, whether now existing or hereafter enacted, including, without limitation, the Americans with Disabilities Act of 1990, 42 USC 12111 et seq. (the "ADA") as the same may be amended from time to time, all Environmental Requirements (as hereinafter defined), and any CC&R's, or any corporation, committee or association formed in connection therewith, or any supplement thereto recorded in any official or public records with respect to the Project or any portion thereof (collectively, "Applicable Laws"), which capital costs, or an allocable portion thereof, shall be amortized over the useful life of the capital item as reasonably determined by Landlord, together with interest on the unamortized balance at a rate reasonably determined by Landlord;

(ix) fees, charges and other costs, including management fees (or amounts in lieu thereof), consulting fees, legal fees and accounting fees, of all contractors, engineers, consultants and other persons engaged by Landlord or otherwise incurred by or charged by Landlord in connection with the management, operation, maintenance, incident response and repair of the Buildings and the Project; and

(x) payments, fees or charges under the CC&R's and any easement, license, operating agreement, declaration, restricted covenant, or instrument pertaining to the sharing of costs by the Project, or any portion thereof.

Expressly excluded from Operating Expenses are the following items:

(xi) Repairs and restoration paid for by the proceeds of any insurance policies or amounts otherwise reimbursed to Landlord or paid by any other source (other than by tenants paying their share of Operating Expenses);

(xii) Principal, interest, and other costs directly related to financing the Project or ground lease rental or depreciation;

(xiii) The cost of special services to tenants (including Tenant) for which a special charge is made;

(xiv) The costs of repair of casualty damage or for restoration following condemnation to the extent covered by insurance proceeds or condemnation awards;

(xv) The costs of any capital expenditures except as expressly permitted to be included in Operating Expenses as provided under clauses (vii), and (viii) above;

(xvi) Advertising and leasing commissions; costs, including permit, license and inspection costs and supervision fees, incurred with respect to the installation of tenant improvements within the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space within the Project or promotional or other costs in order to market space to potential tenants;

(xvii) The legal fees and related expenses and legal costs incurred by Landlord (together with any damages awarded against Landlord) due to the violation by Landlord or any tenant of the terms and conditions of any lease of space in the Project;

(xviii) Costs incurred: (x) to comply with Applicable Laws with respect to or otherwise due to the presence of any Hazardous Materials (as defined below) which were in existence in, on, under or about the Project (or any portion thereof) prior to the Commencement Date; and/or (y) with respect to Hazardous Materials which are disposed of or otherwise introduced into, on, under or about the Project after the date hereof; provided, however, Operating Expenses shall include costs incurred in connection with the clean-up, remediation, monitoring, management and administration of (and defense of claims related to) the presence of (1) Hazardous Materials used by Landlord (provided such use is not negligent and is in compliance with Applicable Laws) in connection with the operation, repair and maintenance of the Project to perform Landlord’s obligations under this Lease (such as, without lithitation, fuel oil for generators, cleaning solvents, and lubricants) and which are customarily found or used in Comparable Buildings and (2) Hazardous Materials created, released or placed in the Premises, Building or the Project by Tenant (or Tenant’s affiliates or their tenants, contractors, employees or agents) prior to or after the Commencement Date;

(xix) The attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Project;

(xx) The expenses in connection with services or other benefits which are not available or are separately charged to Tenant;

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

(xxii) The costs arising from Landlord's charitable or political contributions;

(xxiii) The costs (other than ordinary maintenance and insurance) for sculpture, paintings and other objects of art;

(xxiv) The interest and penalties resulting from Landlord's failure to pay any items of Operating Expense when due;

(xxv) The Landlord's general corporate overhead and general and administrative expenses, costs of entertainment, dining, automobiles or travel for Landlord's employees, and costs associated with the operation of the business of the partnership or entity which constitutes Landlord as the same are distinguished from the costs of the operation of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project, costs of any disputes between Landlord and its employees (if any) not engaged in the operation of the Project, disputes of Landlord with management, or outside fees paid in connection with disputes with other Project tenants or occupants (except to the extent such dispute is based on Landlord's good faith efforts to benefit Tenant or meet Landlord's obligations under this Lease);

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

(xxvii) The management office rental to the extent such rental exceeds the fair market rental for such space;

(xxviii) The costs of correction of defects in the Project to the extent covered by warranties;

(xxix) The costs of Landlord's membership in professional organizations (such as, by way of example and without limitation, BOMA) in excess of $2,500.00 per year;

(xxx) During the initial Term only, insurance deductibles or self-insurance retention or uninsured casualty damage which in any Lease Year exceed $50,000 with respect to the Building; provided, however, if the amount of the deductible exceeds that annual limitation, Landlord may carry over the unrecovered portion of any deductible into the subsequent lease years and recover them from Tenant subject to the annual limitation provided for in this Section 5.1(a)(xxx);

(xxxi) Management fees retained by Landlord or its affiliates in excess of an amount equal to five percent (5%) of all gross receipts for the Project;

(xxxii) Costs to remedy a condition existing prior to the Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Commencement Date and if such condition was not subject to a variance or a grandfathered code waiver exception, would have then required to be remedied pursuant to the then current Applicable Laws in their form existing as of the Commencement Date;

(xxxiii) Reserves for future expenses; provided, however, the foregoing shall not prohibit Landlord from passing through to Tenant (as an Operating Expense) items includable in Operating Expenses pursuant to the Lease once such items have been purchased from an existing reserve or once the expenses covered by such reserve have been incurred; and

(xxxiv) Costs to repair, maintain or replace any of the structural components of the Building or the Project, including but not limited to the Building foundation, structural floor slab, structural components of the roof, structural components of the external walls and structural components of the internal structural walls.

(b) "Taxes" shall mean all real property taxes, ad valorem taxes, personal property taxes, and all other taxes, assessments, use and occupancy taxes, transit taxes, water, sewer and pure water charges not included in Section 5.1.(a)(v) above, excises, levies, license fees or taxes, and all other similar charges, levies, penalties, or taxes, if any, which are levied, assessed, or imposed, by any Federal, State, county, or municipal authority, whether by taxing districts or authorities presently in existence or by others subsequently created, upon, or due and payable in connection with, or a lien upon, all or any portion of the Project, or facilities used in connection therewith, and rentals or receipts therefrom and all taxes of whatsoever nature that are imposed in substitution for or in lieu of any of the taxes, assessments, or other charges included in its definition of Taxes, and any costs and expenses of contesting the validity of same. Taxes shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the

Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("Proposition 13") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Taxes shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises, the tenant improvements in the Premises, or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; (v) All of the real estate taxes and assessments imposed upon or with respect to the Buildings and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project, and (vi) assessments attributable to the Project by any governmental or quasi-governmental agency that Landlord is required to pay. For purposes of this Lease, Taxes shall be calculated as if the tenant improvements in the Buildings were fully constructed and the Project, the Buildings, and all tenant improvements in the Buildings were fully assessed for real estate tax purposes, and accordingly, Taxes shall be deemed to be increased appropriately. Notwithstanding anything to the contrary contained in this Section 5.1(b), there shall be excluded from Taxes (1) all excess profits taxes, franchise taxes, gift taxes, documentary, transfer taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state net income taxes, and other taxes to the extent applicable to Landlord's net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 17.1 of this Lease, and (iv) any tax or assessment expense or any increase therein (a) in excess of the amount (including interest) which would be payable if such tax or assessment expense were paid in installments over the longest permitted term (except to the extent inconsistent with the general practice of Comparable Buildings); or (b) imposed on land and improvements other than the Project.

(c) "Lease Year" shall mean the twelve (12) month period commencing January 1st and ending December 31st.

(d) "Tenant's Building Percentage" shall mean Tenant's percentage of the entire Building as determined by dividing the Rentable Area of the Premises by the total Rentable Area of the Building. If there is a change in the total Building Rentable

Area as a result of an addition to the Building, partial destruction, modification or similar cause, which event causes a reduction or increase on a permanent basis, Landlord shall cause adjustments in the computations as shall be necessary to provide for any such changes. Landlord shall segregate Operating Expenses into two (2) separate categories, one (1) such category, to be applicable only to Operating Expenses incurred for the Building and the other category applicable to Operating Expenses incurred for the Common Areas and/or the Project as a whole, which shall not include any Operating Expenses allocable solely to other buildings in the Project; provided that Landlord may enter into contracts and/or provide services with respect to multiple buildings and allocate the cost of such contracts and/or services among such buildings. Two (2) Tenant's Building Percentages shall apply, one (1) such Tenant's Building Percentage shall be calculated by dividing the Rentable Area of the Premises by the total Rentable Area in the Building ("Tenant's Building Only Percentage"), and the other Tenant's Building Percentage to be calculated by dividing the Rentable Area of the Premises by the total Rentable Area of all buildings in the Project ("Tenant's Common Area Building Percentage"). Consequently, any reference in this Lease to "Tenant's Building Percentage" shall mean and refer to both Tenant's Building Only Percentage and Tenant's Common Area Building Percentage of Operating Expenses.

(e) "Tenant's Tax Percentage" shall mean the percentage determined by dividing the Rentable Area of the Premises by the total Rentable Area of all buildings in the Project.

(f) "Market Area" shall mean the Redwood Shores submarket of Redwood City, California (the "City").

(g) "Comparable Buildings" shall mean comparable Class "A" office/R&D/ use buildings in the Market Area.

5.2 Tenant shall pay to Landlord, as Additional Rent, Tenant's Share (as hereinafter defined) of the Operating Expenses. "Tenant's Share" shall be determined by multiplying Operating Expenses for any Lease Year or pro rata portion thereof, by Tenant's Building Percentage. Landlord shall, in advance of each Lease Year, estimate what Tenant's Share will be for such Lease Year based, in part, on Landlord's operating budget for such Lease Year, and Tenant shall pay Tenant's Share as so estimated each month (the "Monthly Escalation Payments"). The Monthly Escalation Payments shall be due and payable at the same time and in the same manner as the Monthly Rent.

5.3 Landlord shall, within one hundred fifty (150) days after the end of each Lease Year, or as soon thereafter as reasonably possible, provide Tenant with a written statement of the actual Operating Expenses incurred during such Lease Year for the Project and such statement shall set forth Tenant's Share of such Operating Expenses. Tenant shall pay Landlord, as Additional Rent, the difference between Tenant's Share of Operating Expenses and the amount of Monthly Escalation Payments made by Tenant attributable to said Lease Year, such payment to be made within thirty (30) days of the date of Tenant's receipt of said statement (except as provided in Section 5.4 below); similarly, Tenant shall receive a credit (or a cash payment if future Monthly Escalation Payments are insufficient for a credit) if Tenant's Share is

less than the amount of Monthly Escalation Payments collected by Landlord during said Lease Year, such credit to be applied to future Monthly Escalation Payments to become due hereunder. If utilities, janitorial services or any other components of Operating Expenses increase during any Lease Year, Landlord may revise Monthly Escalation Payments due during such Lease Year by giving Tenant written notice to that effect; and thereafter, Tenant shall pay, in each of the remaining months of such Lease Year, a sum equal to the amount of the revised difference in Operating Expenses multiplied by Tenant's Building Percentage divided by the number of months remaining in such Lease Year.

5.4 Within sixty (60) days following Tenant's receipt of the Operating Expense statement or Taxes statement, Tenant may give Landlord notice (the "Review Notice") stating that Tenant elects to review Landlord's calculation of the amount of Operating Expenses or Taxes payable by Tenant for the Lease Year to which such statement applies and identifying with reasonable specificity the records of Landlord reasonably relating to such matters that Tenant desires to review. Tenant may not deliver more than one (1) Review Notice with respect to any Lease Year. If Tenant fails to give Landlord such a Review Notice within that sixty (60) day period, Tenant shall be deemed to have approved the applicable statement. If Tenant timely gives the Review Notice, Tenant shall be entitled to conduct or require an audit to be conducted, provided that (a) not more than one (1) such audit may be conducted during any Lease Year of the Term, (b) the records for each Lease Year may be audited only once, (c) such audit is commenced within ninety (90) days following Tenant's receipt of the applicable statement, and (d) such audit is completed and a copy thereof is delivered to Landlord within one hundred eighty (180) days following Tenant's receipt of the applicable statement. Tenant's auditor must be a member of a nationally or regionally recognized accounting firm and must not charge a fee based on the amount that the accountant is able to save Tenant by the inspection. As a condition precedent to any inspection by Tenant's accountant, Tenant shall deliver to Landlord such accountant's written agreement that (i) such accountant will not in any manner solicit any other tenant of the Project with respect to an audit or other review of Landlord's accounting records at the Project, and (ii) such accountant shall maintain in strict confidence on commercially reasonable terms any and all information obtained in connection with the review and shall not disclose such information to any person or entity other than to the management personnel of Tenant. An overcharge of Operating Expenses or Taxes by Landlord shall not entitle Tenant to terminate this Lease. No subtenant shall have the right to audit. Any assignee's audit right will be limited to the period after the effective date of the assignment. No audit shall be permitted if an Event of Default by Tenant has occurred and is continuing under this Lease, including without limitation any failure by Tenant to pay any amount due under this Article 5 within applicable notice and cure periods. If Landlord responds to any such audit with an explanation of any issues raised in the audit, such issues shall be deemed resolved unless Tenant responds to Landlord with further written objections within thirty (30) days after receipt of Landlord's response to the audit. In no event shall payment of Rent ever be contingent upon the performance of such audit. For purposes of any audit, Tenant or Tenant's duly authorized representative, at Tenant's sole cost and expense, shall have the right, upon fifteen (15) days' written notice to Landlord, to inspect Landlord's books and records pertaining to Operating Expenses and Taxes at the offices of Landlord or Landlord's managing agent during ordinary business hours, provided that such audit must be conducted so as not to interfere with Landlord's business operations and must be reasonable as to scope and time. If actual Operating Expenses or Taxes are finally determined (by agreement of the parties, arbitration or a court of competent

jurisdiction) to have been overstated or understated by Landlord for any calendar year, then the parties shall within thirty (30) days thereafter make such adjustment payment or refund as is applicable, and if actual Operating Expenses and Taxes are finally determined (by agreement of the parties, arbitration or a court of competent jurisdiction) to have been overstated by Landlord for any calendar year by in excess of seven percent (7%), then Landlord shall pay the reasonable cost of Tenant's audit, not to exceed $5,000.00.

5.5 If the occupancy of the Building during any part of any Lease Year is less than one hundred percent (100%), Landlord shall make an appropriate adjustment of the variable components of Operating Expenses for that Lease Year, as reasonably determined by Landlord using sound accounting and management principles, to determine the amount of Operating Expenses that would have been incurred had the Building been one hundred percent (100%) occupied. This amount shall be considered to have been the amount of Operating Expenses for that Lease Year. For purposes of this Section 5.5, "variable components" include only those component expenses that are affected by variations in occupancy levels.

5.6 Tenant shall pay to Landlord, as Additional Rent, "Tenant's Tax Share" (as hereinafter defined) of the Taxes. "Tenant's Tax Share" shall be determined by multiplying Taxes for any Lease Year or pro rata portion thereof, by Tenant's Tax Percentage. Landlord shall, in advance of each Lease Year, estimate what Tenant's Tax Share will be for such Lease Year and Tenant shall pay Tenant's Tax Share as so estimated each month (the "Monthly Tax Payments"). The Monthly Tax Payments shall be due and payable at the same time and in the same manner as the Monthly Rent.

5.7 Landlord shall, within one hundred fifty (150) days after the end of each Lease Year, or as soon thereafter as reasonably possible, provide Tenant with a written statement of the actual Taxes incurred during such Lease Year for the Project and such statement shall set forth Tenant's Tax Share of such Taxes. Tenant shall pay Landlord, as Additional Rent, the difference between Tenant's Tax Share of Taxes and the amount of Monthly Tax Payments made by Tenant attributable to said Lease Year, such payment to be made within thirty (30) days of the date of Tenant's receipt of said statement; similarly, Tenant shall receive a credit (or a cash payment if future Monthly Tax Payments are insufficient for such a credit) if Tenant's Tax Share is less than the amount of Monthly Tax Payments collected by Landlord during said Lease Year, such credit to be applied to future Monthly Tax Payments to become due hereunder. If Taxes increase during any Lease Year, Landlord may revise Monthly Tax Payments due during such Lease Year by giving Tenant written notice to that effect; and, thereafter, Tenant shall pay, in each of the remaining months of such Lease Year, a sum equal to the amount of revised difference in Taxes multiplied by Tenant's Tax Percentage divided by the number of months remaining in such Lease Year. Despite any other provision of this Article 5, Landlord may adjust Operating Expenses and/or Taxes and submit a corrected statement to account for Taxes or other government public-sector charges (including utility charges) that are for that given year but that were first billed to Landlord after the date that is ten (10) business days before the date on which the statement was furnished.

5.8 If the Taxes for any Lease Year are changed as a result of protest, appeal or other action taken by a taxing authority, the Taxes as so changed shall be deemed the Taxes for such Lease Year. Any expenses incurred by Landlord in attempting to protest, reduce or minimize Taxes shall be included in Taxes in the Lease Year in which those expenses are paid. Landlord shall have the exclusive right to conduct such contests, protests and appeals of the Taxes as Landlord shall determine is appropriate in Landlord's sole discretion.

5.9 Tenant's obligation with respect to Additional Rent and the payment of Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes shall survive the Expiration Date or Termination Date of this Lease.

ARTICLE 6.
SERVICES TO BE PROVIDED BY LANDLORD

6.1 Subject to Articles 5 and 10 herein, Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described in the Standards for Utilities and Services, attached hereto as Exhibit G, subject to the conditions and in accordance with the standards set forth herein.

6.2 Subject to clause (e) of Exhibit G, Landlord shall not be liable for any loss or damage arising or alleged to arise in connection with the failure, stoppage, or interruption of any such services; nor shall the same be construed as an eviction of Tenant, work an abatement of Rent, entitle Tenant to any reduction in Rent, or relieve Tenant from the operation of any covenant or condition herein contained; it being further agreed that Landlord reserves the right to discontinue temporarily such services or any of them at such times as may be necessary by reason of repair or capital improvements performed within the Project, accident, unavailability of employees, repairs, alterations or improvements, or whenever by reason of strikes, lockouts, riots, acts of God, or any other happening or occurrence beyond the reasonable control of Landlord. In the event of any such failure, stoppage or interruption of services, Landlord shall use reasonable diligence to have the same restored. Neither diminution nor shutting off of light or air or both, nor any other effect on the Project by any structure erected or condition now or hereafter existing on lands adjacent to the Project, shall affect this Lease, abate Rent, or otherwise impose any liability on Landlord. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.3 Landlord shall have the right to reduce heating, cooling, or lighting within the Premises and in the public area in the Building as required by any mandatory fuel or energy-saving program.

6.4 Unless otherwise provided by Landlord, Tenant shall separately arrange with the applicable local public authorities or utilities, as the case may be, for the furnishing of and payment of all telephone and facsimile services as may be required by Tenant in the use of the Premises. Tenant shall directly pay for such telephone and facsimile services as may be required by Tenant in the use of the Premises, including the establishment and connection thereof, at the rates charged for such services by said authority or utility; and the failure of Tenant to obtain or to continue to receive such services for any reason whatsoever shall not relieve Tenant of any of its obligations under this Lease.

6.5 Landlord shall have the exclusive right, but not the obligation, to provide any locksmithing services, and Landlord shall also have the non-exclusive right, but not the obligation, upon Tenant's request only, to provide any additional services which may be required by Tenant, including without limitation additional repairs and maintenance, provided that Tenant shall pay to Landlord upon billing, the sum of all costs to Landlord of such additional services plus an administration fee agreed upon in advance by the parties. If Tenant requests the Landlord provide locksmithing services and Landlord declines, then Tenant shall not be obligated to use Landlord's locksmithing services. Charges for any utilities or service for which Tenant is required to pay from time to time hereunder, shall be deemed Additional Rent hereunder and shall be billed on a monthly basis.

6.6 At all times during the Term Landlord shall have the right to reasonably select the utility company or companies that shall provide electric, telecommunication and/or other utility services to the Premises and, subject to all Applicable Laws, Landlord shall have the right at any time and from time to time during the Term to either (a) contract for services from electric, telecommunication and/or other utility service provider(s) other than the provider with which Landlord has a contract as of the date of this Lease (the "Current Provider"), or (b) continue to contract for services from the Current Provider. The cost of such utility services and any energy management and procurements services in connection therewith shall be Operating Expenses.

6.7 If Tenant is billed directly by a public utility with respect to Tenant's electrical usage at the Premises, upon request from time to time, Tenant shall provide monthly electrical utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's electricity usage with respect to the Premises directly from the applicable utility company.

ARTICLE 7.
REPAIRS AND MAINTENANCE BY LANDLORD

7.1 Landlord shall provide for the cleaning and maintenance of the public portions of the Project and Common Areas in keeping with the ordinary standard for Comparable Buildings as part of Operating Expenses. Unless otherwise expressly stipulated herein, Landlord shall not be required to make any improvements or repairs of any kind or character to the Premises during the Term, except such repairs as may be required to the exterior walls, corridors, windows, roof, Building systems, including, electrical, plumbing, HVAC, utility and mechanical systems and other Base Building (as defined below) elements and other structural elements and equipment of the Project, and subject to Section 13.4, below, such additional maintenance as may be necessary because of the damage caused by persons other than Tenant, its agents, employees, licensees, or invitees. As used in this Lease, the "Base Building" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located.

7.2 Landlord or Landlord's officers, agents, and representatives (subject to any security regulations imposed by any governmental authority) shall have the right to enter all parts of the Premises at all reasonable hours upon one (1) business day prior notice to Tenant (other than in an emergency) to inspect, clean, make repairs, alterations, and additions to the Project or the Premises which it may deem necessary or desirable, to make repairs to adjoining spaces, to cure any defaults of Tenant hereunder that Landlord elects to cure pursuant to Section 22.5, below, to post notices of nonresponsibility, to show the Premises to prospective tenants (during the final nine (9) months of the Term or at any time after the occurrence of an Event of Default that remains uncured), mortgagees or purchasers of the Building, or to provide any service which it is obligated or elects to furnish to Tenant; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof. Landlord shall have the right to enter the Premises at any time and by any means in the case of an emergency.

7.3 Except as otherwise expressly provided in this Lease, Landlord shall not be liable for any failure to make any repairs or to perform any maintenance and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Project, Building or the Premises or in or to fixtures, and equipment therein. Tenant hereby waives all rights it would otherwise have under California Civil Code Sections 1932(1) and 1942(a), or any similar law, statute or ordinance now or hereafter in effect, to make repairs at Landlord's expense, to deduct repair costs from Rent and/or terminate this Lease as the result of any failure by Landlord to maintain or repair.

ARTICLE 8.
REPAIRS AND CARE OF PREMISES BY TENANT

8.1 If the Building, the Project, or any portion thereof, including but not limited to, the elevators, boilers, engines, pipes, and other apparatus, or members of elements of the Building (or any of them) used for the purpose of climate control or ventilation of the Building or operating of the elevators, or of the water pipes, sewerage or drainage pipes, electric lighting, or other equipment of the Building or the roof or outside walls of the Building and also the Premises improvements, including but not limited to, the carpet, wall coverings, doors, and woodwork, become damaged or are destroyed through the negligence, carelessness, or misuse of Tenant, its servants, agents, employees, or anyone permitted by Tenant to be in the Building, or through it or them, then the reasonable cost of the necessary repairs, replacements, or alterations shall be borne by Tenant who shall pay the same to Landlord as Additional Rent within ten (10) days after demand, subject to Section 13.4 below. Landlord shall have the exclusive right, but not the obligation, to make any repairs necessitated by such damage.

8.2 Subject to Section 13.4 below, Tenant agrees, at its sole cost and expense, to repair or replace any damage or injury done to the Project, or any part thereof, caused by Tenant, Tenant's agents, employees, licensees, or invitees which Landlord elects not to repair. Tenant shall not injure the Project or the Premises and, subject to Article 7 above, at Tenant's sole cost and expense, shall maintain the Premises, including without limitation all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Term. If Tenant fails to keep such elements of the Premises in such good order, condition, and repair as required hereunder to the satisfaction of Landlord, Landlord may restore the Premises to such good order and condition and make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's property or business by reason thereof, and

within ten (10) days after completion thereof, Tenant shall pay to Landlord, as Additional Rent, upon demand, the cost of restoring the Premises to such good order and condition and of the making of such repairs, plus an additional charge of ten percent (10%) thereof. Upon the Expiration Date or the Termination Date, Tenant shall surrender and deliver up the Premises to Landlord in the same condition in which it existed at the Commencement Date, excepting only ordinary wear and tear, casualty, condemnation, alterations Tenant is permitted to surrender and damage arising from any cause not required to be repaired by Tenant. Upon the Expiration Date or the Termination Date, Landlord shall have the right to re-enter and take possession of the Premises. Notwithstanding anything to the contrary in this Lease, Tenant shall have no obligation to restore the Tenant Improvements set forth on Exhibit C or any improvements existing in the Premises prior to the Commencement Date.

8.3 Tenant shall provide its own janitorial and cleaning services to the Premises at Tenant's sole cost and expense. Landlord is not obligated to provide any janitorial or cleaning services to the Premises.

ARTICLE 9.
TENANT'S EQUIPMENT AND INSTALLATIONS

9.1 If heat-generating machines or equipment, including telephone equipment, cause the temperature in the Premises, or any part thereof, to exceed the temperatures the Building's air conditioning system would be able to maintain in such Premises were it not for such heat-generating equipment, then Landlord reserves the right to install supplementary air conditioning units in the Premises, and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, including water, shall be paid by Tenant to Landlord within ten (10) days after demand by Landlord.

9.2 Except for desk or table-mounted typewriters, adding machines, office calculators, dictation equipment, personal computers, computer servers, telecommunication equipment, fume hoods, emission control systems biosafety or chemical storage cabinets, autoclaves, and other similar office and lab equipment consistent with the Permitted Use (the "Permitted Equipment"), Tenant shall not install within the Premises any fixtures, equipment, facilities, or other improvements without the specific written consent of Landlord, subject to Article 15, below. Tenant shall not, without the specific written consent of Landlord (which consent shall not be unreasonably withheld, conditioned, or delayed), install or maintain any apparatus or device within the Premises which shall increase the usage of electrical power or water for the Premises to an amount greater than would be normally required for general office and lab use for space of comparable size in the Market Area; and if any such apparatus or device is so installed, Tenant agrees to furnish Landlord a written agreement to pay for any additional costs of utilities as the result of said installation. Tenant shall install at Tenant's sole cost and expense an emon demon or comparable meter to measure electrical usage of the laboratory in the Premises and Tenant shall pay for the cost of all such electrical service for that lab area so separately metered within thirty (30) days after invoice. Tenant shall keep that meter and installation equipment in good working order and repair at Tenant's own cost and expense. Landlord shall equitably adjust Tenant's Building Percentage of Operating Expenses with respect to the cost of electrical service to reflect that Tenant is paying the cost of electrical service to the lab area outside of Operating Expenses.

ARTICLE 10.
FORCE MAJEURE

10.1 It is understood and agreed that with respect to any service or other obligation to be furnished or obligations to be performed by either party, in no event shall either party be liable for failure to furnish or perform the same when prevented from doing so by strike, lockout, breakdown, accident, supply, or inability by the exercise of reasonable diligence to obtain supplies, parts, or employees necessary to furnish such service or meet such obligation; or because of war or other emergency; or for any cause beyond the reasonable control with the party obligated for such performance; or for any cause due to any act or omission of the other party or its agents, employees, licensees, invitees, or any persons claiming by, through, or under the other party; or because of the failure of any public utility to furnish services; or because of order or regulation of any federal, state, county or municipal authority (collectively, "Force Majeure Events"). Nothing in this Section 10.1 shall limit or otherwise modify or waive Tenant's obligation to pay Base Rent and Additional Rent as and when due pursuant to the terms of this Lease.

ARTICLE 11.
CONSTRUCTION, MECHANICS' AND MATERIALMAN'S LIENS

11.1 Tenant shall not suffer or permit any construction, mechanics' or materialman's lien to be filed against the Premises or any portion of the Project by reason of work, labor services, or materials supplied or claimed to have been supplied to Tenant. Nothing herein contained shall be deemed or construed in any way as constituting the consent or request of Landlord, expressed or implied, by inference or otherwise, for any contractor, subcontractor, laborer, or materialman to perform any labor or to furnish any materials or to make any specific improvement, alteration, or repair of or to the Premises or any portion of the Project; nor of giving Tenant any right, power, or authority to contract for, or permit the rendering of, any services or the furnishing of any materials that could give rise to the filing of any construction, mechanics' or materialman's lien against the Premises or any portion of the Project.

11.2 If any such construction, mechanics' or materialman's lien shall at any time be filed against the Premises or any portion of the Project as the result of any act or omission of Tenant, Tenant covenants that it shall, within twenty (20) days after Tenant has actual notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law or which shall otherwise satisfy Landlord. If Tenant fails to take such action, Landlord, in addition to any other right or remedy it may have, may take such action as may be reasonably necessary to protect its interests. Any amounts paid by Landlord in connection with such action, all other expenses of Landlord incurred in connection therewith, including reasonable attorneys' fees, court costs, and other necessary disbursements shall be repaid by Tenant to Landlord within ten (10) days after demand.

ARTICLE 12.
ARBITRATION

12.1 In the event that a dispute arises under Section 5.3 above, and the parties fail to resolve such dispute using good faith efforts within twenty (20) days, the same shall be submitted to expedited arbitration in accordance with the provisions of applicable state law, if any, as from time to time amended. Arbitration proceedings, including the selection of an arbitrator, shall be conducted pursuant to the rules, regulations, and procedures for expedited arbitration from time to time in effect as promulgated by the American Arbitration Association (the "Association"). Prior written notice of application by either party for arbitration shall be given to the other at least ten (10) days before submission of the application to the said Association's office in the city wherein the Building is situated (or the nearest other city having an Association office). The arbitrator shall hear the parties and their evidence. The decision of the arbitrator may be entered in the appropriate court of law; and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the court or a judge thereof may be served outside the state wherein the Building is situated by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his or her award or decision, subject to the penultimate sentence of this section. No arbitrable dispute shall be deemed to have arisen under this Lease (a) prior to the expiration of the period of twenty (20) days after the date of the giving of written notice by the party asserting the existence of the dispute, together with a description thereof sufficient for an understanding thereof, and (b) where Tenant disputes the amount of a Tenant payment required hereunder (e.g., Operating Expense excess under Section 5.3 hereof), prior to Tenant paying in full the amount billed by Landlord, including the disputed amount. The prevailing party in such arbitration shall be reimbursed for its expenses, including reasonable attorneys' fees. Notwithstanding the foregoing, in no event shall this Article 12 affect or delay Landlord's unlawful detainer rights under California law.

ARTICLE 13.
INSURANCE

13.1 Landlord shall maintain, as a part of Operating Expenses, special causes of loss form property insurance on the Project (excluding, at Landlord's option, the property required to be insured by Tenant pursuant to Section 13.2(e), below) in an amount equal to the full replacement cost of the Project, subject to such deductibles as Landlord may determine. Landlord shall not be obligated to insure, and shall not assume any liability of risk of loss for, any of Tenant's furniture, equipment, machinery, goods, supplies, improvements or alterations upon the Premises. Such insurance shall be maintained with an insurance company selected, and in amounts desired, by Landlord or Landlord's mortgagee, and payment for losses thereunder shall be made solely to Landlord subject to the rights of the holder of any mortgage or deed of trust which may now or hereafter encumber the Project. Additionally Landlord may maintain such additional insurance, including, without limitation, earthquake insurance, flood insurance, liability insurance and/or rent insurance, as Landlord may in its sole discretion elect. To the extent permitted pursuant to Article 5 above, the cost of all such additional insurance shall also be part of the Operating Expenses. Any or all of Landlord's insurance may be provided by blanket coverage maintained by Landlord or any affiliate of Landlord under its insurance

program for its portfolio of properties or by Landlord or any affiliate of Landlord's program of self-insurance, and in such event Operating Expenses shall include the portion of the reasonable cost of blanket insurance or self-insurance payments in lieu of premiums made by Landlord that is allocated to the Project.

13.2 Tenant, at its own expense, shall maintain with insurers authorized to do business in the State of California and which are rated A- or better and have a financial size category of at least VII in the most recent Best's Key Rating Guide, or any successor thereto (or if there is none, an organization having a national reputation), (a) commercial general liability insurance, including Broad Form Property Damage and Contractual Liability with the following minimum limits: General Aggregate $3,000,000.00; Products/Completed Operations Aggregate $2,000,000.00; Each Occurrence $2,000,000.00; Personal and Advertising Injury $1,000,000.00; Medical Payments $5,000.00 per person, (b) Umbrella/Excess Liability on a following form basis with the following minimum limits: General Aggregate $5,000,000.00; Each Occurrence $5,000,000.00; (c) Workers' Compensation with statutory limits; (d) Employer's Liability insurance with the following limits: Bodily injury by disease per person $1,000,000.00; Bodily injury by accident policy limit $1,000,000.00; Bodily injury by disease policy limit $1,000,000.00; (e) property insurance on special causes of loss insurance form covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii)) the "Tenant Improvements," as that term is defined in Section 2.1 of the Tenant Work Letter, and any other improvements which exist in the Premises as of the Commencement Date (excluding the Base Building) (the "Original Improvements"), and (iii) all other improvements, alterations and additions to the Premises (such insurance shall be for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion); and (f) business auto liability insurance having a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired or non-owned automobiles. At all times during the Term, such insurance shall be maintained, and Tenant shall cause a current and valid certificate of such policies to be deposited with Landlord. If Tenant fails to have a current and valid certificate of such policies on deposit with Landlord at all times during the Term and such failure is not cured within three (3) business days following Tenant's receipt of notice thereof from Landlord, Landlord shall have the right, but not the obligation, to obtain such an insurance policy, and Tenant shall be obligated to pay Landlord the amount of the premiums applicable to such insurance within ten (10) days after Tenant's receipt of Landlord's request for payment thereof. Said policy of liability insurance shall name Landlord, Landlord's affiliates and subsidiaries designated by Landlord, and Landlord's managing agent as additional insureds and Tenant as the insured and shall be noncancellable with respect to Landlord except after thirty (30) days' written notice from Tenant to Landlord.

13.3 Tenant shall adjust annually the amount of coverage established in Section 13.2 hereof to such amount as in Landlord's reasonable opinion, adequately protects Landlord's interest; provided the same is consistent with the amount of coverage customarily required of comparable tenants in Comparable Buildings.

13.4 Notwithstanding anything in this Lease to the contrary, Landlord and Tenant each hereby waives and releases any and all rights of recovery, claim, action, or cause of action against the other, its agents, employees, licensees, or invitees for any loss or damage to or at the Premises or the Project or any personal property of such party therein or thereon by reason of fire, the elements, or any other cause which would be insured against under the terms of special causes of loss form property insurance, regardless of cause or origin, including omission of the other party hereto, its agents, employees, licensees, or invitees. Landlord and Tenant covenant that no insurer shall hold any right of subrogation against either of such parties with respect thereto. This waiver shall be ineffective against any insurer of Landlord or Tenant to the extent that such waiver is prohibited by the laws and insurance regulations of the State of California The parties hereto agree that any and all such insurance policies required to be carried by either shall be endorsed with a subrogation clause, substantially as follows: “This insurance shall not be invalidated should the insured waive, in writing prior to a loss, any and all right of recovery against any party for loss occurring to the property described therein, “ and shall provide that such party’s insurer waives any right of recovery against the other party in connection with any such loss or damage. All of Landlord’s and Tenant’s repair and indemnity obligations under this Lease shall be subject to the waiver contained in this paragraph.

13.5 In the event Tenant’s occupancy or conduct of business in or on the Premises, other than for the Permitted Use, results in any increase in premiums for the insurance carried from time to time by Landlord with respect to the Building, Tenant shall pay any such increase in premiums as Rent within ten (10) days after bills for such additional premiums shall be rendered by Landlord. In determining whether increased premiums are a result of Tenant’s use or occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Building showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or hereafter in effect relating to the Premises.

ARTICLE 14.
QUIET ENJOYMENT

14.1 Provided Tenant is not in default under this Lease after the expiration of any period for cure in the performance of all its obligations under this Lease, including, but not limited to, the payment of Rent and all other sums due hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance by Landlord, subject to the provisions and conditions set forth in this Lease.

ARTICLE 15.
ALTERATIONS

15.1 Tenant agrees that it shall not make or allow to be made any alterations, physical additions, or improvements in or to the Premises without first obtaining the written consent of Landlord in each instance. As used herein, the term “Minor Alteration” refers to an

alteration that (a) does not affect the outside appearance of the Building and is not visible from the Common Areas, (b) is non-structural and does not impair the strength or structural integrity of the Building, and (c) does not materially or adversely affect the mechanical, electrical, HVAC or other systems of the Building. Landlord agrees not to unreasonably withhold its consent to any Minor Alteration. Landlord's consent to any other alteration may be conditioned, given, or withheld in Landlord's reasonable discretion. Notwithstanding the foregoing, Landlord consents to any repainting, recarpeting, or other purely cosmetic changes or upgrades to the Premises, so long as (i) the aggregate cost of such work is less than $25,000.00 in any twelve-month period, (ii) such work constitutes a Minor Alteration (iii) no building permit is required in connection therewith, and (iv) such work conforms to the then existing Building standards. At the time of said request, Tenant shall submit to Landlord plans and specifications of the proposed alterations, additions, or improvements; and Landlord shall have a period of not less than fifteen (15) days therefrom in which to review and approve or disapprove said plans; provided that if Landlord determines in good faith that Landlord requires a third party to assist in reviewing such plans and specifications, Landlord shall instead have a period of not less than thirty (30) days in which to review and approve or disapprove said plans. Tenant shall pay to Landlord upon demand the cost and expense of Landlord in (A) reviewing said plans and specifications, and (B) inspecting the alterations, additions, or improvements to determine whether the same are being performed in accordance with the approved plans and specifications and all laws and requirements of public authorities, including, without limitation, the fees of any architect or engineer employed by Landlord for such purpose. In any instance where Landlord grants such consent, and permits Tenant to use its own contractors, laborers, materialmen, and others furnishing labor or materials for Tenant's construction (collectively, "Tenant's Contractors"), Landlord's consent shall be deemed conditioned upon each of Tenant's Contractors (1) working in harmony and not interfering with any laborer utilized by Landlord, Landlord's contractors, laborers, or materialmen; and (2) furnishing Landlord with evidence of acceptable liability insurance, worker's compensation coverage, and if at any time such entry by one or more persons furnishing labor or materials for Tenant's work shall cause such disharmony or interference, the consent granted by Landlord to Tenant may be withdrawn immediately upon written notice from Landlord to Tenant. If Tenant is using Tenant's Contractors for Tenant's construction, the contract with such Tenant's Contractor(s) shall provide for a guaranteed maximum price or a stipulated sum as the contract amount and shall be fully executed and delivered by Tenant and Tenant's Contractor(s) prior to the commencement of construction. Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and prosecution of alterations, additions, or improvements and for final approval thereof upon completion, and shall cause any alterations, additions, or improvements to be performed in compliance therewith and with all Applicable Laws (including without limitation, California Energy Code, Title 24) and all requirements of public authorities and with all applicable requirements of insurance bodies. All alterations, additions, or improvements shall be diligently performed in a good and workmanlike manner, using new materials and equipment at least equal in quality and class to be better than (a) the original installations of the Building, or (b) the then standards for the Comparable Building. Upon the completion of work and upon request by Landlord, Tenant shall provide Landlord copies of all waivers or releases of lien from each of Tenant's Contractors. No alterations, modifications, or additions to the Project or the Premises shall be removed by Tenant either during the Term or upon the Expiration Date or the Termination Date without the express written approval of Landlord. Tenant shall not be entitled to any reimbursement or compensation resulting from its payment of the cost of constructing all or any portion of said improvements or modifications thereto unless otherwise expressly agreed by Landlord in writing.

15.2 Landlord's approval of Tenant's plans for work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities, including, but not limited to, the Americans with Disabilities Act. Landlord may, at its option, at Tenant's expense, require that Landlord's contractors be engaged for any work upon the integrated Building mechanical or electrical systems or other Building or leasehold improvements.

15.3 At least five (5) days prior to the commencement of any work permitted to be done by persons requested by Tenant on the Premises, Tenant shall notify Landlord of the proposed work and the names and addresses of Tenant's Contractors. During any such work on the Premises, Landlord, or its representatives, shall have the right to go upon and inspect the Premises at all reasonable times, and shall have the right to post and keep posted thereon building permits and notices of non-responsibility or to take any further action which Landlord may deem to be proper for the protection of Landlord's interest in the Premises.

15.4 During such times as Tenant is performing work or having work or services performed in or to the Premises, Tenant shall require its contractors, and their subcontractors of all tiers, to obtain and maintain commercial general liability, automobile, workers compensation, employer's liability, builder's risk, and equipment/property insurance in such amounts and on such terms as are customarily required of such contractors and subcontractors on similar projects. The amounts and terms of all such insurance are subject to Landlord's written approval, which approval shall not be unreasonably withheld. The commercial general liability and auto insurance carried by Tenant's contractors and their subcontractors of all tiers pursuant to this section shall name Landlord, Landlord's managing agent, and such other persons as Landlord may reasonably request from time to time as additional insureds with respect to liability arising out of or related to their work or services (collectively, "Additional Insureds"). Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord, Landlord's managing agent, or other Additional Insureds. Such insurance shall also waive any right of subrogation against each Additional Insured. Tenant shall obtain and submit to Landlord, prior to the earlier of (i) the entry onto the Premises by such contractors or subcontractors or (ii) commencement of the work or services, certificates of insurance evidencing compliance with the requirements of this section. All of such alterations shall be insured by Tenant pursuant to Article 13 of this Lease immediately upon completion thereof.

15.5 Tenant's initial improvement of the Premises shall be governed by Exhibit C and not the provisions of this Article 15 (other than Section 15.4).

ARTICLE 16.
FURNITURE, FIXTURES, AND PERSONAL PROPERTY

16.1 Tenant, at its sole cost and expense, may remove its trade fixtures, office supplies and moveable office furniture and equipment not attached to the Project or Premises and all Permitted Equipment provided:

(a) Such removal is made prior to the Expiration Date or the Termination Date; and

(b) Tenant promptly repairs all damage caused by such removal.

16.2 If Tenant does not remove its trade fixtures, office supplies, and moveable furniture and equipment as herein above provided prior to the Expiration Date or the Termination Date (unless prior arrangements have been made with Landlord and Landlord has agreed in writing to permit Tenant to leave such items in the Premises for an agreed period), then, in addition to its other remedies, at law or in equity, Landlord shall have the right to have such items removed and stored at Tenant's sole cost and expense and all damage to the Project or the Premises resulting from said removal shall be repaired at the cost of Tenant; Landlord may elect that such items automatically become the property of Landlord upon the Expiration Date or the Termination Date, and Tenant shall not have any further rights with respect thereto or reimbursement therefor subject to the provisions of Applicable Law. All other property in the Premises, any alterations, or additions to the Premises (including wall-to-wall carpeting, paneling, wall covering, specially constructed or built-in cabinetry or bookcases), and any other article attached or affixed to the floor, wall, or ceiling of the Premises shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the Expiration or Termination Date regardless of who paid therefor; and Tenant hereby waives all rights to any payment or compensation therefor. Subject to the last sentence of this Section 16.2, if, however, Landlord so requests, in writing, Tenant shall remove, prior to the Expiration Date or the Termination Date, any and all alterations, additions, fixtures, equipment, and property placed or installed in the Premises by Tenant and shall repair any damage caused by such removal. In addition, if any alterations performed by Tenant do not use materials that conform to the building standards used by Landlord at the time of the particular alteration, then upon Landlord's request at the time it consents to such alteration, Tenant shall at Tenant's sole cost and expense, no later than the expiration of the Term (or no later than fifteen (15) days after the earlier termination of the Term) cause the improvements in the Premises to be restored at Tenant's sole cost and expense. Prior to commencing any alteration, Tenant may request that Landlord notify Tenant whether or not the proposed alteration will be required by Landlord to be removed at the end of the Term.

16.3 All the furnishings, fixtures, equipment, effects, and property of every kind, nature, and description of Tenant and of all persons claiming by, through, or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Project shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water, or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or be borne by Landlord unless due to the gross negligence or willful misconduct of Landlord or its employees, agents or contractors.

ARTICLE 17.
PERSONAL PROPERTY AND OTHER TAXES

17.1 During the Term hereof, Tenant shall pay, prior to delinquency, all business and other taxes, charges, notes, duties, and assessments levied, and rates or fees imposed, charged, or assessed against or in respect of Tenant's occupancy of the Premises or in respect of the personal property, trade fixtures, furnishings, equipment, and all other personal and other property of Tenant contained in the Project (including without limitation taxes and assessments attributable to the cost or value of any leasehold improvements made in or to the Premises by or for Tenant (to the extent that the assessed value of those leasehold improvements exceeds the assessed value of standard office improvements in other space in the Project regardless of whether title to those improvements is vested in Tenant or Landlord)), and shall hold Landlord harmless from and against all payment of such taxes, charges, notes, duties, assessments, rates, and fees, and against all loss, costs, charges, notes, duties, assessments, rates, and fees, and any and all such taxes. Tenant shall cause said fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real and personal property of Landlord. In the event any or all of Tenant's fixtures, furnishings, equipment, and other personal property shall be assessed and taxed with Landlord's real property, Tenant shall pay to Landlord Tenant's share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property. In addition, Tenant shall be liable for and shall pay before delinquency any (i) rent tax, gross receipts tax, or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease; or (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project. If any of such taxes are billed to Landlord or included in bills to Landlord for taxes, then Tenant shall pay to Landlord all such amounts within fifteen (15) days after receipt of Landlord's invoice therefor. If applicable law prohibits Tenant from reimbursing Landlord for any such taxes, but Landlord may lawfully increase the Base Rent to account for Landlord's payment of such taxes, the Base Rent payable to Landlord shall be increased to net to Landlord the same return without reimbursement of such Imposition as would have been received by Landlord with reimbursement of such taxes.

ARTICLE 18.
ASSIGNMENT AND SUBLETTING

18.1 Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld (except that Landlord shall in no event be obligated to consent to an encumbrance of this Lease): (a) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (b) permit the use of the Premises or any part thereof by any person other than Tenant and its employees. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent of Landlord shall, at Landlord's option, be void and of no effect. Landlord's consent to any Transfer shall not

constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee execute an instrument in which such assignee assumes the remaining obligations of Tenant hereunder; provided that the acceptance of any assignment of this Lease by the applicable assignee shall automatically constitute the assumption by such assignee of all of the remaining obligations of Tenant that accrue following such assignment. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation hereof shall not work a merger and shall, at the option of Landlord, terminate all or any existing sublease or may, at the option of Landlord, operate as an assignment to Landlord of Tenant's interest in any or all such subleases.

18.2 For purposes of this Lease, the term "Transfer" shall also include (i) if a Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, members or managers thereof, or transfer of twenty-five percent (25%) or more of partnership or membership interests therein within a twelve (12) month period, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (ii) if Tenant is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Tenant, the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares or other interests of or in Tenant (other than to immediate family members by reason of gift or death or as part of a public offering or equity financing), within a twelve (12) month period.

18.3 If Tenant desires the consent of Landlord to a Transfer, Tenant shall submit to Landlord, at least thirty (30) days prior to the proposed effective date of the Transfer, a written notice (the "Transfer Notice") which includes (a) the name of the proposed sublessee or assignee, (b) the nature of the proposed sublessee's or assignee's business, (c) the terms and provisions of the proposed sublease or assignment, and (d) current financial statements and information on the proposed sublessee or assignee. Upon receipt of the Transfer Notice, Landlord may reasonably request additional information concerning the Transfer or the proposed sublessee or assignee (the "Additional Information"). Subject to Landlord's rights under Section 18.6, Landlord shall not unreasonably withhold its consent to any assignment or sublease (excluding an encumbrance), which consent or lack thereof shall be provided within thirty (30) days of receipt of Tenant's Transfer Notice; provided, however, Tenant hereby agrees that it shall be a reasonable basis for Landlord to withhold its consent if Landlord has not received the Additional Information requested by Landlord. Without limiting any other reasonable basis for Landlord to withhold its consent to the proposed Transfer, Landlord and Tenant agree that for purposes of this Lease and any Applicable Law, Landlord shall not be deemed to have unreasonably withheld its consent if, in the judgment of Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Project, or the general character or quality of the Project; (ii) the financial condition of the transferee is such that it may not be able to perform its obligations in connection with this Lease or the sublease, as applicable (or otherwise does not satisfy Landlord's standards for financial standing with respect to tenants under direct leases of comparable economic scope); (iii) the transferee is negotiating for space in the Project or has negotiated with Landlord within the preceding sixty (60) days (or is currently negotiating with Landlord) to lease space in the Project, provided, that this subpart (iii) shall only apply if Landlord has adequate space in the

Project to accommodate such transferee's needs, (iv) the transferee has the power of eminent domain, is a governmental agency or an agency or subdivision of a foreign government; (v) an Event of Default by Tenant has occurred and is uncured at the time Tenant delivers the Transfer Notice to Landlord; (vi) in the judgment of Landlord, such a Transfer would violate any term, condition, covenant, or agreement of Landlord involving the Project or any other tenant's lease within it or would give an occupant of the Project a right to cancel or modify its lease; (vii) [intentionally omitted]; (viii) in Landlord's judgment, the use of the Premises by the proposed transferee would not be comparable to the types of use by other tenants in the Project would result in more than a reasonable density of occupants per square foot of the Premises, would increase the burden on elevators or other Building systems or equipment over the burden thereon prior to the proposed Transfer, would require increased services by Landlord or would require any alterations to the Project to comply with applicable laws; (ix) thetransferee intends to use the space for purposes which are not permitted under this Lease; (x) the terms of the proposed Transfer would allow the transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the transferee to occupy space leased by Tenant pursuant to any such right); (xi) the proposed Transfer would result in more than three subleases per each full floor of the Premises being in effect at any one time during the Term; or (xii) any ground lessor or mortgagee whose consent to such Transfer is required fails to consent thereto. Tenant hereby waives any right to terminate the Lease as remedies for Landlord wrongfully withholding its consent to any Transfer and agrees that Tenant's sole and exclusive remedy therefor shall be to seek specific performance of Landlord's obligation to consent to such Transfer or damages.

18.4 Landlord and Tenant agree that, in the event of any approved assignment or subletting, the rights of any such assignee or sublessee of Tenant herein shall be subject to all of the terms, conditions, and provisions of this Lease, including, without limitation, restriction on use, assignment, and subletting and the covenant to pay Rent. Following any Event of Default by Tenant, Landlord may collect the rent owing by the assignee or sublessee directly from such assignee or sublessee and apply the amount so collected to the Rent herein reserved. No such consent to or recognition of any such assignment or subletting shall constitute a release of Tenant or any guarantor of Tenant's performance hereunder from further performance by Tenant or such guarantor of covenants undertaken to be performed by Tenant herein. Tenant and any such guarantor shall remain liable and responsible for all Rent and other obligations herein imposed upon Tenant, and Landlord may condition its consent to any Transfer upon the receipt of a written reaffirmation from each such guarantor in a form acceptable to Landlord (which shall not be construed to imply that the occurrence of a Transfer without such a reaffirmation would operate to release any guarantor). Consent by Landlord to a particular assignment, sublease, or other transaction shall not be deemed a consent to any other or subsequent transaction. In any case where Tenant desires to assign, sublease or enter into any related or similar transaction, whether or not Landlord consents to such assignment, sublease, or other transaction, Tenant shall pay any reasonable attorneys' fees incurred by Landlord in connection with such assignment, sublease or other transaction, including, without limitation, fees incurred in reviewing documents relating to, or evidencing, said assignment, sublease, or other transaction; provided that those costs shall not exceed $2,500.00 with respect to any single Transfer so long as Tenant and the proposed transferee execute Landlord's standard form of consent document without material negotiation. All documents utilized by Tenant to evidence any subletting or assignment for which Landlord's consent has been requested and is required hereunder, shall be subject to prior approval (not to be unreasonably withheld, conditioned or delayed) by Landlord or its attorney.

18.5 Tenant shall be bound and obligated to pay Landlord a portion of any sums or economic consideration payable to Tenant by any sublessee, assignee, licensee, or other transferee, within ten (10) days following receipt thereof by Tenant from such sublessee, assignee, licensee, or other transferee, as the case might be, as follows:

(a) In the case of an assignment, fifty percent (50%) of any sums or other economic consideration received by Tenant as a result of such assignment shall be paid to Landlord after first deducting the unamortized cost of reasonable leasehold improvements paid for by Tenant in connection with such assignment and reasonable cost of any real estate commissions and any attorneys' fees incurred by Tenant in connection with such assignment.

(b) In the case of a subletting, fifty percent (50%) of any sums or economic consideration received by Tenant as a result of such subletting shall be paid to Landlord after first deducting (i) the Rent due hereunder prorated to reflect only Rent allocable to the sublet portion of the Premises, (ii) the reasonable cost of tenant improvements made to the sublet portion of the Premises by Tenant at Tenant's expense (without reimbursement out of any allowance provided by Landlord) for the specific benefit of the sublessee, which shall be amortized over the term of the sublease, and (iii) the reasonable cost of any real estate commissions and attorneys' fees incurred by Tenant in connection with such subletting, which shall be amortized over the term of the sublease.

(c) Tenant shall provide Landlord with a detailed statement setting forth any sums or economic consideration Tenant either has or will derive from such Transfer, the deductions permitted under (a) and (b) of this Section 18.5, and the calculation of the amounts due Landlord under this Section 18.5. In addition, Landlord or its representative shall have the right at all reasonable times to audit the books and records of Tenant with respect to the calculation of the Transfer profits. If such inspection reveals that the amount paid to Landlord was incorrect, then within ten (10) days of Tenant's receipt of the results of such audit, Tenant shall pay Landlord the deficiency and the cost of Landlord's audit.

18.6 If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. or any successor or substitute therefor (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord, and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any such monies or other consideration not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid or delivered to Landlord. Any person or entity to whom this Lease is so assigned shall be deemed, without further act or deed, to have assumed all of the remaining obligations arising under this Lease as of the date of such assignment. Any such assignee shall, upon demand therefor, execute and deliver to Landlord an instrument confirming such assumption.

18.7 [Intentionally Omitted]

18.8 Notwithstanding the foregoing, Tenant may undergo a deemed Transfer due to a transfer of its stock as described in Section 18.2(ii) (in which case, Tenant shall be deemed the "Transferee" as described below) or Transfer all or part of its interest in this Lease or all or part of the Premises (a "Permitted Transfer") to the following types of entities (a "Permitted Transferee") without the written consent of Landlord and without payment of any sums under Section 18.5: (a) any parent, subsidiary or affiliate corporation which Controls (as defined below), is Controlled by or is under common Control with Tenant (collectively, an "Affiliate"); (b) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, an Affiliate of Tenant, or their respective corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as in both cases (a) and (b), (i) Tenant's obligations hereunder are assumed by the Permitted Transferee; and (ii) the Permitted Transferee satisfies the Net Worth Threshold as of the effective date of the Permitted Transfer; or (c) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity which acquires all or substantially all of Tenant's assets and/or ownership interests, if the Transferee satisfies the Net Worth Threshold as of the effective date of the Transfer. Tenant shall notify Landlord in writing of any such Permitted Transfer. Tenant shall remain liable for the performance of all of the obligations of Tenant hereunder, or if Tenant no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing, the obligations of Tenant hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease, whether accruing prior to and/or from and after the consummation of the Transfer. No later than ten (10) days prior to the effective date of any Permitted Transfer, Tenant agrees to furnish Landlord with (1) copies of the instrument effecting any of the foregoing Transfers, (2) documentation establishing Tenant's satisfaction of the requirements set forth above applicable to any such Transfer, and (3) evidence of insurance as required under this Lease with respect to the Permitted Transferee. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers. As used herein, the term "Net Worth Threshold" shall mean the proposed Permitted Transferee has a tangible net worth equal to or greater than that of Tenant immediately prior to such transaction (determined in accordance with generally accepted accounting principles consistently applied and excluding from the determination of total assets all assets which would be classified as intangible assets under generally accepted accounting principles, including, without limitation, goodwill, licenses, trademarks, trade names, copyrights and franchises), and as evidenced by financial statements audited by a certified public accounting firm reasonably acceptable to Landlord. The term "Control" shall mean the possession of the power to direct or cause the direction of the management and policy of such corporation, partnership, limited liability company or other entity, whether through the ownership of voting securities, by statute or by contract, and whether directly or indirectly through Affiliates.

ARTICLE 19.
DAMAGE OR DESTRUCTION

19.1 If the Premises or Building should be damaged or destroyed by fire or other casualty, Tenant shall give immediate written notice to Landlord. If the Premises or any common areas of the Building or Project serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 19, restore the base, shell, and core of the Premises and such common areas. Such restoration shall be to substantially the same condition of the base, shell, and core of the Premises and common areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Project, or the lessor of a ground or underlying lease with respect to the Project and/or the Building, or any other modifications to the common areas deemed desirable by Landlord, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes, during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided, however, if the damage or destruction was caused by the negligence or willful misconduct of Tenant or Tenant's employees, contractors, licensees, subtenants or invitees, such abatement shall occur only to the extent rental abatement insurance proceeds are received by Landlord (or would have been received by Landlord if Landlord had carried rental abatement insurance with a coverage period of twelve months).

19.2 Within sixty (60) days following the date of discovery of the damage, Landlord shall deliver to Tenant a written estimate from Landlord's contractor of the time needed to rebuild and/or restore the Premises and/or the Building (the "Restoration Notice"). Notwithstanding the terms of Section 19.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Project and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of Landlord's discovery of such damage (the "Damage Discovery Date"), such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred eighty (180) days of the Damage Discovery Date (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Project or ground or underlying lessor with respect to the Project and/or the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be; or (iii) the damage is not fully covered (except for deductible amounts in the case of a casualty other than earthquake or flood) by Landlord's insurance policies; provided, however, that Landlord shall not have the right to terminate this Lease if the damage to the Building is relatively minor (e.g., repair or restoration would cost less than five percent (5%) of

the replacement cost of the Building) or Landlord actually intends to restore the damage in the following one hundred eighty (180) day period. In addition, if the Premises or the Building is destroyed or damaged to any substantial extent during the last twelve (12) months of the Term, then notwithstanding anything contained in this Article 19, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after the Damage Discovery Date, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this Section 19.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Term.

19.3 If there is an occurrence of any damage to the Premises that does not result in the termination of this Lease pursuant to this Article 19, then upon notice (the "Landlord Repair Notice") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Sections 13.2(e)(ii) and (iii) above with respect to any improvements in the Premises required to be insured by Tenant hereunder (excluding proceeds for Tenant's Property), and Landlord shall repair any injury or damage to the Tenant Improvements, alterations and the Original Improvements installed in the Premises and shall return such Tenant Improvements, alterations and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the sum of (A) amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, plus (B) any insurance proceeds received by Landlord with respect to such Tenant Improvements, alterations and Original Improvements (it being acknowledged and agreed that Tenant's insurance as to the Tenant Improvements, Alterations and Original Improvements is primary in nature and Landlord's insurance, if any, with respect to same is secondary in nature), the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. Tenant may elect to make reasonable value-engineering modifications to the plans for the restoration work to the extent necessary to minimize or eliminate any costs in excess of the insurance proceeds available for such restoration, except to the extent such shortfall of insurance proceeds is due to Tenant's failure to carry the insurance Tenant is obligated to carry under this Lease or to any deductible under such insurance policy Tenant carries or is obligated to carry under this Lease. In the event that Landlord does not deliver the Landlord Repair Notice within forty-five (45) days following the Damage Discovery Date, Tenant shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements, alterations, and the Original Improvements installed in the Premises and shall return such Tenant Improvements, alterations, and Original Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work.

19.4 If (i) Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided hereinabove, (ii) the damage constitutes a Tenant Damage Event (as defined below, and either (a) the repairs cannot, in the reasonable opinion of Landlord's contractor, be completed within two hundred ten (210) days after the date of the casualty, or (b) the damage occurs during the last twelve (12) months of the Term and will

reasonably require in excess of ninety (90) days to repair, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage (or within thirty (30) days after receipt of the Restoration Notice, if later), to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant (prior to which Tenant shall be entitled to an abatement of Rent as provided in Section 19.1). In the event of a Tenant Damage Event, and if the Lease does not terminate pursuant to the other provisions of this Article 19, then if Landlord fails to substantially complete the repair of such damage comprising a Tenant Damage Event on or before the date (the "Outside Restoration Completion Date") which is one (1) month after the date estimated for completion of such repair by landlord's contractor in the Restoration Notice, then Tenant shall have the option, exercisable by written notice to Landlord within thirty (30) days after the Outside Restoration Completion Date, to terminate this Lease ("Tenant's Second Termination Option"). The Outside Restoration Completion Date shall be extended by delays in the completion of the repair of the damage comprising a Tenant Damage Event to the extent caused by Force Majeure Events (other than the casualty that caused the damage) for up to thirty (30) days or by Tenant, its agents, employees or contractors. If Tenant exercises Tenant's Second Termination Option, the Lease shall terminate as of a date specified in Tenant's termination notice which is not less than thirty (30) days nor more than sixty (60) days after Tenant's notice to Landlord of the exercise of Tenant's Second Termination Option. As used herein, a "Tenant Damage Event" shall mean damage to all or any part of the Premises or any Common Areas necessary to Tenant's occupancy of the Premises by fire or other casualty, which damage (A) is not the result of the willful misconduct of Tenant or any of Tenant's agents, employees or contractors, and (B) substantially interferes with Tenant's use of or access to the Premises.

19.5 In the event this Lease is terminated in accordance with the terms of this Article 19, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Sections 13.2(e)(ii) and (iii).

19.6 The provisions of this Lease, including this Article 19, constitute an express agreement between Landlord and Tenant with respect to damage to, or destruction of, all or any portion of the Premises or the Project, and any statute or regulation of the State of California, including without limitation Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties (and any other statute or regulation now or hereafter in effect with respect to such rights or obligations), shall have no application to this Lease or to any damage or destruction to all or any portion of the Premises or the Project.

ARTICLE 20.
CONDEMNATION

20.1 If all of the Premises is condemned by eminent domain, inversely condemned or sold under threat of condemnation for any public or quasi-public use or purpose ("Condemned"), this Lease shall terminate as of the earlier of the date the condemning authority takes title to or possession of the Premises, and Rent shall be adjusted to the date of termination.

20.2 If any portion of the Premises or Building is condemned and such partial condemnation materially impairs Tenant's ability to use the Premises for Tenant's business as reasonably determined by Landlord, Landlord shall have the option in Landlord's sole and absolute discretion of either (i) relocating Tenant at Landlord's cost to comparable space within the Project that is reasonably acceptable to Tenant or (ii) terminate this Lease as of the earlier of the date title vests in the condemning authority or as of the date an order of immediate possession is issued and Rent shall be adjusted to the date of termination. If such partial condemnation does not materially impair Tenant's ability to use the Premises for the business of Tenant, Landlord shall promptly restore the Premises to the extent of any condemnation proceeds recovered by Landlord, excluding the portion thereof lost in such condemnation, and this Lease shall continue in full force and effect except that after the date of such title vesting or order of immediate possession Rent shall be equitably adjusted as reasonably determined by Landlord.

20.3 If the Premises are wholly or partially condemned, Landlord shall be entitled to the entire award paid for such condemnation, and Tenant waives any claim to any part of the award from Landlord or the condemning authority; provided, however, Tenant shall have the right to recover from the condemning authority such compensation as may be separately awarded to Tenant in connection with costs in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment to a new location and all Tenant's relocation costs. No condemnation of any kind shall be construed to constitute an actual or constructive eviction of Tenant or a breach of any express or implied covenant of quiet enjoyment. Tenant hereby waives the effect of Sections 1265.120 and 1265.130 of the California Code of Civil Procedure.

20.4 In the event of a temporary condemnation lasting one hundred eighty (180) days or less not extending beyond the Term, this Lease shall remain in effect, Tenant shall continue to pay Rent and Tenant shall receive any award made for such condemnation except damages to any of Landlord's property. If a temporary condemnation is for more than one hundred eighty (180) days or a period which extends beyond the Term, this Lease shall terminate as of the date of initial occupancy by the condemning authority and any such award shall be distributed in accordance with the preceding section.

ARTICLE 21.
HOLD HARMLESS

21.1 Tenant agrees to defend, with counsel approved by Landlord, all actions against Landlord, any member, partner, trustee, stockholder, officer, director, employee, or beneficiary of Landlord (collectively, "Landlord Parties"), holders of mortgages secured by the Premises or the Project and any other party having an interest therein (collectively with Landlord Parties, the "Indemnified Parties") with respect to, and to pay, protect, indemnify, and save harmless, to the extent permitted by law, all Indemnified Parties from and against, any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands, or judgments of any nature to which any Indemnified Party is subject because of its estate or interest in the Premises or the Project arising from (a) injury to or death of any person, or damage to or loss of property on the Premises, the Project, on adjoining sidewalks, streets or ways, that is in any of the foregoing cases, connected with the use, condition, or occupancy of the Premises, except to the extent, if any, caused by the

negligence or willful misconduct of Landlord or its employees, contractors or agents or Landlord's violation of this Lease, (b) any violation of this Lease by or attributable to Tenant, or (c) subject to Section 13.4, any act, fault, omission, or other misconduct of Tenant or its agents, contractors, licensees, sublessees, or invitees. Tenant hereby releases the Indemnified Parties from any and all such claims for any damage or injury to the fullest extent permitted by law.

21.2 Tenant agrees that Landlord shall not be responsible or liable to Tenant, its agents, employees, or invitees for fatal or non-fatal bodily injury or property damage occasioned by the acts or omissions of any other tenant, or such other tenant's agents, employees, licensees, or invitees, of the Project. Landlord shall not be liable to Tenant for losses due to theft, burglary, or damages done by persons on the Project.

ARTICLE 22.
DEFAULT BY TENANT

22.1 The term "Event of Default" refers to the occurrence of any one (1) or more of the following:

(a) Failure of Tenant to pay when due any sum required to be paid hereunder within five (5) days of receipt of written notice from Landlord (the "Monetary Default"); provided, however, that after the first failure to pay any sum required to be paid hereunder in any twelve (12) month period, in the event that Tenant fails a second time to pay when due any sum required to be paid hereunder during such twelve (12) month period, such failure shall be deemed to automatically constitute a Monetary Default without any obligation on Landlord to provide any additional written notice, and provided further that Tenant acknowledges that any such written notice provided hereunder shall be in lieu of, and not in addition to, any notice to pay rent or quit pursuant to any applicable statutes;

(b) Failure of Tenant, after thirty (30) days written notice thereof, to perform any of Tenant's obligations, covenants, or agreements except a Monetary Default, provided that if the cure of any such failure is not reasonably susceptible of performance within such thirty (30) day period, then an Event of Default of Tenant shall not be deemed to have occurred so long as Tenant has promptly commenced and thereafter diligently prosecutes such cure to completion;

(c) Tenant, or any guarantor of Tenant's obligations under this Lease (the "Guarantor"), admits in writing that it cannot meet its obligations as they become due; or is declared insolvent according to any law; or assignment of Tenant's or Guarantor's property is made for the benefit of creditors; or a receiver or trustee is appointed for Tenant or Guarantor or its property; or the interest of Tenant or Guarantor under this Lease is levied on under execution or other legal process; or any petition is filed by or against Tenant or Guarantor to declare Tenant bankrupt or to delay, reduce, or modify Tenant's debts or obligations; or any petition filed or other action taken to reorganize or modify Tenant's or Guarantor's capital structure if Tenant is a corporation or other entity. Any such levy, execution, legal process, or petition filed against Tenant or Guarantor shall not constitute a breach of this Lease provided Tenant or Guarantor shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within ninety (90) days from the date of its creation, service, or filing;

(d) The abandonment of the Premises by Tenant;

(e) The discovery by Landlord that any financial statement given by Tenant or any of its assignees, subtenants, successors-in-interest, or Guarantors was materially false; or

(f) If Tenant or any Guarantor shall die, cease to exist as a corporation or partnership (subject to Section 18.8), or be otherwise dissolved or liquidated, or shall make a transfer in fraud of creditors.

22.2 In the event of any Event of Default by Tenant, Landlord, at its option, may pursue one or more of the following remedies without notice or demand in addition to all other rights and remedies provided for at law or in equity:

(a) Landlord may continue this Lease in full force and effect, and this Lease shall continue in full force and effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect Rent when due.

"The lessor has the remedy described in Civil Code Section 1951.4 (lessor may continue the lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign subject only to reasonable limitations)."

(b) Landlord may terminate the Lease at any time by giving written notice to that effect. No act by Landlord other than giving written notice to Tenant shall terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord shall have the right to remove all personal property of Tenant and store it at Tenant's cost and to recover from Tenant as damages: (i) the worth at the time of award of unpaid Rent and other sums due and payable which had been earned at the time of termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent and other sums due and payable which would have been payable after termination until the time of award exceeds the amount of the Rent loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent and other sums due and payable for the balance of the Term after the time of award exceeds the amount of the Rent loss that Tenant proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which, in the ordinary course of things, would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord, with respect to (B)-(D) to the extent reasonably proportionate to the remaining Lease Term: (A) in retaking possession of the Premises, including reasonable attorneys' fees and costs

therefor; (B) maintaining or preserving the Premises for reletting to a new tenant, including repairs or alterations to the Premises for the reletting; (C) leasing commissions; (D) any other costs necessary or appropriate to relet the Premises; 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 the laws of the State of California.

The "worth at the time of award" of the amounts referred to in Sections 22.2(b)(i) and 22.2(b)(ii) shall be calculated by allowing interest at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, on the unpaid Rent and other sums due and payable from the termination date through the date of award. The "worth at the time of award" of the amount referred to in Section 22.2(b)(iii) shall be calculated by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%). Tenant waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other present or future law, if Tenant is evicted or Landlord takes possession of the Premises by reason of any Event of Default by Tenant.

22.3 If Landlord shall exercise any one or more remedies hereunder granted or otherwise available, it shall not be deemed to be an acceptance or surrender of the Premises by Tenant whether by agreement or by operation of law; it is understood that such surrender can be effected only by the written agreement of Landlord and Tenant.

22.4 Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, including, but not limited to, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity, or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord for any or all other rights or remedies provided for in this Lease or now or hereafter existing at or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and non-exclusive. All costs incurred by Landlord in connection with collecting any Rent or other amounts and damages owing by Tenant pursuant to the provisions of this Lease, or to enforce any provision of this Lease, including reasonable attorneys' fees from the date such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, shall also be recoverable by Landlord from Tenant, subject to Article 25. If any notice and grace period required under subparagraphs 22.1(a) or (b) was not previously given, a notice to pay rent or quit, or to perform or quit, as the case may be, given to Tenant under any statute authorizing the forfeiture of leases for unlawful detainer shall also constitute the applicable notice for grace period purposes required by subparagraphs 22.1(a) or (b). In such case, the applicable grace period under subparagraphs 22.1(a) or (b) and under the unlawful detainer statute shall run concurrently after the one such statutory notice, and the failure of Tenant to cure the default within the greater of the two (2) such grace periods shall constitute both an unlawful detainer and an Event of Default entitling Landlord to the remedies provided for in this Lease and/or by said statute.

22.5 If Tenant should fail to make any payment or cure any default hereunder within the time herein permitted and such failure constitutes an Event of Default (except in the case where if Landlord in good faith believes that action prior to the expiration of any cure period under Section 22.1 is necessary to prevent damage to persons or property, in which case Landlord may act without waiting for such cure period to expire), Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such default for the account of Tenant (and enter the Premises for such purpose), and thereupon, Tenant shall be obligated and hereby agrees to pay Landlord, upon demand, all reasonable costs, expenses, and disbursements, plus ten percent (10%) overhead cost incurred by Landlord in connection therewith.

22.6 Intentionally Omitted.

22.7 Nothing contained in this Article 22 shall limit or prejudice the right of Landlord to prove and obtain as damages in any bankruptcy, insolvency, receivership, reorganization, or dissolution proceeding, an amount equal to the maximum allowed by any statute or rule of law governing such a proceeding and in effect at the time when such damages are to be proved, whether or not such amount be greater, equal, or less than the amounts recoverable, either as damages or Rent, referred to in any of the preceding provisions of this Article 22. Notwithstanding anything contained in this Article to the contrary, any such proceeding or action involving bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, or appointment of a receiver or trustee, as set forth above, shall be considered to be an Event of Default only when such proceeding, action, or remedy shall be taken or brought by or against the then holder of the leasehold estate under this Lease.

22.8 Landlord is entitled to accept, receive, in check or money order, and deposit any payment made by Tenant for any reason or purpose or in any amount whatsoever, and apply them at Landlord's option to any obligation of Tenant, and such amounts shall not constitute payment of any amount owed, except that to which Landlord has applied them. No endorsement or statement on any check or letter of Tenant shall be deemed an accord and satisfaction or recognized for any purpose whatsoever. The acceptance of any such check or payment shall be without prejudice to Landlord's rights to recover any and all amounts owed by Tenant hereunder and shall not be deemed to cure any other default nor prejudice Landlord's rights to pursue any other available remedy, Landlord's acceptance of partial payment of Rent does not constitute a waiver of any rights, including without limitation any right Landlord may have to recover possession of the Premises.

22.9 In the event that Tenant's right of possession of the Premises is terminated prior to the end of the initial Term by reason of an Event of Default by Tenant, then immediately upon such termination, an amount shall be due and payable by Tenant to Landlord equal to the unamortized portion as of that date (which amortization shall be based on an interest rate of eleven percent (11%) per annum and the number of months of unexpired Lease term) of the sum of (a) the cost of Landlord's Work (if any), (b) the Allowance (if any), (c) the value of any free Base Rent (i.e., the Base Rent stated in this Lease to be abated as an inducement to Tenant's entering into this Lease) enjoyed as of that date by Tenant, and (d) the amount of all commissions paid by Landlord in order to procure this Lease (collectively, the "Inducements"). Notwithstanding the foregoing, Landlord shall not be entitled to recover such unamortized portions of the Inducements as provided in this Section 22.9 if, following an uncured default under this Lease by Tenant, Landlord elects to pursue its remedy against Tenant pursuant to California Civil Code Section 1951.4, or if Landlord recovers the discounted present value of all

rent payable for the entire term of the Lease pursuant to California Civil Code Section 1951.2. To the extent Landlord recovers the discounted present value of some, but not all, of the rent payable following the termination of this Lease resulting from Tenant's default, the number of months of such rent so recovered by Landlord shall be subtracted from the "number of months of unexpired lease term" in the formula set forth above.

22.10 Tenant waives the right to terminate this Lease on Landlord's default under this Lease. Tenant's sole remedy on Landlord's default is an action for damages or injunctive or declaratory relief. Landlord's failure to perform any of its obligations under this Lease shall constitute a default by Landlord under this Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required performance cannot be completed within thirty (30) days, Landlord's failure to perform shall constitute a default under the Lease unless Landlord undertakes to cure the failure within thirty (30) days and diligently and continuously attempts to complete this cure as soon as reasonably possible. All obligations of each party hereunder shall be construed as covenants, not conditions.

ARTICLE 23.
INTENTIONALLY OMITTED

ARTICLE 24.
INTENTIONALLY OMITTED

ARTICLE 25.
ATTORNEYS' FEES

25.1 All costs and expenses, including reasonable attorneys' fees (whether or not legal proceedings are instituted), involved in collecting rents, enforcing the obligations of Tenant, or protecting the rights or interests of Landlord under this Lease, whether or not an action is filed, including without limitation the cost and expense of instituting and prosecuting legal proceedings or recovering possession of the Premises after default by Tenant or upon expiration or sooner termination of this Lease, shall be due and payable by Tenant on demand, as Additional Rent, subject to the following sentence. In addition, and notwithstanding the foregoing, if either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party in such action shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees incurred by the prevailing party, as determined by the trier of fact in such legal proceeding. For purposes of this provision, the terms "attorneys' fees" or "attorneys' fees and costs," or "costs and expenses" shall mean the fees and expenses of legal counsel (including external counsel but excluding in-house counsel) of the parties hereto, which include printing, photocopying, duplicating, mail, overnight mail, messenger, court filing fees, costs of discovery, and fees billed for law clerks, paralegals, investigators and other persons not admitted to the bar for performing services under the supervision and direction of an attorney. In addition, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing any judgment arising from a suit or proceeding under this Lease, including without limitation post-judgment motions, contempt proceedings, garnishment, levy and debtor and third party examinations, discovery and bankruptcy litigation, without regard to schedule or rule of

court purporting to restrict such award. This post-judgment award of attorneys' fees and costs provision shall be severable from any other provision of this Lease and shall survive any judgment/award on such suit or arbitration and is not to be deemed merged into the judgment/award or terminated with the Lease.

ARTICLE 26.
NON-WAIVER

26.1 Neither acceptance of any payment by Landlord from Tenant nor, failure by Landlord to complain of any action, non-action, or default of Tenant shall constitute a waiver of any of Landlord's rights hereunder. Time is of the essence with respect to the performance of every obligation of each party under this Lease in which time of performance is a factor. Waiver by either party of any right or remedy arising in connection with any default of the other party shall not constitute a waiver of such right or remedy or any other right or remedy arising in connection with either a subsequent default of the same obligation or any other default. No right or remedy of either party hereunder or covenant, duty, or obligation of any party hereunder shall be deemed waived by the other party unless such waiver is in writing, signed by the other party or the other party's duly authorized agent.

ARTICLE 27.
RULES AND REGULATIONS

27.1 Such reasonable rules and regulations applying to all lessees in the Project for the safety, care, and cleanliness of the Project and the preservation of good order thereon are hereby made a part hereof as Exhibit D, and Tenant agrees to comply with all such rules and regulations. Landlord shall have the right at all times to change such rules and regulations or to amend them in any reasonable and non-discriminatory manner as may be deemed advisable by Landlord, all of which changes and amendments shall be sent by Landlord to Tenant in writing and shall be thereafter carried out and observed by Tenant. Landlord shall not have any liability to Tenant for any failure of any other lessees of the Project to comply with such rules and regulations.

ARTICLE 28.
ASSIGNMENT BY LANDLORD; RIGHT TO LEASE

28.1 Landlord shall have the right to transfer or assign, in whole or in part, all its rights and obligations hereunder and in the Premises and the Project. In such event, no liability or obligation shall accrue or be charged to Landlord with respect to the period from and after such transfer or assignment and assumption of Landlord's obligations by the transferee or assignee.

28.2 Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Buildings or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Buildings or Project.

ARTICLE 29.
LIABILITY OF LANDLORD

29.1 It is expressly understood and agreed that the obligations of Landlord under this Lease shall be binding upon Landlord and its successors and assigns and any future owner of the Project only with respect to events occurring during its and their respective ownership of the Project. In addition, Tenant agrees to look solely to Landlord's interest in the Project for recovery of any judgment against Landlord arising in connection with this Lease, it being agreed that neither Landlord nor any successor or assign of Landlord nor any future owner of the Project, nor any partner, shareholder, member, or officer of any of the foregoing shall ever be personally liable for any such judgment. The limitations of liability contained in this Section 29.1 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for any indirect or consequential damages or any injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

ARTICLE 30.
SUBORDINATION AND ATTORNMENT

30.1 This Lease, at Landlord's option, shall be subordinate to any present or future mortgage, ground lease or declaration of covenants regarding maintenance and use of any areas contained in any portion of the Building, and to any and all advances made under any present or future mortgage and to all renewals, modifications, consolidations, replacements, and extensions of any or all of same. Tenant agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. If any holder of a mortgage shall elect for this Lease to be superior to the lien of its mortgage and shall give written notice thereof to Tenant, then this Lease shall automatically be deemed prior to such mortgage whether this Lease is dated earlier or later than the date of said mortgage or the date of recording thereof. Tenant agrees to execute such documents as may be further required to evidence such subordination or to make this Lease prior to the lien of any mortgage or deed of trust, as the case may be and Tenant's failure to do so within ten (10) days after written demand shall, if Landlord so elects, constitute an Event of Default if such failure continues more than three (3) days after Landlord's delivery of written notice thereof. Tenant hereby attorns to all successor owners of the Building, whether or not such ownership is acquired as a result of a sale through foreclosure or otherwise. Landlord agrees to deliver to Tenant from any future mortgagee or beneficiary a written subordination and non-disturbance agreement in recordable form on the mortgagee's or beneficiary's then standard form providing that so long as Tenant performs all of the terms of this Lease, Tenant's possession under this Lease shall not be disturbed, this Lease will continue and Tenant shall not be joined by the holder of any mortgage or deed of trust in any action or proceeding to foreclose thereunder, except where such is necessary for jurisdictional or procedural reasons. Landlord agrees to use commercially

reasonable efforts to obtain a written subordination and non-disturbance agreement from such mortgagee or beneficiary in a form reasonably acceptable to Tenant; provided that Tenant shall pay all costs incurred by Landlord in obtaining that subordination and non-disturbance agreement. "Commercially reasonable efforts" of Landlord shall not require Landlord to incur any cost, expense or liability to obtain such agreement, it being agreed that Tenant shall be responsible for any fee or review costs charged by such mortgagee or beneficiary. Landlord's failure to obtain a non-disturbance, subordination and attornment agreement for Tenant in a form reasonably acceptable to Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder.

30.2 Tenant shall, at such time or times as Landlord may request, upon not less than ten (10) days' prior written request by Landlord, sign and deliver to Landlord an estoppel certificate, which shall be substantially in the form of Exhibit E, attached hereto (or such other commercially reasonable form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain such other information and agreements as may be reasonably requested, it being intended that any such statement delivered pursuant to this Article may be relied upon by Landlord and by any prospective purchaser of all or any portion of the Project, or a holder or prospective holder of any mortgage encumbering the Project, or any portion thereof. Tenant's failure to deliver such statement within five (5) days after Landlord's second written request therefor shall constitute an Event of Default (as that term is defined elsewhere in this Lease) and shall conclusively be deemed to be an admission by Tenant of the matters set forth in the request for an estoppel certificate.

30.3 Tenant shall deliver to Landlord at any time upon Landlord's request, Tenant's current audited financial statements, including a balance sheet and profit and loss statement for the most recent prior year (collectively, the "Statements"), which Statements shall accurately and completely reflect the financial condition of Tenant. Landlord shall have the right to deliver the same to any proposed purchaser of the Building or the Project, and to any encumbrancer of all or any portion of the Building or the Project. Landlord further agrees to keep the Tenant's financials delivered to Landlord pursuant to Section 30.3 and identified by Tenant in writing as confidential (the "Confidential Information") in confidence for its information only and not to disclose the Confidential Information to anyone else, except (a) to the directors, officers, employees, affiliates and advisors (including attorneys, counsels, consultants and financial advisors) of Landlord; (b) as required by law; (c) to any regulators having jurisdiction over Landlord's businesses; (d) to any purchaser or prospective purchaser of Landlord's property in which Tenant is a tenant or subtenant and any lender holding a lien secured by such property; (e) in connection with any litigation between Tenant on the one hand and Landlord on the other; and (f) to any investor or pension fund for which Landlord holds title to the property; provided that Landlord requires in writing that the parties in subparts (a), (d) and (f) hold such information confidentially. Landlord agrees not to use such information for any other purposes unless it shall have first entered into a further written agreement with Tenant relating to that other use of the Confidential Information proposed by the Landlord. Notwithstanding the foregoing, Landlord shall be free to use any of the following information obtained lawfully from others: (i) information which is, at the time of disclosure, in the public domain; (ii) information which, after disclosure, enters the public domain, except where such entry is the result of a breach of this Lease; (iii) information which, prior to the disclosure, was

already known to Landlord; and; (iv) information which is rightfully received by Landlord from a third party. The provisions of this Section 30.3 with respect to confidentiality supersede any prior confidentiality or nondisclosure agreements executed for the benefit of Tenant or its affiliates by on or behalf of the Landlord or any of its members.

30.4 The Statements are represented and warranted by Tenant to be correct and to accurately and fully reflect Tenant's true financial condition as of the date thereof.

30.5 Landlord represents that, as of the date of this Lease, there is no (a) deed of trust or mortgage encumbering the Project or (b) ground lease affecting the Building.

ARTICLE 31.
HOLDING OVER

31.1 In the event Tenant, or any party claiming under Tenant, retains possession of the Premises after the Expiration Date or Termination Date, such possession shall be that of a tenant at sufferance and an unlawful detainer. No tenancy or interest shall result from such possession, and such parties shall be subject to immediate eviction and removal. Tenant or any such party shall pay Landlord, as Base Rent for the period of such holdover, a monthly amount equal to one hundred fifty percent (150%) of (a) the Base Rent for the last period prior to the date of such termination, plus (b) Additional Rent attributable to Operating Expenses and Taxes as provided in Article 5 of this Lease during the time of holdover, together with all other Additional Rent and other amounts payable pursuant to the terms of this Lease. Such tenancy at sufferance shall be subject to every other applicable term, covenant and agreement contained herein. Tenant shall also be liable for any and all damages sustained by Landlord as a result of such holdover. Tenant shall vacate the Premises and deliver same to Landlord immediately upon Tenant's receipt of notice from Landlord to so vacate. The Rent during such holdover period shall be payable to Landlord on demand. Landlord's acceptance of Rent if and after Tenant holds over shall not convert Tenant's tenancy at sufferance to any other form of tenancy or result in a renewal or extension of the Term of this Lease, unless otherwise specified by notice from Landlord to Tenant.

ARTICLE 32.
SIGNS

32.1 No sign, symbol, or identifying marks shall be put upon the Project, Building, in the halls, elevators, staircases, entrances, parking areas, or upon the doors or walls, without the prior written approval of Landlord in its sole discretion. Should such approval ever be granted, all signs or lettering shall conform in all respects to the sign and/or lettering criteria established by Landlord and comply with all Applicable Laws. Landlord, at Landlord's sole cost and expense, reserves the right to change the door plaques as Landlord deems reasonably desirable.

32.2 Landlord shall, at Tenant's sole cost and expense, install standard signage at the entrance to the Premises, and one line of signage (the "Monument Signage") on the Building monument sign and at the top of the Building (the "Building-top Signage") identifying Tenant's name. The graphics, materials, color, design, lettering, size and specifications of

Tenant's Monument Signage and Building-top Signage shall be subject to the reasonable approval of Landlord and all applicable governmental authorities and shall conform to Landlord's approved sign plan for the Building. At the expiration or earlier termination of this Lease or termination of Tenant's sign rights as provided below, Landlord shall, at Tenant's sole cost and expense, cause the Monument Signage and Building-top Signage to be removed and the area of the monument sign and top of the Building affected by the Monument Signage and Building-top Signage, as applicable, to be restored to the condition existing prior to the installation of Tenant's Monument Signage and Building-top Signage. The right to Monument Signage and Building-top Signage is personal to the initially named Tenant in this Lease and any Permitted Transferee of the Original Tenant who is an assignee of that Original Tenant's entire interest in this Lease. To the extent Tenant desires to change the name and/or logo set forth on the Monument Signage and/or Building-top Signage, such name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings. All of Tenant's rights to install and maintain the Building-top Signage at the top of the Building in accordance with this Section 32.2 shall terminate upon notice from Landlord during any period in which Tenant or a Permitted Transferee ceases to occupy at least one entire floor of the Building.

32.3 Landlord, at Tenant's sole cost and expense, shall provide Tenant with Building standard lobby and suite signage.

ARTICLE 33.
HAZARDOUS SUBSTANCES

33.1 Except for those materials listed on Exhibit I attached hereto and general office supplies typically used in an office area in the ordinary course of business, such as copier toner, liquid paper, glue, ink, and cleaning solvents (collectively, "Permitted Hazardous Materials"), for use in the manner for which they were designed, in such amounts as may be normal for the office business operations conducted by Tenant in the Premises, neither Tenant nor its agents, employees, contractors, licensees, sublessees, assignees, concessionaires or invitees shall use, handle, store or dispose of any Hazardous Materials in, on, under or about the Premises or the Project. Except for Hazardous Materials customarily used in connection with general office uses and those listed on Exhibit I, Tenant shall not cause or permit any Hazardous Material to be used, stored, generated or disposed of on or in the Project or the Premises by Tenant, Tenant's agents, employees, contractors, or invitees. Exhibit I shall also list applicable Environmental Protection Agency and California Hazardous Materials codes for each waste stream. If any Hazardous Materials are used, stored, generated, or disposed of on or in the Premises by any Tenant Parties (as defined below) including those customarily used in connection with general office uses, or if the Premises become contaminated by any release or discharge of a Hazardous Material by any Tenant Parties and any person in the Premises other than Landlord parties. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant, and expert fees) arising during or after the term of this Lease and arising as a result of such

contamination, release or discharge. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any clean-up, remediation, removal, or restoration mandated by federal, state or local agency or political subdivision. As used herein, “Tenant Parties” means Tenant and the agents, contractors, employees, subtenants, licensees and invitees of Tenant. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Material on the Premises (other than due to subsurface migration from sources outside the Premises) and the same results in any contamination, release or discharge, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the conditions existing prior to the presence of any such Hazardous Material on the Premises. Tenant shall first obtain Landlord’s approval for any such remedial action. Furthermore, Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or the Project concerning the presence of any Hazardous Material of which Tenant receives notice. Tenant acknowledges that Landlord, at Landlord’s election, shall have the sole right, at Tenant’s expense, to negotiate, defend, approve and appeal any action taken or order issued by any governmental authority with regard to any Hazardous Material contamination for which Tenant is obligated hereunder.

33.2 Any storage, use or handling by Tenant at the Premises of any Hazardous Materials other than the Permitted Hazardous Materials shall be subject to the prior written consent of Landlord, which consent of Landlord shall not be unreasonably withheld, conditioned or delayed by Landlord; provided they are reasonable in quantity and ancillary to Tenant’s permitted use of the Premises. . Tenant agrees that Landlord shall be deemed to have acted reasonably in withholding consent to an additional Hazardous Material if the same Hazardous Material is then located in the soil or groundwater of the Project. In the event that at any time on or after the date of this Lease Tenant wishes to use, store and/or handle within the Premises any Hazardous Materials other than the Permitted Hazardous Materials, then Tenant shall give prompt notice therefore to Landlord, which notice from Tenant to Landlord shall include a request for the written consent of Landlord. Such notice shall identify the Hazardous Materials in question, the maximum quantity intended to store at any time, the manner in which such Hazardous Materials are contemplated to be used, stored or handled, the estimate times and time frames within which such Hazardous Materials are contemplated to be used, stored and/or handled at the Premises by Tenant, and true and complete copy of an appropriate Safety Data Sheet (“SDS”) showing the applicable Risk Levels relating thereto. Landlord hereby consents to the use, storage and handling within the Premises by Tenant of the Permitted Hazardous Materials so long as Tenant shall use, store and handle the same at all times:

(a) in accordance with terms and conditions of this Paragraph 33.2;

(b) in accordance with all Environmental Requirements;

(c) only after taking all reasonable precautions and utilizing such engineering controls, at its sole cost and expense, as are necessary to adequately prevent the release and dispersion of the Hazardous Material, and to adequately ventilate Hazardous Materials, odors and fumes in the Premises in accordance with health and safety standards and to prevent any Hazardous Materials releases, odors and fumes from emanating from the Premises, including the installation of such reasonable control devises and the establishment of reasonable control procedures to eliminate such releases and odors wherever such Hazardous Substances are used, handled and/or stored in the Premises;

(d) in accordance with Tenant's hazardous materials storage management plans and procedures, emergency response procedures, and hazardous materials disposal procedures reviewed and approved by the Landlord, which approval shall not be unreasonably withheld;

(e) subject to obtaining, and in accordance with the conditions under, any and all required permits and Landlord and/or governmental approvals; and

(f) in amounts not in excess of the maximum amounts for same, as applicable, described in Exhibit I or in the written consent to the same given to Tenant by Landlord. The quantities listed on Exhibit I are the maximum amount that Tenant may have at the Premises at any one time, and any increase in the quantities listed shall be subject to Landlord's prior written consent pursuant to the acceptable to Landlord terms in this Paragraph 33.2.

33.3 As used herein, "Hazardous Material" means asbestos, any petroleum fuel, Polychlorinated Biphenyls ("PCBs"), biological or radiological and any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States government, including, but not limited to, any material or substance defined as a "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "hazardous material", "biological agents", "biohazardous materials" or "toxic pollutant" under the California Health and Safety Code, the Resource Conservation and Recovery Act and/or under the Comprehensive Environmental Response, Compensation and Liability Act, 42, U.S.C. Section T9901, et. seq., viruses and bioengineered materials, pharmaceuticals, Medical Waste as defined in 42 U.S.C. 6992 (1998) or any comparable law, drugs or other medical or research items and substances and any and all materials used in biomedical research for which special reporting, handling (including special security measures to prevent theft or misuse) and/or disposal is required.

33.4 As used herein, the term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, permits, authorizations, orders, policies or other similar requirements of any governmental authority, agency or court regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment and all industry standards, including, without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Clean Air Act; the Clean Water Act; the Toxic Substances Control Act, the Chemical Hazards Regulation, the Transportation of Dangerous Goods Control Act and Regulation, and the Occupational Health and Safety Act and all state and local counterparts thereto; including but not limited to all applicable California requirements, and any policies or rules promulgated thereunder as well as any County or City ordinances (including County waste management or public health ordinances and regulations) that may operate independent of, or in conjunction with, the State programs, as well as the standards, policies and procedures set forth in the CDC/NIH publication *Biosafety in Microbiological and Biomedical Laboratories*, and any common or civil law obligations including, without limitation, nuisance or trespass, and any other requirements of Article 34 of this Lease.

33.5 Attached hereto as Exhibit I is a schedule of all Hazardous Materials that Tenant uses in its operations, together with an outline of all procedures for handling and storage in the Premises, and removal from the Premises at the expiration of the Lease Term, of such Hazardous Materials. So long as Tenant complies with all Environmental Requirements, Landlord consents to Tenant's use of those Hazardous Materials in the amounts and manner of use disclosed in Exhibit I.

33.6 For purposes of Environmental Requirements, to the extent authorized by law, Tenant is and shall be deemed to be the responsible party, including without limitation, the "owner" and "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant, its agents, employees, contractors or invitees, and the "generator" of all wastes, by-products, or residues generated, resulting, or produced therefrom; provided that Tenant shall not be deemed to be the "owner" or "operator" or "generator" with respect to any Hazardous Materials existing on, in or under the Premises on the date possession of the Premises is tendered to Tenant (the "Pre-Existing the Hazardous Materials"), except to the extent any hazard posed by such Pre-Existing Hazardous Materials is exacerbated by, or the cost to clean up, remove or remediate such Pre-Existing Hazardous Materials is increased as a result of, the negligence or willful misconduct of Tenant or any of Tenant's employees, agents, contractors, assignees, or sublessees.

33.7 With respect to any and all Hazardous Materials brought into the Project by Tenant, its agents, employees, invitees, sublessees or contractors, Tenant shall, without any limitation and in addition to any other requirements of this Lease or any Environmental Requirements, and shall cause its agents, employees, invitees, sublessees and contractors to perform the following in a prompt, timely and complete manner:

(a) Comply with all Environmental Requirements, including both requirements for the handling, use and disposal of Hazardous Materials (including security regulations designed to prevent theft or misuse of Hazardous Substances). Tenant shall request any Hazardous Materials disposal service to use un-branded vehicles at the Premises, Building and Project and, to the extent not required by applicable law, Tenant shall not post any external "Hazardous Materials" signage, or the like, on the Premises, Building or Project;

(b) Comply with all Environmental Requirements for reporting, obtaining, keeping, and submitting manifests, permits, material data sheets, inspection reports, and storage, use and disposal documentation;

(c) Maintain on the Premises true and correct copies of all documents responsive to Section 33.7(b) above that are required to be kept for inspection by applicable governmental authorities and/or are required to be available to Tenant's employees;

(d) Deliver to Landlord, within one (1) business day after delivery to the applicable governmental entity, a copy of any notice, report, correspondence or documentation related to any alleged or actual violation or potential violation of any Environmental Requirements, provided that Tenant shall give Landlord verbal notice as soon as possible of any violation of Environmental Requirements involving an imminent threat of damage to persons or property;

(e) Maintain, update in compliance with Environmental Requirements (as the same may be amended from time to time) and submit to Landlord complete, true and correct copies of Tenant's written handling procedures, handbooks, training guides and guidelines (provided that Tenant acknowledges that no action of Landlord shall make Landlord liable for the contents or inadequacies thereof);

(f) Maintain, update in compliance with Environmental Requirements (as the same may be amended from time to time) and submit to Landlord complete, true and correct copies of Tenant's written emergency procedures relating to unauthorized release of Hazardous Materials (provided that Tenant acknowledges that no action of Landlord shall make Landlord liable for the contents or inadequacies thereof);

(g) If Landlord has reasonable cause to believe that a violation of this Article 33 or a hazardous situation involving Hazardous Substances may have occurred or is reasonably likely to occur, then within five (5) days of Landlord's request (or less as required by Landlord if Landlord believes that the situation involves potential imminent danger to persons or property), submit written reports to Landlord regarding (or at Landlord's option meet to discuss) Tenant's use, transportation, generation, treatment, storage and/or disposal of Hazardous Materials and provide evidence satisfactory to Landlord of Tenant's compliance with all Environmental Requirements and this Lease;

(h) Conduct such periodic reviews of employee procedures and past practices as are customary in the industry to reasonably ensure compliance with all Environmental Requirements;

(i) Allow Landlord and/or Landlord's agents and representatives to enter and inspect the Premises, subject to Section 7.2, to check Tenant's compliance with all Environmental Requirements and/or inspect any documents or materials required to be maintained by Tenant under this Article 33, and fully cooperate and assist with any such investigation or inspection by Landlord and/or Landlord's agents and representatives;

(j) On or before the first time Tenant uses Hazardous Materials in the Premises, Tenant shall deliver to Landlord copies of one or more Certifications showing that it has established procedure, practices and systems such that it will be conducting its use within the Premises in compliance with all Environmental Requirements. Tenant shall provide new or re-reviewed Certifications as they are prepared in the normal course of business, but not less frequently than once every two (2) years. If no such Certification has been prepared within one (1) year prior to the time one is due, Tenant shall cause one to be prepared. If Tenant has prepared or received multiple Certifications, then all shall be delivered.

(k) If Landlord reasonably believes that Tenant is not in compliance with all Environmental Requirements, Landlord may cause an independent review of Tenant's procedures for handling and disposing of Hazardous Materials to be conducted at Landlord's sole cost and expense (which shall not be included as part of Operating Expenses) by an independent third party consultant reasonably acceptable to Landlord and Tenant. If the independent review finds that Tenant is in violation of applicable Environmental Requirements, Tenant shall reimburse Landlord for the actual cost of the review within thirty (30) days of receipt of an invoice therefor from Landlord.

(l) As used in this Lease, "Certification" means a review of the applicable facilities or procedures either (i) conducted by an Independent Third Party, or (ii) conducted by Tenant and reviewed and approved in writing by an Independent Third Party. As used with respect to Certifications, "Independent Third Party" shall mean either a private company that is not an Affiliate of Tenant or a governmental agency.

33.8 Prior to the expiration or earlier termination of the Lease Term, Tenant shall provide a decommissioning report prepared or reviewed by a qualified Independent Third Party showing Tenant's compliance with all decommissioning rules and regulations and demonstrating that the Premises have been left in a clean and uncontaminated state.

33.9 Tenant represents and warrants to Landlord that:

(a) Tenant is familiar and proficient with all Environmental Requirements involved in or Tenant's use of the Premises;

(b) Tenant's business, research and other practices on the Premises shall comply with all Environmental Requirements; and

(c) Tenant has prepared written guidelines, employee training, handbooks and procedures in compliance with all Environmental Requirements, shall continually update and amend the same as required by any changes to or new Environmental Requirements, and shall train all personnel on the Premises to comply with all Environmental Requirements.

33.10 Notwithstanding anything to the contrary in this Lease, the provisions of this Article 33 shall survive the expiration or termination of the Lease with respect to any events occurring prior to such expiration or termination.

33.11 Landlord hereby informs Tenant, and Tenant hereby acknowledges, that the Premises and adjacent properties overlie a former solid waste landfill site commonly known as the Westport Landfill ("Former Landfill"). Landlord further informs Tenant, and Tenant hereby acknowledges, that (i) prior testing has detected the presence of low levels of certain volatile and semi-volatile organic compounds and other hazardous substances in the groundwater, in the leachate from the landfilled solid waste, and/or in certain surface waters of the Project, as more fully described in the California Regional Water Quality Control Board, San Francisco Bay Region's ("Regional Board") Order No. R2-2003-0074 (Updated Waste Discharge Requirements and Rescission of Order No. 94-181) ("Order"), (ii) methane gas is or may be generated by the landfilled solid waste (item "i" immediately preceding and this item "ii" are

hereafter collectively referred to as the "Landfill Condition"), and (iii) the Premises and the Former Landfill are subject to the Order. The Order is attached hereto as Exhibit H. As evidenced by their initials on said Exhibit H, Tenant acknowledges that Landlord has provided Tenant with copies of the Order, and Tenant acknowledges that Tenant and Tenant's experts (if any) have had ample opportunity to review the Order and that Tenant has satisfied itself as to the environmental conditions of the Property and the suitability of such conditions for Tenant's intended use of the Property. Additional environmental reports are available for Tenant's review at Landlord's offices. In the event the Regional Board determines that the majority of the Premises cannot be occupied for a period in excess of thirty (30) days due to the any Hazardous Materials conditions related to the Landfill Condition, then, provided Tenant has not caused and/or contributed to the incident responsible for said occupancy restriction, Tenant may terminate this Lease provided Tenant gives Landlord written notice within five (5) days of Tenant's receipt of notice that the Premises cannot be occupied for the purpose referenced in this Lease of its election to so terminate the Lease in the event Tenant cannot occupy the majority of the Premises at the conclusion of the thirty (30) day period. In the event said notice is received by Landlord as required herein and the majority of the Premises cannot be occupied as referenced above, this Lease shall thereafter terminate on the date of termination referenced in said Tenant notice (which date shall not be less than thirty (30) days from the date the Premises are deemed un-occupiable). Tenant agrees to cooperate and provide Landlord and the Regional Board or their authorized representatives, upon presentation of credentials, subject to Section 7.2, during normal business hours, immediate entry upon the Premises to assess any and all aspects of the environmental condition of the Project and its use, including, but not limited to, conducting any environmental assessment or audit, taking samples of soil, groundwater or other water, air or building materials, the inspection of treatment equipment, monitoring equipment or monitoring methods, or sampling of any discharge governed by the Order.

ARTICLE 34.
COMPLIANCE WITH LAWS AND OTHER REGULATIONS

34.1 Tenant, at its sole cost and expense, shall promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter become in force, of federal, state, county, and municipal authorities, including without limitation the Americans with Disabilities Act and the California Energy Code, Title 24, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, and with any occupancy certificate issued pursuant to any law by any public officer or officers, which impose, any duty upon Landlord or Tenant, insofar as any thereof relate to or affect the condition, use, alteration, or occupancy of the Premises. Landlord's approval of Tenant's plans for any improvements shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities, including, but not limited to, the Americans with Disabilities Act.Tenant shall not be obligated to make any capital improvements to the Premises in order to comply with Applicable Laws, except to the extent the capital improvement is required due to a Trigger Event (as defined below). As used herein, the term "Trigger Event" means one or more of the following events or circumstances:

(a) Tenant's particular use of the Premises (other than normal office uses);

(b) The manner of conduct of Tenant's business or operation of its installations, equipment or other property outside those of normal office use;

(c) The performance of any improvements or alterations or the installation of any Tenant systems; or

(d) The breach of any of Tenant's obligations under this Lease.

34.2 As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor, to its knowledge, is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "Prohibited Person"); (ii) Tenant is not (nor to its knowledge is it owned or controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) neither Tenant (nor to its knowledge any person, group, entity or nation which owns or controls Tenant, directly or indirectly) has conducted or will conduct business or has engaged or will engage in any transaction or dealing with any Prohibited Person, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person. Tenant covenants and agrees (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this Section 34.2 are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any Prohibited Person to make any payment due to Landlord under the Lease and (d) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof. Any breach by Tenant of the foregoing representations and warranties shall be deemed an Event of Default by Tenant under this Lease and shall be covered by the indemnity provisions of Section 21.1 above. The warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

34.3 Pursuant to California Civil Code Section 1938, Tenant is hereby notified that, as of the date hereof, the Project has not undergone an inspection by a "Certified Access Specialist" and except to the extent expressly set forth in this Lease, Landlord shall have no liability or responsibility to make any repairs or modifications to the Premises or the Project in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The

parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Tenant acknowledges that Landlord has made no representation regarding compliance of the Premises or the Project with accessibility standards, except as expressly set forth herein. Any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Building with regard to such inspections and shall be subject to Landlord's prior written consent.

ARTICLE 35.
SEVERABILITY

35.1 This Lease shall be construed in accordance with the laws of the State of California. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the Term, then 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 both parties that in lieu of each clause or provision that is illegal, or unenforceable, there is added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and still be legal, valid, and enforceable.

ARTICLE 36.
NOTICES

36.1 All notices, demands, designations, approvals or other communications (collectively, "Notices") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (i) sent by United States certified or registered mail, postage prepaid, return receipt requested ("Mail"), (ii) delivered by a nationally recognized overnight courier, or (iii) delivered personally. Any Notice shall be sent, or delivered, as the case may be, to Tenant at the appropriate address set forth in the Basic Lease Information, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth in the Basic Lease Information, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (A) three (3) business days after the date it is posted if sent by Mail, (B) the date the overnight courier delivery is made, or (C) the date personal delivery is made. Any Notice given by an attorney on behalf of Landlord or by Landlord's managing agent shall be considered as given by Landlord and shall be fully effective.

ARTICLE 37.
OBLIGATIONS OF, SUCCESSORS, PLURALITY, GENDER

37.1 Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words imparting such covenants were used in each paragraph hereof, and that, except as restricted by the provisions hereof, shall bind and inure to the benefit of the parties hereto, their respective successors, and assigns. If the rights of Tenant hereunder are owned by two or more parties, or two or more parties are designated herein as Tenant, then all such parties shall be jointly and severally liable for the obligations of Tenant hereunder. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

ARTICLE 38.
ENTIRE AGREEMENT

38.1 This Lease and any attached addenda or exhibits constitute the entire agreement between Landlord and Tenant. No prior or contemporaneous written or oral leases or representations shall be binding. This Lease shall not be amended, changed, or extended except by written instrument signed by Landlord and Tenant.

38.2 THE SUBMISSION OF THIS LEASE BY LANDLORD, ITS AGENT OR REPRESENTATIVE FOR EXAMINATION OR EXECUTION BY TENANT DOES NOT CONSTITUTE AN OPTION OR OFFER TO LEASE THE PREMISES UPON THE TERMS AND CONDITIONS CONTAINED HEREIN OR A RESERVATION OF THE PREMISES IN FAVOR OF TENANT, IT BEING INTENDED HEREBY THAT THIS LEASE SHALL ONLY BECOME EFFECTIVE UPON THE EXECUTION HEREOF BY LANDLORD AND DELIVERY OF A FULLY EXECUTED LEASE TO TENANT.

ARTICLE 39.
CAPTIONS

39.1 Paragraph captions are for Landlord’s and Tenant’s convenience only, and neither limit nor amplify the provisions of this Lease.

ARTICLE 40.
CHANGES

40.1 Should any mortgagee require a modification of this Lease, which modification will not bring about any increased cost or expense to Tenant or in any other way substantially and adversely change the rights and obligations of Tenant hereunder or materially interfere with Tenant’s occupancy of the Premises, then and in such event Tenant agrees that this Lease may be so modified.

ARTICLE 41.
AUTHORITY

41.1 All rights and remedies of Landlord under this Lease, or those which may be provided by law, may be exercised by Landlord in its own name individually, or in its name by its agent, and all legal proceedings for the enforcement of any such rights or remedies, including distress for Rent, unlawful detainer, and any other legal or equitable proceedings may be commenced and prosecuted to final judgment and be executed by Landlord in its own name individually or in its name by its agent. Landlord and Tenant each represent to the other that each has full power and authority to execute this Lease and to make and perform the agreements herein contained, and Tenant expressly stipulates that any rights or remedies available to Landlord, either by the provisions of this Lease or otherwise, may be enforced by Landlord in its own name individually or in its name by its agent or principal.

ARTICLE 42.
BROKERAGE

42.1 Tenant represents and warrants to Landlord that it has dealt only with Tenant's Broker and Landlord's Broker, in negotiation of this Lease. Landlord shall make payment of the brokerage fee due the Landlord's Broker pursuant to and in accordance with a separate agreement between Landlord and Landlord's Broker. Landlord's Broker shall pay a portion of its commission to Tenant's Broker pursuant to a separate agreement between Landlord's Broker and Tenant's Broker. Except for amounts owing to Landlord's Broker and Tenant's Broker, each party hereby agrees to indemnify and hold the other party harmless of and from any and all damages, losses, costs, or expenses (including, without limitation, all attorneys' fees and disbursements) by reason of any claim of or liability to any other broker or other person claiming through the indemnifying party and arising out of or in connection with the negotiation, execution, and delivery of this Lease. Additionally, except as may be otherwise expressly agreed upon by Landlord in writing, Tenant acknowledges and agrees that Landlord and/or Landlord's agent shall have no obligation for payment of any brokerage fee or similar compensation to any person with whom Tenant has dealt or may in the future deal with respect to leasing of any additional or expansion space in the Building or renewals or extensions of this Lease.

ARTICLE 43.
EXHIBITS

43.1 Exhibits A through J are attached hereto and incorporated herein for all purposes and are hereby acknowledged by both parties to this Lease.

ARTICLE 44.
APPURTENANCES

44.1 The Premises include the right of ingress and egress thereto and therefrom; however, Landlord reserves the right to make changes and alterations to the Building, fixtures and equipment thereof, in the street entrances, doors, halls, corridors, lobbies, passages, elevators, escalators, stairways, toilets and other parts thereof which Landlord may deem necessary or desirable; provided that Tenant at all times has a means of access to the Premises (subject to a temporary interruption due to Force Majeure Events or necessary maintenance that cannot reasonably be performed without such interruption of access). Subject to the foregoing, neither this Lease nor any use by Tenant of the Building or any passage, door, tunnel, concourse, plaza or any other area connecting the garages or other buildings with the Building, shall give Tenant any right or easement of such use and the use thereof may, without notice to Tenant, be regulated or discontinued at any time and from time to time by Landlord without liability of any kind to Tenant and without affecting the obligations of Tenant under this Lease.

ARTICLE 45.
PREJUDGMENT REMEDY, REDEMPTION, COUNTERCLAIM, AND JURY

45.1 Tenant, for itself and for all persons claiming through or under it, hereby expressly waives any and all rights which are, or in the future may be, conferred upon Tenant by any present or future law to redeem the Premises, or to any new trial in any action for ejection

under any provisions of law, after reentry thereupon, or upon any part thereof, by Landlord, or after any warrant to dispossess or judgment in ejection. If Landlord shall acquire possession of the Premises by summary proceedings, or in any other lawful manner without judicial proceedings, it shall be deemed a reentry within the meaning of that word as used in this Lease. In the event that Landlord commences any summary proceedings or action for nonpayment of Rent or other charges provided for in this Lease, Tenant shall not interpose any counterclaim of any nature or description in any such proceeding or action unless such counterclaim is mandatory. Tenant and Landlord both waive a trial by jury of any or all issues arising in any action or proceeding between the parties hereto or their successors, under or connected with this Lease, or any of its provisions.

ARTICLE 46.
RECORDING

46.1 Tenant shall not record this Lease but will, at the request of Landlord, execute a memorandum or notice thereof in recordable form satisfactory to both Landlord and Tenant specifying the date of commencement and expiration of the Term of this Lease and other information required by statute. Either Landlord or Tenant may then record said memorandum or notice of lease at the cost of the recording party.

ARTICLE 47.
MORTGAGEE PROTECTION

47.1 Tenant agrees to give any mortgagees and/or trust deed holders having a lien on Landlord’s interest in the Project, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified, in writing of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then such mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure) in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

ARTICLE 48.
OTHER LANDLORD CONSTRUCTION

48.1 Tenant acknowledges that portions of the Project may be under construction following Tenant’s occupancy of the Premises, and that such construction may result in levels of noise, dust, odor, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction. If any excavation or construction is made adjacent to, upon or within the Building, or any part thereof, Tenant shall afford to any and all persons causing or authorized to cause such excavation or construction license to enter upon the Premises for the purpose of doing such work as such persons shall deem necessary to preserve the Building or any portion thereof from injury or damage and to support the same by proper foundations, braces and supports, without any claim for damages or indemnity or abatement of Rent (subject to the express provisions of this Lease), or of a constructive or actual eviction of Tenant.

48.2 It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, the Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Term of this Lease renovate, improve, alter, or modify (collectively, the "Renovations") the Project, the Building and/or the Premises, including without limitation the Parking Facilities (as defined below), the Common Areas, and the systems and equipment, roof and structural portions of the same. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility and shall not be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations, or for any inconvenience or annoyance occasioned by such Renovations for Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations. In exercising it's rights under this Article 48 or Article 49 below, Landlord shall make commercially reasonable efforts to minimize the disruption to Tenant's business operations during standard business hours and shall not prevent access to the Premises or materially interfere with Tenant's parking rights; provided that the relocation of Tenant's parking spaces to different parking facilities of the Project shall not be deemed to materially interfere with Tenant's parking rights.

ARTICLE 49.
PARKING

49.1 The use by Tenant, its employees and invitees, of the parking facilities of the Project (the "Parking Facilities") shall be on the terms and conditions set forth in Exhibit D-1 attached hereto and by this reference incorporated herein and shall be subject to such other agreement between Landlord and Tenant as may hereinafter be established and to such other rules and regulations as Landlord may establish. Tenant, its employees and invitees shall use no more than the Maximum Parking Allocation. Tenant's use of the parking spaces shall be confined to the Project. If, in Landlord's reasonable business judgment, it becomes necessary, Landlord shall exercise due diligence to cause the creation of cross-parking easements and such other agreements as are necessary to permit Tenant, its employees and invitees to use parking spaces on properties and buildings which are separate legal parcels from the Project. Tenant acknowledges that other tenants of the Project and the tenants of the other buildings, their employees and invitees, may be given the right to park at the Project. Landlord reserves the right to change any existing or future parking area, roads, or driveways, or increase or decrease the size thereof and make any repairs or alterations it deems necessary to the parking area, roads and driveways and Landlord agrees to use commercially reasonable efforts to minimize any interference with Tenant's parking in the course of such repairs or alterations. Landlord agrees not to grant rights to park in the Project that exceed the available parking spaces in the Project by more than is customary for parking for projects comparable to the Project.

ARTICLE 50.
ELECTRICAL CAPACITY

Tenant covenants and agrees that at all times, its use of electric energy shall never exceed the capacity of the existing feeders to the Building or the risers of wiring installation. Any riser or risers to supply Tenant's electrical requirements upon written request of Tenant shall be installed by Landlord at the sole cost and expense of Tenant, if, in Landlord's sole judgment, the same are necessary and will not cause or create a dangerous or hazardous condition or entail excess or unreasonable alterations, repairs or expense or interfere with or disrupt other tenants or occupants. In addition to the installation of such riser or risers, Landlord will also, at the sole cost and expense of Tenant, install all other equipment proper and necessary in connection therewith subject to the aforesaid terms and conditions.

ARTICLE 51.
OPTION TO EXTEND LEASE

51.1 Extension Option. Tenant shall have the option to extend this Lease (the "Extension Option") for one additional term of five (5) years (the "Extension Period"), upon the terms and conditions hereinafter set forth:

(a) If the Extension Option is exercised, then the Base Rent per annum for such Extension Period (the "Option Rent") shall be an amount equal to the Fair Market Rental Value (as defined hereinafter) for the Premises as of the commencement of the Extension Option for such Extension Period.

(b) The Extension Option must be exercised by Tenant, if at all, only at the time and in the manner provided in this Section 51.1(b).

(i) If Tenant wishes to exercise the Extension Option, Tenant must, on or before the date occurring nine (9) months before the expiration of the initial Lease Term (but not before the date that is twelve (12) months before the expiration of the initial Lease Term), exercise the Extension Option by delivering written notice (the "Exercise Notice") to Landlord. If Tenant timely and properly exercises its Extension Option, the Lease Term shall be extended for the Extension Period upon all of the terms and conditions set forth in the Lease, as amended, except that the Base Rent for the Extension Period shall be as provided in Section 51.1(a) and Tenant shall have no further options to extend the Lease Term.

(ii) If Tenant fails to deliver a timely Exercise Notice, Tenant shall be considered to have elected not to exercise the Extension Option.

(c) It is understood and agreed that the Extension Option hereby granted is personal to Tenant and is not transferable except to a Permitted Transferee in connection with an assignment of Tenant's entire interest in this Lease. In the event of any assignment of this Lease or subletting of all of the Premises or more than fifty percent (50%) thereof (other than to a Permitted Transferee), the Extension Option shall automatically terminate and shall thereafter be null and void.

(d) Tenant's exercise of the Extension Option shall, if Landlord so elects in its absolute discretion, be ineffective in the event that (i) an Event of Default by Tenant remains uncured at the time of delivery of the Exercise Notice or at the commencement of the Extension Period, or (ii) Tenant shall have reduced the size of the Premises below the size of the initial Premises by agreement with Landlord or pursuant to an express right in this Lease.

51.2 Fair Market Rental Value. The provisions of this Section shall apply in any instance in which this Lease provides that the Fair Market Rental Value is to apply.

(a) "Fair Market Rental Value" means the annual amount per square foot that a willing tenant would pay and a willing landlord would accept in arm's length negotiations, without any additional inducements, for a lease of the applicable space on the applicable terms and conditions for the applicable period of time. Fair Market Rental Value shall be determined by Landlord considering the most recent new direct leases (and market renewals and extensions, if applicable) in the Building and in Comparable Buildings in the Market Area.

(b) In determining the rental rate of comparable space, the parties shall include all escalations and take into consideration the following concessions:

(i) Rental abatement concessions, if any, being granted to tenants in connection with the comparable space;

(ii) Tenant improvements or allowances provided or to be provided for the comparable space, taking into account the value of the existing improvements in the Premises, based on the age, quality, and layout of the improvements.

(c) If in determining the Fair Market Rental Value the parties determine that the economic terms of leases of comparable space include a tenant improvement allowance, Landlord may, at Landlord's sole option, elect to do the following:

(i) Grant some or all of the value of the tenant improvement allowance as an allowance for the refurbishment of the Premises; and

(ii) reduce the Base Rent component of the Fair Market Rental Value to be an effective rental rate that takes into consideration the total dollar value of that portion of the tenant improvement allowance that Landlord has elected not to grant to Tenant (in which case that portion of the tenant improvement allowance evidenced in the effective rental rate shall not be granted to Tenant).

51.3 Determination of Fair Market Rental Value. The determination of Fair Market Rental Value shall be as provided in this Section 51.3.

(a) Negotiated Agreement. Landlord and Tenant shall diligently attempt in good faith to agree on the Fair Market Rental Value on or before the date (the "Outside Agreement Date") that is five (5) months prior to the date upon which the Extension Period is to commence.

(b) Parties' Separate Determinations. If Landlord and Tenant fail to reach agreement on or before the Outside Agreement Date, Landlord and Tenant shall each make a separate determination of the Fair Market Rental Value and notify the other party of this determination within five (5) days after the Outside Agreement Date.

(i) Two Determinations. If each party makes a timely determination of the Fair Market Rental Value, those determinations shall be submitted to arbitration in accordance with subsection (c).

(ii) One Determination. If Landlord or Tenant fails to make a determination of the Fair Market Rental Value within the five-day period, that failure shall be conclusively considered to be that party's approval of the Fair Market Rental Value submitted within the five-day period by the other party.

(c) Arbitration. If both parties make timely individual determinations of the Fair Market Rental Value under subsection (b), the Fair Market Rental Value shall be determined by arbitration under this subsection (c).

(i) Scope of Arbitration. The determination of the arbitrators shall be limited to the sole issue of whether Landlord's or Tenant's submitted Fair Market Rental Value is the closest to the actual Fair Market Rental Value as determined by the arbitrators, taking into account the requirements of Section 51.2.

(ii) Qualifications of Arbitrator(s). The arbitrators must be licensed real estate brokers who have been active in the leasing of commercial multi-story properties in the Market Area over the five-year period ending on the date of their appointment as arbitrator(s).

(iii) Parties' Appointment of Arbitrators. Within fifteen (15) days after the Outside Agreement Date, Landlord and Tenant shall each appoint one arbitrator and notify the other party of the arbitrator's name and business address.

(iv) Appointment of Third Arbitrator. If each party timely appoints an arbitrator, the two (2) arbitrators shall, within ten (10) days after the appointment of the second arbitrator, agree on and appoint a third arbitrator (who shall be qualified under the same criteria set forth above for qualification of the initial two (2) arbitrators) and provide notice to Landlord and Tenant of the arbitrator's name and business address.

(v) Arbitrators' Decision. Within thirty (30) days after the appointment of the third arbitrator, the three (3) arbitrators shall decide whether the parties will use Landlord's or Tenant's submitted Fair Market Rental Value and shall notify Landlord and Tenant of their decision. The decision of the majority the three (3) arbitrators shall be binding on Landlord and Tenant.

(vi) If Only One Arbitrator is Appointed. If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) days after the Outside Agreement Date, the arbitrator timely appointed by one of them shall reach a decision and notify Landlord and Tenant of that decision within thirty (30) days after the arbitrator's appointment. The arbitrator's decision shall be binding on Landlord and Tenant.

(vii) If Only Two Arbitrators Are Appointed. If each party appoints an arbitrator in a timely manner, but the two (2) arbitrators fail to agree on and appoint a third arbitrator within the required period, the arbitrators shall be dismissed without delay and the issue of Fair Market Rental Value shall be submitted to binding arbitration under the real estate arbitration rules of JAMS, subject to the provisions of this section.

(viii) If No Arbitrator Is Appointed. If Landlord and Tenant each fail to appoint an arbitrator in a timely manner, the matter to be decided shall be submitted without delay to binding arbitration under the real estate arbitration rules of JAMS subject the provisions of this Section 51.3(c).

51.4 Cost of Arbitration. The cost of the arbitration shall be paid by the party whose submitted Fair Market Rental Value is not selected by the arbitrators.

ARTICLE 52.
TELECOMMUNICATIONS LINES AND EQUIPMENT

52.1 Tenant may install, maintain, replace, remove or use any electrical, communications or computer wires and cables (collectively, the "Lines") at the Building in or serving solely the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 8 and 15 of this Lease, (ii) an acceptable space for additional Lines shall be maintained for existing and future occupants of the Building, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord, (iv) any new Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed by Tenant in violation of these provisions, or which are at any time in violation of any laws or represent a dangerous or potentially dangerous condition. Landlord further reserves the right to require that Tenant remove any and all Lines installed by Tenant located in or serving the Premises upon the expiration of the Term or upon any earlier termination of this Lease.

ARTICLE 53.
ERISA

53.1 It is understood that from time to time during the Lease Term, Landlord may be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and as a result may be prohibited by law from engaging in certain transactions. Tenant represents and warrants to the best of its knowledge after reasonable inquiry that at the time this Lease is entered into and at any time thereafter when its terms are amended or modified, neither Tenant nor its affiliates (within the meaning of part VI(c) of Department of Labor Prohibited Transaction Class Exemption 84-14 ("PTE 84-14", as amended), has or will have the authority to appoint or terminate The Prudential Insurance Company of America ("Prudential") as an investment manager to any employee benefit plan then holding a ten percent (10%) or greater interest in the Prudential separate account PRISA II, nor the authority to negotiate the terms of any management agreement between Prudential and any such employee pension benefit plan for its investment in PRISA II. Further, Tenant is not "related" to Prudential within the meaning of part VI(h) of PTE 84-14.

ARTICLE 54.
TENANT'S RIGHT OF FIRST OFFER

54.1 As used herein, "Offer Space" means space on the first floor of the Building. Landlord shall from time to time give Tenant a written notice (the "Availability Notice") identifying the particular Offer Space (the "Specific Offer Space") that is Available (as defined below) or that Landlord believes will become Available within ninety (90) days. As used herein, "Available" means that the space (i) is not part of the Premises, and (ii) is not then subject to a lease; provided, however, Landlord's obligations shall not apply if the current tenant thereof has an option to extend that it wishes to (or has the right to) exercise.

54.2 If Landlord determines that any Specific Offer Space is Available or will become Available within ninety (90) days, Landlord shall endeavor to within twenty (20) business days thereafter deliver to Tenant an Availability Notice identifying the Specific Offer Space that is Available or will become Available within ninety (90) days; provided that in any event Landlord shall give such Availability Notice before entry into a lease of the Specific Offer Space with a third party.

54.3 The location and configuration of the Specific Offer Space shall be determined by Landlord in its reasonable discretion; provided that Landlord shall have no obligations to designate Specific Offer Space that would result in any space not included in the Specific Offer Space being not Configured For Leasing (as defined below). For purposes of this Lease, "Configured For Leasing" means the applicable space must have convenient access to the central corridor on the applicable floor and must have a size and configuration that complies with all applicable building codes and other laws and is such that Landlord judges, in its reasonable discretion, that Landlord will be able to lease such space to a third party. The Availability Notice shall:

(a) Describe the particular Specific Offer Space (including rentable area, usable area and location);

(b) Describe the particular Specific Offer Space (including rentable area, usable area and location);

(c) State the date (the "Specific Offer Space Delivery Date") the space will be available for delivery to Tenant;

(d) Specify the Base Rent for the Specific Offer Space;

(e) Specify the increase in the security deposit that will apply to reflect the addition of the Specific Offer Space to the Premises; and

(f) If the Specific Offer Space Delivery Date is after the eighth (8th) anniversary of the Commencement Date, specify the length of the term of the leasing of the Specific Offer Space that will be available (the "Specific Offer Space Term").

54.4 If Tenant wishes to exercise Tenant's rights set forth in this Article 54 with respect to the Specific Offer Space, then within five (5) business days of delivery of the Availability Notice to Tenant, Tenant shall deliver irrevocable notice to Landlord (the "First Offer Exercise Notice") offering to lease the Specific Offer Space on the terms and conditions as may be specified by Landlord in the Availability Notice.

54.5 In the event Tenant fails to give a First Offer Exercise Notice in response to any Availability Notice, Tenant's rights under this Article 54 shall terminate with respect to that Availability Notice and Landlord shall be free to lease that Specific Offer Space to anyone on any terms at any time during the Term, without any obligation to provide Tenant with any further right to lease that space; provided, however, that (A) if the net present value of the economic terms of Landlord's proposed lease to such third party are more than ten percent (10%) more favorable to the third party (determined using an eight percent (8%) discount rate) than the net present value of the economic terms proposed by Landlord in the Availability Notice (determined using an eight percent (8%) discount rate), then before entering into such third party lease Landlord shall notify Tenant of such materially more favorable economic terms and Tenant shall have the right to lease the Specific Offer Space upon such materially more favorable economic terms by delivering written notice thereof to Landlord within five (5) business days after Tenant's receipt of Landlord's notice; and (B) if Landlord does not enter into a lease or leases pertaining to the entire Specific Offer Space identified by Landlord in such Availability Notice within twelve (12) months after the date Landlord first delivered such Availability Notice to Tenant, then Landlord shall submit to Tenant a new Availability Notice with respect to the unleased portion of such Specific Offer Space that is Available prior to the first time after such 12-month period that Landlord intends to submit to a third party, in which event the foregoing procedures shall again apply following Tenant's receipt of such new Availability Notice. Tenant's right of first offer shall be continuous during the Term of this Lease and any extension thereof. Tenant's rejection of any particular offer shall not relieve Landlord of its obligation to again offer any Offer Space to Tenant at any time that the Offer Space subsequently becomes Available after expiration of the 12-month period provided for this Section 54.5, if applicable.

54.6 If Tenant timely and validly gives the First Offer Exercise Notice, then beginning on the Specific Offer Space Delivery Date and continuing (i) if the Specific Offer Space Delivery Date is on or before the eighth (8th) anniversary of the Commencement Date, for the balance of the Term (including any extensions), or (ii) if the Specific Offer Space Delivery Date is after the eighth (8th) anniversary of the Commencement Date, for the Specific Offer Space Term:

(a) The Specific Offer Space shall be part of the Premises under this Lease (so that the term "Premises" in this Lease shall refer to the space in the Premises immediately before the Specific Offer Space Delivery Date plus the Specific Offer Space);

(b) Tenant's Building Percentage and Tenant's Common Area Building Percentage shall be adjusted to reflect the increased rentable area of the Premises;

(c) Base Rent for the Specific Offer Space shall be as specified in the Availability Notice;

(d) The security deposit Tenant must provide shall be increased by the amounts specified in the Availability Notice;

(e) Tenant's lease of the Specific Offer Space shall be on the same terms and conditions as affect the original Premises from time to time, except as otherwise provided in this section. Tenant's obligation to pay Rent with respect to the Specific Offer Space shall begin on the later of the Specific Offer Space Delivery Date and the date Landlord actually delivers the Specific Offer Space in the condition required under this Lease. The Specific Offer Space shall be leased to Tenant in its "as-is" condition and Landlord shall not be required to construct improvements in, or contribute any tenant improvement allowance for, the Specific Offer Space except as set forth in the Availability Notice. Tenant's construction of any improvements in the Specific Offer Space shall comply with the terms of this Lease concerning alterations; and

(f) If requested by Landlord, Landlord and Tenant shall confirm in writing the addition of the Specific Offer Space to the Premises on the terms and conditions set forth in this section, but Tenant's failure to execute or deliver such written confirmation shall not affect the enforceability of the First Offer Exercise Notice.

54.7 Tenant's rights and Landlord's obligations under this Article 54 are expressly subject to and conditioned upon there not existing an Event of Default by Tenant under this Lease, either at the time of delivery of the First Offer Exercise Notice or at the time the Specific Offer Space is to be added to the Premises.

54.8 It is understood and agreed that Tenant's rights under this Article 54 are personal to Tenant and any Permitted Transferee who is an assignee of Tenant's entire interest in this Lease and not transferable. In the event of any assignment of this Lease or subletting of all of the Premises or more than twenty-five percent (25%) thereof (other than to a Permitted Transferee), this expansion right shall automatically terminate and shall thereafter be null and void.

ARTICLE 55.
TENANT'S ROOFTOP RIGHTS

55.1 Right to Install and Maintain Rooftop Equipment. During the Term and subject to the terms of this Article 55, Tenant may install on the roof of the Building telecommunications antennae, microwave dishes or other communication equipment, as necessary for the operation of Tenant's business within the Premises, including any cabling or wiring necessary to connect this rooftop equipment to the Premises (collectively, the "Rooftop Equipment"). If Tenant wishes to install any Rooftop Equipment, Tenant shall first notify Landlord in writing, which notice shall fully describe the Rooftop Equipment, including, without limitation, its purpose, weight, size and desired location on the roof of the Building and its intended method of connection to the Premises. All of Tenant's Rooftop Equipment must be located within a total aggregate area not to exceed 4 square feet, at locations reasonably approved by Landlord prior to any installation. Landlord hereby consents to the installation of Rooftop Equipment consisting of one (1) antennae and/or satellite dishes (the "Initial Rooftop Equipment"). Landlord also reserves the right to restrict the number and size of dishes, antennae and other Rooftop Equipment in addition to the Initial Rooftop Equipment installed on the roof of the Building in its sole discretion.

55.2 Additional Charges for Rooftop Equipment. Tenant will be solely responsible, at Tenant's sole expense, for the installation, maintenance, repair and removal of the Rooftop Equipment, and Tenant shall at all times maintain the Rooftop Equipment in good condition and repair. Landlord agrees that the Tenant hereunder shall not pay any rental charge for Tenant's use of the rooftop pursuant to the terms of this Article 55 for the Initial Rooftop Equipment, provided, however, if Tenant seeks to use rooftop space for Rooftop Equipment in addition to the Initial Rooftop Equipment, Landlord reserves the right to impose a charge for such use, which shall be consistent with market rates.

55.3 Conditions of Installation. The installation of the Rooftop Equipment shall constitute an alteration and shall be performed in accordance with and subject to the provisions of Article 15 of this Lease. Tenant shall comply with all applicable laws, rules and regulations relating to the installation, maintenance and operation of Rooftop Equipment at the Building (including, without limitation, all construction rules and regulations) and will pay all costs and expenses relating to such Rooftop Equipment, including the cost of obtaining and maintaining any necessary permits or approvals for the installation, operation and maintenance thereof in compliance with applicable laws, rules and regulations. The installation, operation and maintenance of the Rooftop Equipment at the Building shall not adversely affect the structure or operating systems of the Building or the business operations of any other tenant or occupant at the Building. All of the provisions of this Lease respecting Tenant's obligations hereunder shall apply to the installation, use and maintenance of the Rooftop Equipment, including without limitation provisions relating to compliance with requirements as to insurance, indemnity, repairs and maintenance. Tenant may install cabling and wiring through the Building interior conduits, risers, and pathways of the Building in accordance with Article 52 in order to connect Rooftop Equipment with the Premises.

55.4 Non-Exclusive Right. Tenant's right to install and maintain Rooftop Equipment is non-exclusive and is subject to termination or revocation as set forth herein, including pursuant to Section 22.2(b) of this Lease. Landlord shall be entitled to all revenue from use of the roof other than revenue from the Rooftop Equipment installed by Tenant. Subject to the terms set forth below in this Section 55.4, Landlord at its election may require the relocation, reconfiguration or removal of the Rooftop Equipment, if in Landlord's reasonable judgment the Rooftop Equipment is interfering with the use of the rooftop for Building operations (including without limitation maintenance, repairs and replacements of the roof) or the business operations of other tenants or occupants of the Building, causing damage to the Building or if Tenant otherwise fails to comply with the terms of this Article 55. If relocation or reconfiguration becomes necessary due to the interference difficulties set forth above, Landlord and Tenant will reasonably cooperate in good faith to agree upon an alternative location or configuration that will permit the operation of the Rooftop Equipment for Tenant's business at the Premises without interfering with other operations at the Building or communications uses of other tenants or occupants. If removal is required due to any breach or default by Tenant under the terms of this Article 55, Tenant shall remove the Rooftop Equipment upon thirty (30) days' written notice from Landlord. Any relocation, removal or reconfiguration of the Rooftop Equipment as provided above shall be at Tenant's sole cost and expense. In addition to the other rights of relocation and removal as set forth herein, Landlord reserves the right to require relocation of Tenant's Rooftop Equipment at any time at its election at Landlord's cost (but not more frequently than once during the Term) so long as Tenant is able to continue operating its Rooftop Equipment in substantially the same manner as it was operated prior to its relocation. In connection with any relocation of Tenant's Rooftop Equipment at the request of or required by Landlord (other than in the case of a default by Tenant hereunder), Landlord shall provide Tenant with at least thirty (30) days' prior written notice of the required relocation and will conduct the relocation in a commercially reasonable manner and in such a way that will, to the extent reasonably possible, prevent interference with the normal operation of Tenant's Rooftop Equipment. In connection with any relocation, Landlord further agrees to work with Tenant in good faith to relocate Tenant's Rooftop Equipment to a location that will permit its normal operation for Tenant's business operations. Landlord acknowledges that relocation of Tenant's Rooftop Equipment may be disruptive to Tenant's business and, without limiting its rights to require such removal, confirms that it will not exercise its rights hereunder in a bad faith manner or for the purpose of harassing or causing a hardship to Tenant.

55.5 Costs and Expenses. If Tenant fails to comply with the terms of this Article 55 within thirty (30) days following written notice by Landlord (or such longer period as may be reasonably required to comply so long as Tenant is diligently attempting to comply), Landlord may take such action as may be necessary to comply with these requirements. In such event, Tenant agrees to reimburse Landlord for all costs incurred by Landlord to effect any such maintenance, removal or other compliance subject to the terms of this Article 55, including interest on all such amounts incurred at the Agreed Rate, accruing from the date which is ten (10) days after the date of Landlord's demand until the date paid in full by Tenant, with all such amounts being Additional Rent under this Lease.

55.6 Indemnification; Removal. Tenant agrees to indemnify Landlord, its partners, agents, officers, directors, employees and representatives from and against any and all liability, expense, loss or damage of any kind or nature from any suits, claims or demands, including reasonable attorneys' fees, arising out of Tenant's installation, operation, maintenance, repair, relocation or removal of the Rooftop Equipment, except to the extent any such liability,

expense, loss or damage results from the negligence or intentional misconduct of Landlord or its agents, partners, officers, directors, employees, contractors or representatives or Landlord's violation of this Lease. At the expiration or earlier termination of the Lease, Tenant may and, upon request by Landlord, shall remove all of the Rooftop Equipment, including any wiring or cabling relating thereto, at Tenant's sole cost and expense and will repair at Tenant's cost any damage resulting from such removal. If Landlord does not require such removal, any Rooftop Equipment remaining at the Building after the expiration or earlier termination of this Lease which is not removed by Tenant shall be deemed abandoned and shall become the property of Landlord.

55.7 Roof Access; Rules and Regulations. Subject to compliance with the construction rules for the Building and Landlord's reasonable and nondiscriminatory rules and regulations regarding access to the roof and, upon receipt of Landlord's prior written consent to such activity (which shall not be unreasonably withheld, conditioned or delayed), Tenant and its representatives shall have access to and the right to go upon the roof of the Building, on a seven (7) day per week, twenty-four (24) hour basis, to exercise its rights and perform its obligations under this Article 55. Tenant acknowledges that, except in the case of an emergency or when a Building engineer is not made available to Tenant in sufficient time to allow Tenant to avoid or minimize interruption of use of the Rooftop Equipment, advance notice is required and a Building engineer must accompany all persons gaining access to the rooftop. Tenant may install Rooftop Equipment at the Building only in connection with its business operations at the Premises, and may not lease or license any rights or equipment to third parties or allow the use of any rooftop equipment by any party other than Tenant. Tenant acknowledges that Landlord has made no representation or warranty as to Tenant's ability to operate Rooftop Equipment at the Building and Tenant acknowledges that other equipment installations and other structures and activities at or around the Building may result in interference with Tenant's Rooftop Equipment. Except as set forth in this Article 55, Landlord shall have no obligation to prevent, minimize or in any way limit or control any existing or future interference with Tenant's Rooftop Equipment.

ARTICLE 56.
GENERATOR

56.1 Subject to the terms and conditions set forth below, Tenant shall have the right to install in such location adjacent to the Building as Landlord and Tenant shall reasonably and mutually agree, at Tenant's sole expense, one back-up generator and related fuel storage, cabling and equipment (collectively, a "UPS") to provide uninterrupted power to certain equipment in the Premises, provided that the UPS (i) does not adversely affect the safety of the Building or any warranty relating to the Building or adversely affect in any material respect any structural component of the Building, (ii) does not adversely affect any electrical, mechanical or any other system of the Building or the functioning thereof; (iii) does not interfere with the operation of the Building or the provision of services or utilities to the Building; (iv) complies with all Applicable Laws, and (v) is otherwise approved by Landlord in writing (which approval shall not be unreasonably, withheld, conditioned or delayed), including approval by Landlord of the exact location, type, style, dimensions, weight, plans and installation procedures for the UPS and the characteristics and type of fuel powering such UPS. Prior to the installation of the UPS by Tenant: (i) Tenant shall obtain Landlord's approval of the contractor which shall undertake such installation; (ii) Tenant shall obtain all permits and governmental approvals required for the

installation of the UPS; (iii) Tenant and the contractor approved by Landlord to undertake such installation shall obtain such insurance coverages as Landlord may reasonably require and, if requested by Landlord, cause Landlord to be named as an insured under such insurance policies; and (iv) Tenant shall submit to Landlord for approval in its reasonable discretion, plans for the installation of the UPS, prepared by qualified engineers, showing all aesthetic, structural, mechanical and electrical details of the UPS, as well as all associated conduit and related equipment, all in accordance with all Applicable Laws, including without limitation all Environmental Requirements. Tenant shall ensure that the UPS does not interfere with any other equipment serving the Building or any portion thereof. At Tenant's sole cost, the UPS shall be fully screened from view and sound in a manner directed by Landlord which may include without limitation the installation of an additional screening wall and sound baffling. Throughout the Term, Tenant shall (A) ensure that the UPS complies with all Applicable Laws, including any Environmental Requirements; (B) cause engineers, including environmental engineers, acceptable to Landlord to inspect the UPS at least twice yearly to insure that such equipment is functioning properly and that no Hazardous Materials are emanating therefrom; (C) maintain the UPS in good order and repair; (D) maintain insurance coverages with respect thereto as are required by Landlord from time to time; and (E) maintain all permits and governmental approvals necessary for the operation of the UPS. Tenant shall immediately report to Landlord if Tenant determines that the UPS is not functioning properly, is leaking or is in violation of any Applicable Laws. At the end of the Term, if requested by Landlord, Tenant, at Tenant's sole cost and expense, shall remove the UPS and restore the area in which it was located to its condition immediately prior to the installation of the UPS. Tenant shall obtain at Tenant's expense all permits and governmental approvals necessary for such removal.

ARTICLE 57.
LETTER OF CREDIT

57.1 Letter of Credit. Tenant may elect to provide, at Tenant's sole cost and expense, a Letter of Credit (as defined below) in the Letter of Credit Required Amount (as defined below) as additional security for the faithful performance and observance by Tenant of all of the provisions of the Lease, on the terms and conditions set forth below. Tenant's election to provide the Letter of Credit must be made by delivering to Landlord the Letter of Credit upon Tenant's execution and delivery of this Lease (the "Letter of Credit Election"). The use, application or retention of the Letter of Credit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by the Lease or by law, it being intended that Landlord shall not first be required to proceed against the Letter of Credit and the Letter of Credit shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. As used herein the term "Letter of Credit Required Amount" initially means $802,449.54. Subject to the remaining terms of this Article 57, and provided the Reduction Conditions (as defined in Section 4.3) have been satisfied at the particular reduction effective date, Tenant shall have the right to reduce the Letter of Credit Required Amount so that the new Letter of Credit Required Amount shall be $401,224.77 effective as of the first day of the later of the forty-sixth (401) month of the Term or the month following the date Tenant meets the Reduction Conditions. If Tenant is entitled to a reduction in the Letter of Credit Required Amount, Tenant shall provide Landlord with written notice requesting that the Letter of Credit Required Amount be reduced as provided above (the "Letter of Credit Reduction Notice"). If Tenant provides Landlord with a Letter of Credit Reduction Notice, and Tenant is entitled to

reduce the Letter of Credit Required Amount as provided herein, the reduction shall be effectuated by Tenant replacing the Letter of Credit then being held by Landlord with a new Letter of Credit in the new Letter of Credit Required Amount or amending the then-existing Letter of Credit to that new Letter of Credit Required Amount.

57.2 Delivery of Letter of Credit. If Tenant makes the Letter of Credit Election, (a) Tenant shall cause a Letter of Credit, in the amount of the Letter of Credit Required Amount to be issued by the L/C Bank (as defined below) in favor of Landlord, and its successors, assigns and transferees; (b) Tenant will cause the Letter of Credit to remain in full force and effect during the entire Term and thereafter until sixty (60) days after expiration or earlier termination of the Lease; and (c) the initial Letter of Credit will be delivered to Landlord upon the execution and delivery of this Lease by Tenant. So long as no event of default then exists, Landlord shall return the Letter of Credit to Tenant within sixty (60) days after the Expiration Date. The specific requirements for the Letter of Credit and the rights of Landlord to make draws thereon will be as set forth in this Article 57. If Tenant makes the Letter of Credit Election, all of Tenant's rights and all of Landlord's obligations under this Lease are strictly contingent on Tenant's delivering and thereafter causing the Letter of Credit to remain in full force and effect during the entire Term.

57.3 Draws on the Letter of Credit. Immediately upon, and at any time or from time to time after, the occurrence of any one or more Draw Events (as defined below), Landlord will have the unconditional right to draw on the Letter of Credit in accordance with this Article 57. Upon the payment to Landlord of the Draw Proceeds, Landlord will hold the Draw Proceeds in its own name and for its own account, without liability for interest, to use and apply any and all of the Draw Proceeds only (a) to cure any Event of Default by Tenant; (b) to pay any other sum to which Landlord becomes obligated by reason of Tenant's failure to carry out its obligations under this Lease; or (c) to compensate Landlord for any monetary loss or damage which Landlord suffers thereby arising from Tenant's failure to carry out its obligations under this Lease. In addition, if the Draw Event is the failure of Tenant to renew the Letter of Credit as required hereunder, then Landlord shall be entitled to draw the entire Letter of Credit as a cash security deposit, held as a pledge under the California Uniform Commercial Code to secure Tenant's obligations under this Lease. Among other things, it is expressly understood that the Draw Proceeds will not be considered an advance payment of Base Rent or Additional Rent or a measure of Landlord's damages resulting from any Event of Default hereunder (past, present or future). Further, immediately upon the occurrence and during the continuance of any one or more Draw Events, Landlord may, from time to time and without prejudice to any other remedy, use the Draw Proceeds (whether from a contemporaneous or prior draw on the Letter of Credit) to the extent necessary to make good any arrearages of Base Rent or Additional Rent, to pay to Landlord any and all amounts to which Landlord is entitled in connection with the pursuit of any one or more of its remedies hereunder, and to compensate Landlord for any and all other damage, injury, expense or liability caused to Landlord by any and all such Events of Default. Any delays in Landlord's draw on the Letter of Credit or in Landlord's use of the Draw Proceeds as provided in this Article 57 will not constitute a waiver by Landlord of any of its rights hereunder with respect to the Letter of Credit or the Draw Proceeds. Following any such application of the Draw Proceeds, Tenant will either pay to Landlord on demand the cash amount so applied in order to restore the Draw Proceeds to the full amount thereof immediately prior to such application or cause the Letter of Credit to be replenished to its full amount thereunder.

Failure to either pay that cash amount or cause the Letter of Credit to be replenished to its full amount thereunder within three (3) days after that application of the Draw Proceeds shall constitute an Event of Default without the right to any notice or cure period. Landlord will not be liable for any indirect, consequential, special or punitive damages incurred by Tenant arising from a claim that Landlord violated the bankruptcy code's automatic stay in connection with any draw by Landlord of any Draw Proceeds, Landlord's liability (if any) under such circumstances being limited to the reimbursement of direct costs as and to the extent expressly provided in this Section 57.3. Nothing in this Lease or in the Letter of Credit will confer upon Tenant any property rights or interests in any Draw Proceeds; provided, however, that upon the expiration or earlier termination of this Lease, and so long as there then exist no Draw Events or Events of Default hereunder, Landlord agrees to return of any remaining unapplied balance of the Draw Proceeds then held by Landlord to Tenant, and the Letter of Credit itself (if and to the extent not previously drawn in full) to the L/C Bank. Landlord may draw on the Letter of Credit and/or apply any Security Deposit in any order.

57.4 Applicable Definitions.

Draw Event means each of the following events:

(a) the occurrence of any one or more of the following which shall have also been preceded, simultaneously accompanied, or succeeded by an Event of Default under this Lease regardless of the absence of any notice of default which might otherwise be required with respect to an Event of Default if the giving of notice to Tenant about such breach by Tenant is stayed or barred due to one of the following events: (i) Tenant's filing of a petition under any chapter of the Bankruptcy Code, or under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted, or Tenant's making a general assignment or general arrangement for the benefit of creditors, (ii) the filing of an involuntary petition under any chapter of the Bankruptcy Code, or under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted, or the filing of a petition for adjudication of bankruptcy or for reorganization or rearrangement, by or against Tenant and such filing not being dismissed within sixty (60) days, (iii) the entry of an order for relief under any chapter of the Bankruptcy Code, or under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted, (iv) the appointment of a custodian, as such term is defined in the Bankruptcy Code (or of an equivalent thereto under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted), for Tenant, or the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession not being restored to Tenant within sixty (60) days, or (v) the subjection of all or substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease to attachment, execution or other judicial seizure and such subjection not being discharged within sixty (60) days;

(b) the failure of Tenant, not less than thirty (30) days prior to the stated expiration date of the Letter of Credit then in effect, to cause an extension, renewal or replacement issuance of the Letter of Credit, to be effected, which extension, renewal or replacement issuance will be made by the L/C Bank, will otherwise meet all of the requirements of the initial Letter of Credit hereunder, which failure will be an Event of Default under this Lease;

(c) the failure of Tenant to make when due any payment of Base Rent, of any monthly installment of any Additional Rent, or pay any other monetary obligation within five (5) days after the amount is due.

(d) the payment by Landlord of any sum to cure a failure by Tenant to comply with any non-monetary obligation hereunder which Tenant has not cured within thirty (30) days after notice thereof by Landlord (or, if Landlord is prevented from giving notice by application of the bankruptcy code's automatic stay, the payment of Landlord of any sum to cure a failure by Tenant to comply with any non-monetary obligation hereunder that Tenant has not cured within thirty (30) days from the date of the breach).

Draw Proceeds means the proceeds of any draw or draws made by Landlord under the Letter of Credit, together with any and all interest accruing thereon.

L/C Bank means any United States bank which is approved by Landlord in Landlord's sole discretion. Landlord hereby approves of Silicon Valley Bank as the L/C Bank.

Letter of Credit means that certain one-year irrevocable letter of credit, in the Letter of Credit Required Amount, issued by the L/C Bank, as required under Section 57.2 and, if applicable, as extended, renewed, replaced or modified from time to time in accordance with this Lease, which letter of credit will be transferable and in substantially the same form as attached Exhibit J.

57.5 Transfer of Letter of Credit. The Letter of Credit shall not be mortgaged, assigned or encumbered in any manner whatsoever by Tenant. Tenant acknowledges that Landlord has the right to transfer or mortgage its interest in the Premises and the Building and in this Lease and Tenant agrees that in the event of any such transfer or mortgage, Landlord shall have the right to transfer or assign the Letter of Credit and/or the Draw Proceeds to the transferee or mortgagee, and in such event, Tenant shall look solely to such transferee or mortgagee for return of the Letter of Credit and/or the Draw Proceeds so transferred. Tenant shall pay all fees and charges of the L/C Bank with respect to any transfer of the Letter of Credit. Tenant shall, within five (5) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm Landlord's transfer or assignment of the Letter of Credit and/or the Draw Proceeds to such transferee or mortgagee.

57.6 Letter of Credit is Not Security Deposit. Landlord and Tenant acknowledge and agree that in no event or circumstance shall the Letter of Credit, any renewal thereof or substitute therefor or the proceeds thereof be (i) deemed to be or treated as a security deposit within the meaning of California Civil Code Section 1950.7, (ii) subject to the terms of such Section 1950.7, or (iii) intended to serve as a security deposit within the meaning of such Section 1950.7. The parties hereto (A) recite that the Letter of Credit is not intended to serve as a security deposit and such Section 1950.7 and any and all other laws, rules and regulations applicable to security deposits in the commercial context (Security Deposit Laws) shall have no applicability or relevancy thereto and (B) waive any and all rights, duties and obligations either

party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Notwithstanding the foregoing, to the extent California Civil Code 1950.7 in any way: (a) is determined to be applicable to this Lease or the Letter of Credit (or any proceeds thereof); or (b) controls Landlord's rights to draw on the Letter of Credit or apply the proceeds of the Letter of Credit to any amounts due under this Lease or any damages Landlord may suffer following termination of this Lease, then Tenant fully and irrevocably waives the benefits and protections of Section 1950.7 of the California Civil Code, it being agreed that Landlord may recover from the Letter of Credit (or its proceeds) all of Landlord's damages under this Lease and California law including, but not limited to, any damages accruing upon the termination of this Lease in accordance with this Lease and Section 1951.2 of the California Civil Code.

57.7 Substitute Letter of Credit. In the event the L/C Bank is declared insolvent by the FDIC or is closed for any reason, Tenant shall immediately provide a substitute Letter of Credit meeting the requirements of this Article 57 from another United States bank which is approved by Landlord in Landlord's sole discretion.

ARTICLE 58.
REASONABLE APPROVALS

58.1 Whenever this Lease grants Landlord or Tenant a right to take action, exercise discretion, or make an allocation, judgment or other determination (collectively, an "Act"), Landlord or Tenant shall act reasonably and in good faith (meaning that no action shall be taken which would materially contravene the reasonable expectations of a sophisticated landlord operating a first-class office building and a sophisticated tenant in a first-class office building concerning the benefits and rights granted under this Lease but not contravening the plain and clear intent of the specific language of this Lease governing the specific issue in question), and shall not take any action which might result in the frustration of the reasonable expectations of a sophisticated landlord and a sophisticated tenant concerning the benefits to be enjoyed under this Lease, provided, however, that:

(a) Wherever this Lease elsewhere provides another standard which specifically defines or limits Landlord's or Tenant's discretion with respect to any Act, such other standard and not this Article 58 shall then control as to such Act;

(b) Nothing in this Article 58 shall require Landlord to consent to (i) any use of the Premises for purposes other than those permitted in Article 3, (ii) any alterations which would adversely affect the Building systems, any other Building occupant, or exterior of the Building, or (iii) any proposed assignment of or subletting under this Lease to which Landlord is not otherwise required to consent under Article 18;

(c) Except for an obligation to act in good faith, this Article 58 shall not apply to an election by Landlord or Tenant to terminate the Lease under Article 19 or Article 20 (but only if Landlord or Tenant (as applicable) strictly complies with the parameters for termination set forth in those Articles);

(d) This Article 58 shall not apply to an act taken by Landlord pursuant to Article 22 of the Lease; and

(e) Nothing contained in this Article 58 shall be deemed to limit the discretion of Landlord or Tenant with respect to any matter (including, without limitation, a proposal to amend or otherwise modify the Lease) which is not otherwise within the contemplation of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant, acting herein through duly authorized individuals, have caused these presents to be executed as of the date first above written.

TENANT:

ALLAKOS INC., a Delaware corporation

By: /s/ Adam Tomasi

Adam Tomasi, CFO

[Printed Name and Title]

By: _____

_____

[Printed Name and Title]

If Tenant is a corporation, this instrument must be executed by the chairman of the board, the president or any vice president and the secretary, any assistant secretary, the chief financial officer or any assistant financial officer or any assistant treasurer of such corporation, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which case the bylaws or a certified copy of the resolution, as the case may be, must be attached to this instrument.

Tenant's NAICS Code: _____

LANDLORD:

WESTPORT OFFICE PARK, LLC,
a California limited liability company

By: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, acting solely on behalf of and for the benefit of, and with its liability limited to the assets of, its insurance company separate account, PRISA II, its member

By: /s/ Jeffrey D. Mills

Jeffrey D. Mills, Vice President
[Printed Name and Title]

EXHIBIT A

THE PROJECT

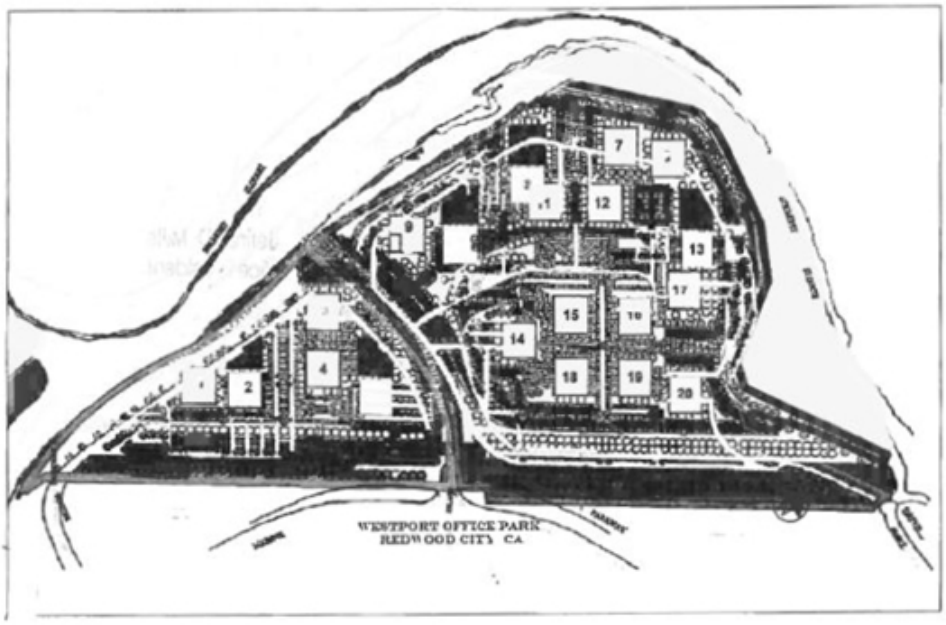


Exhibit A

EXHIBIT B

PREMISES

(See Attached)

Exhibit B

SECOND FLOOR AREA CALCULATIONS
VERTICAL PENETRATIONS/VOIDS
COMMON AREA
SUITE 201
Suite 201
975 ISLAND DRIVE
2nd FLOOR
BAYSHORE TECHNOLOGY PARK
975 ISLAND DRIVE
SECOND FLOOR
REDWOOD CITY, CA
HARVEST
PROPERTIES

Exhibit B

EXHIBIT C

TENANT WORK LETTER

This Tenant Work Letter ("Tenant Work Letter") sets forth the terms and conditions relating to the construction of improvements for the Premises. All references in this Tenant Work Letter to "the Lease" shall mean the relevant portions of the Lease to which this Tenant Work Letter is attached as Exhibit C.

Section 1

BASE, SHELL AND CORE

1.1 Landlord has previously constructed the base, shell, and core (i) of the Premises and (ii) of the floor(s) of the Building on which the Premises are located (collectively, the "Base, Shell, and Core"), and Tenant shall accept the Base, Shell and Core in its current "As-Is" condition existing as of the date of the Lease and the Commencement Date. Landlord shall install in the Premises certain "Tenant Improvements" (as defined below) pursuant to the provisions of this Tenant Work Letter. Except for the Tenant Improvement work described in this Tenant Work Letter and except for the Allowance set forth below and as otherwise expressly set forth in the Lease, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Building or the Project. Notwithstanding anything to the contrary contained herein, Landlord covenants to correct, at its sole cost and not as an Operating Expense payable by Tenant, any failure of the exterior path of travel for the Premises to comply with current codes, including without limitation the Americans with Disabilities Act, as interpreted by Landlord's architect as of the date of the Lease, to the extent such correction is necessary in order to obtain a building permit or a certificate of occupancy for the Tenant Improvements in the Premises for the Tenant Improvements; provided that nothing contained herein shall be deemed to prohibit Landlord from obtaining a variance or relying upon a grandfathered right in order to achieve compliance with those codes. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law, and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law, and Landlord's obligation to perform work or take such other action to cure a violation under this Section shall apply after the exhaustion of any and all rights to appeal or contest.

Section 2

CONSTRUCTION DRAWINGS FOR THE PREMISES

2.1 Prior to the full execution and delivery of this Lease, Landlord and Tenant have approved a detailed space plan for the construction of certain improvements in the Premises, a copy of which space plan is attached hereto as Exhibit C-1 (the "Final Space Plan"). Based upon and in conformity with the Final Space Plan, Landlord shall cause its architect and engineers to prepare and deliver to Tenant, for Tenant's approval, detailed specifications and engineered

working drawings for the tenant improvements shown on the Final Space Plan (the "Working Drawings"). The Working Drawings shall incorporate modifications to the Final Space Plan as necessary to comply with the floor load and other structural and system requirements of the Building. To the extent that the finishes and specifications are not completely set forth in the Final Space Plan for any portion of the tenant improvements depicted thereon, the actual specifications and finish work shall be in accordance with the specifications for the Building's standard tenant improvement items, as determined by Landlord. Within three (3) business days after Tenant's receipt of the Working Drawings, Tenant shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Tenant may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Final Space Plan and only if Tenant delivers to Landlord, within such three (3) business days period, specific changes proposed by Tenant which are consistent with the Final Space Plan and do not constitute changes which would result in any of the circumstances described in items (i) through (iv) below. If any such revisions are timely and properly proposed by Tenant, Landlord shall cause its architect and engineers to revise the Working Drawings to incorporate such revisions and submit the same for Tenant's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's approval of the Working Drawings, the same shall be known as the "Approved Working Drawings." The tenant improvements shown on the Approved Working Drawings shall be referred to herein as the "Tenant Improvements." Once the Approved Working Drawings have been approved by Landlord and Tenant, Landlord and Tenant shall make no changes, change orders or modifications thereto without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned, or delayed), but which consent may be withheld in Landlord's sole discretion if such change or modification would: (i) directly or indirectly delay the Substantial Completion of the Premises unless Tenant agrees it would be a Tenant Delay; (ii) increase the cost of designing or constructing the Tenant Improvements above the cost of the tenant improvements depicted in the Final Space Plan unless Tenant agrees to pay for such increase; (iii) be of a quality lower than the quality of the standard tenant improvement items for the Building; and/or (iv) require any changes to the Base, Shell and Core or structural improvements or systems of the Building. The Final Space Plan, Working Drawings and Approved Working Drawings shall be collectively referred to herein as, the "Construction Drawings."

Section 3

CONSTRUCTION AND PAYMENT FOR COSTS OF TENANT IMPROVEMENTS

3.1 Landlord shall cause the following contractors to bid for the construction of the Tenant Improvements: WCI, Skyline and Landmark. Following the bidding process, Tenant, in its sole discretion, shall select a general contractor from those that participated in the bidding process and shall approve such contractor's estimate of the total cost of the Tenant Improvements (the "Cost Estimate"). Following such approval, Landlord shall cause such general contractor selected by Tenant (the "Contractor") to (i) obtain all applicable building permits for construction of the Tenant Improvements, and (ii) construct the Tenant Improvements as depicted on the

Approved Working Drawings, in compliance with such building permits and all applicable laws in effect at the time of construction, and in good workmanlike manner using new materials and equipment of good quality. Landlord shall pay for the cost of the design and construction of the Tenant Improvements in an amount up to, but not exceeding, $55.00 per rentable square foot of the Premises (i.e., up to $1,385,670.00, based on 25,194 rentable square feet of the Premises (the "Allowance"). The cost of the design and construction of the Tenant Improvements shall include Landlord's construction supervision and management fee in an amount equal to the product of (i) three percent (3%) and (ii) the amount equal to the sum of the Allowance and the Over-Allowance Amount (as such term is defined below). Tenant shall pay for all costs in excess of the Allowance ("Over-Allowance Amount"), which payment shall be made to Landlord in cash within ten (10) days after Tenant's receipt of invoice therefor from Landlord and, in any event, prior to the date Landlord causes the Contractor to commence the actions described in the first sentence of this Section 3. In the event that after Tenant pays the Over-Allowance Amount Tenant requests any changes, change orders or modifications to the Approved Working Drawings (which Landlord approves pursuant to Section 2 above) which increase the cost to construct the Tenant Improvements in excess of the Allowance, Tenant shall pay such increased cost to Landlord immediately upon Landlord's request therefor, and, in any event, prior to the date Landlord causes the Contractor to commence construction of the changes, change orders or modifications. In no event shall Landlord be obligated to pay for any of Tenant's furniture, computer systems, telephone systems, equipment or other personal property which may be depicted on the Construction Drawings; such items shall be paid for by Tenant. Tenant shall not be entitled to receive in cash or as a credit against any rental or otherwise, any portion of the Allowance not used to pay for the cost of the design and construction of the Tenant Improvements. Any required structural fire proofing costs triggered by the Tenant Improvements shall be paid out of the Allowance. Notwithstanding the foregoing, the cost of the Tenant Improvements to be provided at Landlord's sole expense shall include (and Tenant shall have no responsibility for and the Allowance shall not be used for) the following: (a) costs incurred due to the presence of Hazardous Materials in the Premises or the surrounding area, (b) costs due to casualty, (c) costs incurred to bring the Project into compliance with Applicable Laws, except to the extent required due to Tenant's proposed particular use of the Premises including without limitation elements of the Tenant Improvements other than general office improvements, or (d) overtime or premium time unless it is with respect to (i) work normally done outside of business hours due to noise, dust, vibration or odors that would affect occupants of the Building or Project, (ii) work priced as overtime or premium time work as part of the Cost Estimate, or (iii) overtime or premium time work approved by Tenant.

3.2 Tenant's Percentage. Notwithstanding the provision of Section 3.1, so long as the Tenant is the initially-named Tenant under this Lease or a Permitted Transferee thereof, Tenant may pay the Over-Allowance Amount in accordance with the following schedule: (a) an amount equal to 35% of the Over-Allowance Amount (the "Initial Construction Deposit") shall by delivered to Landlord by the date that is the later of (i) Landlord's execution of construction contract with the Contractor, or (ii) the date that is thirty (30) days after the receipt from Landlord of an invoice therefor together with reasonable supporting documentation; and (b) the remaining 65% of the Over-Allowance Amount shall be delivered to Landlord from time-to-time within ten (10) business days after written request of Landlord (each, a "Funding Request") in amounts specified by Landlord in each such Funding Request. Landlord may give multiple Funding Requests. Landlord agrees that the amounts specified in each Funding Request shall be

Landlord's good faith estimate of Tenant's Percentage (as defined below) of the amounts necessary to make payment to third parties for the cost of the Tenant Improvement that have been incurred or will be incurred within thirty (30) days after the date of the Funding Request. Any failure of Tenant to deliver to Landlord any portion of the Over-Allowance Amount in cash as and when due as provided above that it is not cured within three (3) business days after written notice from Landlord shall constitute an Event of Default under the Lease. The Initial Construction Deposit shall be applied to Tenant's Percentage of the cost of the Tenant Improvements first coming due. For purposes of this Tenant Work Letter, "Tenant's Percentage" shall be equal one (1) minus the fraction determined by dividing the amount of the Allowance by the estimated budget for the Tenant Improvements. Landlord may from time to time re-determine the Over-Allowance Amount based on any changes, change orders or modifications to the Approved Working Drawings (which Landlord approves pursuant to Section 2) which increase the cost to construct the Tenant Improvements and upon that re-determination modify Tenant's Percentage and adjust the amount of any Funding Request (or make additional Funding Requests) such that Tenant shall pay the entire Over-Allowance Amount and Tenant's funding of the Over-Allowance Amount at all times is equal to Tenant's Percentage of the estimated budget for the Tenant Improvements that has been expended through that date and that will be paid to third parties for the cost of the Tenant Improvement that have been incurred or will be incurred within thirty (30) days after the date of the most recent Funding Request.

Section 4

SUBSTANTIAL COMPLETION

OF THE TENANT IMPROVEMENTS

4.1 Substantial Completion. For purposes of this Lease, including for purposes of determining the Commencement Date, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant.

4.2 Delay of the Substantial Completion of the Premises. If there shall be an actual delay or there are actual delays in the Substantial Completion of the Tenant Improvements beyond February 1, 2018 as a direct, indirect, partial, or total result of any of the following (collectively, "Tenant Delays"):

4.2.1 Tenant's failure to timely approve the Working Drawings or any other matter requiring Tenant's approval;

4.2.2 a breach by Tenant of the terms of this Tenant Work Letter or the Lease;

4.2.3 Tenant's request for changes in any of the Construction Drawings to the extent set forth in an approved written change order prepared by Landlord and approved by Tenant;

4.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the estimated date of Substantial Completion of the Premises, as set forth in the Lease, or which are different from, or not included in, Landlord's standard tenant improvement items for the Building.

4.2.5 changes to the Base, Shell and Core, structural components or structural components or systems of the Building required by the Approved Working Drawings;

4.2.6 any changes in the Construction Drawings and/or the Tenant Improvements required by applicable laws if such changes are directly attributable to Tenant's use of the Premises or Tenant's specialized tenant improvement(s) (as determined by Landlord); or

4.2.7 any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease and regardless of the actual date of Substantial Completion, the Commencement Date shall be deemed to be the date the Commencement Date would have occurred if no Tenant Delays, as set forth above, had occurred. Notwithstanding the foregoing or anything to the contrary herein, for purposes of determining whether the Commencement Date should be so accelerated with respect to the Tenant Delays described in Sections 4.2.2 or 4.2.7 only, (i) no Tenant Delay as set forth in Sections 4.2.2 or 4.2.7 as applicable, shall be deemed to have occurred unless and until Landlord has provided notice to Tenant (which may be given by email or verbally to representatives of Tenant) (the "Tenant Delay Notice") specifying the action or inaction by Tenant which Landlord contends constitutes the Tenant Delay pursuant to Sections 4.2.2 or 4.2.7 8, as applicable, and (ii) if such action or inaction is not cured by Tenant within one (1) business day of receipt of such Tenant Delay Notice, then a Tenant Delay pursuant to Sections 4.2.2 or 4.2.7, as applicable, as set forth in such Tenant Delay Notice, shall be deemed to have occurred commencing as of the date the Tenant Delay Notice is given.

Section 5

MISCELLANEOUS

5.1 Tenant's Entry Into the Premises Prior to Commencement Date. Subject to the terms hereof and provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Premises, at Landlord's reasonable discretion, Contractor shall allow Tenant access to the Premises thirty (30) days prior to the Commencement Date for the purpose of Tenant installing furniture, phones, data, equipment or fixtures (including Tenant's data and telephone equipment) in the Premises and for otherwise preparing the Premises for occupancy. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 5.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. In connection with any such entry, Tenant acknowledges and agrees that Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees shall fully cooperate, work in harmony and not, in any manner, interfere with Landlord or Landlord's Contractor, agents or representatives in performing work in the Building and the Premises, or interfere with the general operation of the Building and/or the

Project. If at any time any such person representing Tenant shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights upon twenty-four (24) hours' prior written notice to Tenant. Tenant acknowledges and agrees that any such entry into and occupancy of the Premises or any portion thereof by Tenant or any person or entity working for or on behalf of Tenant shall be deemed to be subject to all of the terms, covenants, conditions and provisions of the Lease, excluding only the covenant to pay Rent (until the occurrence of the Commencement Date). Tenant further acknowledges and agrees that Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant's work made in or about the Premises in connection with such entry or to any property placed therein prior to the Commencement Date, the same being at Tenant's sole risk and liability. Tenant shall be liable to Landlord for any damage to any portion of the Premises, including the Tenant Improvement work, caused by Tenant or any of Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees, subject to Section 13.4. In the event that the performance of Tenant's work in connection with such entry causes extra costs to be incurred by Landlord or requires the use of any Building services, Tenant shall promptly reimburse Landlord for such extra costs and/or shall pay Landlord for such Building services at Landlord's standard rates then in effect. In addition, Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Premises or Project and against injury to any persons caused by Tenant's actions pursuant to this Section 5.1.

5.2 Tenant's Representative. Tenant has designated Adam Tomasi as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.3 Landlord's Representative. Landlord has designated Christine Scheerer as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.4 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.5 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an Event of Default by Tenant under the Lease or any default by Tenant under this Work Letter beyond applicable notice and cure periods has occurred at any time on or before the substantial completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law and/or in equity, Landlord shall have the right to cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such work stoppage as set forth in Section 4.2 of this Tenant Work Letter), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such inaction by Landlord).

5.6 Space Planning Allowance. Landlord shall provide Tenant a space planning allowance of up to $0.15 per rentable square foot of the Premises (the "Space Planning Allowance"), which may be used only for the costs to prepare preliminary space plans for the Premises. If Tenant uses its own space planner to prepare the space plan, Landlord shall pay the Space Planning Allowance to Tenant within thirty (30) days after the later of (a) the full execution and delivery of the Lease and (b) Landlord's receipt of an invoice from Tenant's space planner. If Tenant uses Landlord's architect for space planning, Landlord will apply the Space Planning Allowance to payment of the fees charged by Landlord's architect for the space plans. Landlord shall be entitled to copies of all plans created utilizing the Space Planning Allowance. The Space Planning Allowance shall be paid out of the Allowance.

EXHIBIT C-1

FINAL SPACE PLAN

(See Attached)

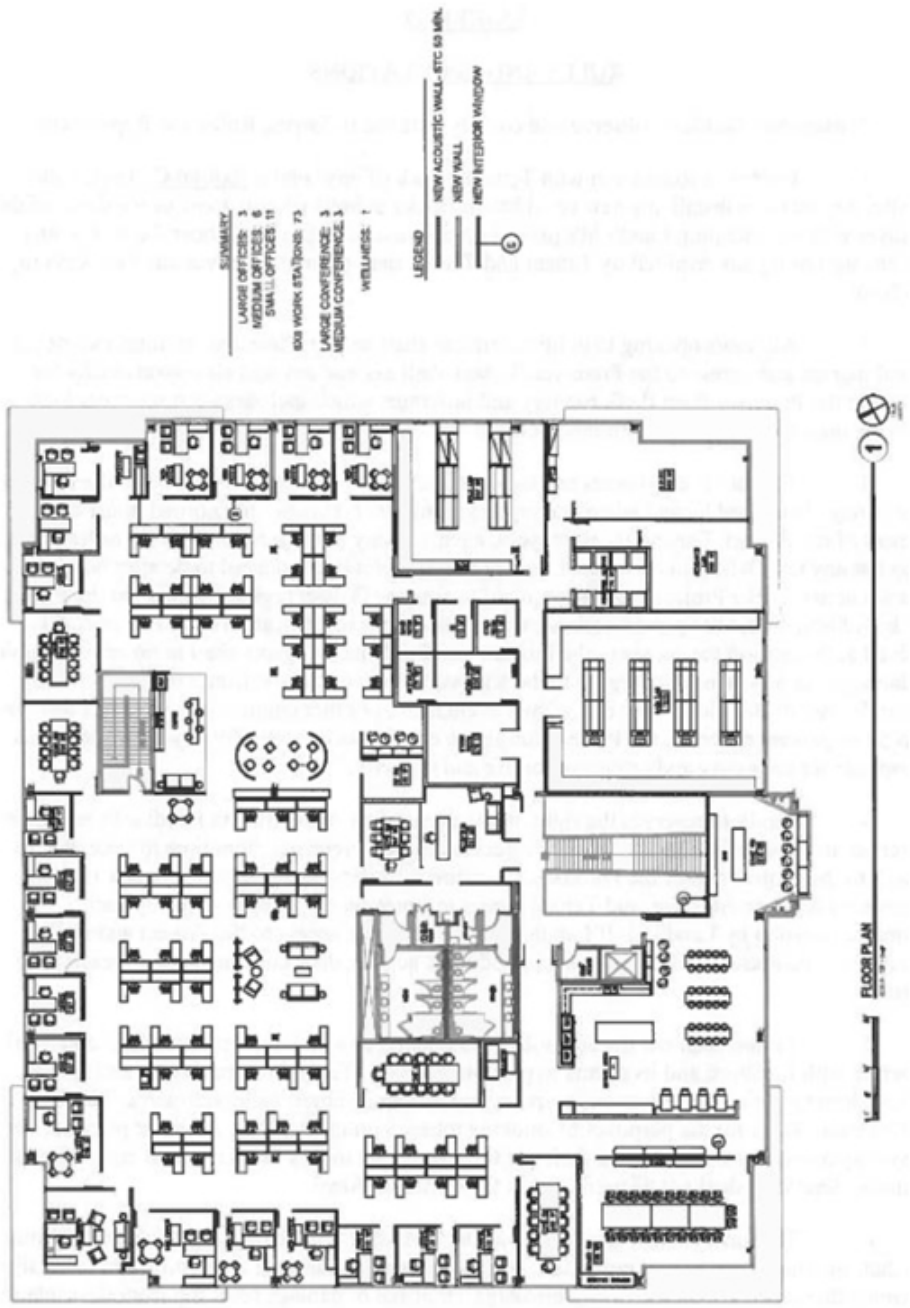

SUMMARY
LARGE OFFICES: 3
MEDIUM OFFICES: 6
SMALL OFFICES: 11
600 WORK STATIONS: 73
LARGE CONFERENCE: 3
MEDIUM CONFERENCE: 3
WELLNESS: 1
LEGEND
NEW ACOUSTIC WALL - STC 53 MIN.
NEW WALL
NEW INTERIOR WINDOW
FLOOR PLAN

EXHIBIT D
RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations:

1. Except in connection with Tenant's work (if any) under Exhibit C, Tenant shall not alter any locks or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant and Tenant shall promptly deliver any new keys to Landlord.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

3. Tenant, its employees and agents must be sure that the entry doors to the Premises are securely closed and locked when leaving the Premises if it is after the normal hours of business of the Project. Tenant, its employees, agents or any other persons entering or leaving the Project at any time when it is so locked, or any time when it is considered to be after normal business hours for the Project, may be required to sign the Project register. Access to the Project may be refused unless the person seeking access has proper identification or has a previously received authorization for access to the Project. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. Landlord reserves the right, in the event of an emergency in Landlord's reasonable discretion, to close or limit access to the Project and/or the Premises, from time to time, due to damage to the Project and/or the Premises, to ensure the safety of persons or property or due to government order or directive, and Tenant agrees to immediately comply with any such reasonable decision by Landlord. If Landlord closes or limits access to the Project and/or the Premises for the reasons described above, Landlord's actions shall not constitute a breach of the Lease.

5. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord and its agents to prevent the same. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or any Common Areas for the purposes of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises. Smoking shall not be permitted in the Common Areas.

6. The toilet rooms, urinals and wash bowls shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenants who, or whose employees or agents, shall have caused it.

7. Except for food, soft drink or other vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. All vendors or other persons visiting the Premises shall be subject to the reasonable control of Landlord. Tenant shall not permit its vendors or other persons visiting the Premises to solicit other tenants of the Project.

8. Tenant shall not use or keep in or on the Premises or the Project any kerosene, gasoline or other inflammable or combustible fluid or material, except as otherwise permitted in the Lease. Tenant shall not bring into or keep within the Premises or the Project any animals, birds or vehicles (other than passenger vehicles, forklifts or bicycles).

9. Tenant shall not use, keep or permit to be used or kept, any noxious gas or substance in or on the Premises, except as otherwise permitted in the Lease, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or to otherwise unreasonably interfere with the use of the Project by other tenants.

10. No cooking shall be done or permitted on the Premises nor shall the Premises be used for the storage of merchandise, for loading or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' Laboratory approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors of Tenant, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations; and provided further that such cooking does not result in odors escaping from the Premises.

11. 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 any of these Rules and Regulations.

12. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash in the vicinity of the Project without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

13. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

14. Tenant acknowledges that the local fire department has previously required Landlord to participate in a fire and emergency preparedness program or may require Landlord and/or Tenant to participate in such a program in the future. Tenant agrees to take all actions reasonably necessary to comply with the requirements of such a program including, but not limited to, designating certain employees as "fire wardens" and requiring them to attend any necessary classes and meetings and to perform any required functions.

15. Tenant and its employees shall comply with all federal, state and local recycling and/or resource conservation laws and shall take all actions reasonably requested by Landlord in order to comply with such laws. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Project failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Project, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to any LEED ([Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).

16. Smoking (including vaping) is prohibited in the Premises, the Building and all enclosed Common Areas of the Project, including all lobbies, all hallways, all elevators and all lavatories. Without limiting the foregoing, Tenant must comply with the State of California “No-Smoking” law set forth in California Labor Code Section 6404.5, and any local “No-Smoking” ordinance which may be in effect from time to time and which is not superseded by such State law.

17. The Premises shall not be used as an employment agency, a public stenographer or typist, a labor union office, a physician’s or dentist’s office, a dance or music studio, a school, a beauty salon, or barber shop, the business of photographic, multilith or multigraph reproductions or offset printing (not precluding using any part of the Premises for photographic, multilith or multigraph reproductions solely in connection with Tenant’s own business and/or activities), a restaurant or bar, an establishment for the sale of confectionery, soda, beverages, sandwiches, ice cream or baked goods, an establishment for preparing, dispensing or consumption of food or beverages of any kind in any manner whatsoever, or news or cigar stand, or a radio, television or recording studio, theatre or exhibition-hall, or manufacturing, or the storage or sale of merchandise, goods, services or property of any kind at wholesale, retail or auction.

18. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable and non-discriminatory Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT D-1

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles, pickup trucks and sport utility vehicles. Tenant and its employees shall park automobiles within the lines of the parking spaces.

2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

3. Parking stickers and parking cards, if any, shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder's parking privileges. Landlord may require Tenant and each of its employees to give Landlord a commercially reasonable deposit when a parking card or other parking device is issued. Landlord shall not be obligated to return the deposit unless and until the parking card or other device is returned to Landlord. Tenant will pay such replacement charges as is reasonably established by Landlord for the loss of such devices. Loss or theft of parking identification stickers or devices from automobiles must be reported to the parking operator immediately. Any parking identification stickers reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

4. Unless otherwise instructed, every person using the parking area is required to park and, lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

5. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

6. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws, and agreements. Parking area managers or attendants, if any, are not authorized to make or allow any exceptions to these Parking Rules and Regulations. Landlord reserves the right to terminate parking rights for any person or entity that willfully refuses to comply with these rules and regulations.

7. Every driver is required to park his or her own car. Tenant agrees that all responsibility for damage to cars or the theft of or from cars is assumed by the driver, and further agrees that Tenant will hold Landlord harmless for any such damages or theft.

8. No vehicles shall be parked in the parking areas overnight. The parking area shall only be used for daily parking and no vehicle or other property shall be stored in a parking space.

9. Any vehicle parked by Tenant, its employees, contractors or visitors in a reserved parking space or in any area of the parking area that is not designated for the parking of such a vehicle may, at Landlord's option, and without notice or demand, be towed away by any towing company selected by Landlord, and the cost of such towing shall be paid for by Tenant and/or the driver of said vehicle.

Landlord reserves the right at any time to reasonably change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable and nondiscriminatory Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Landlord, however, shall apply such Rules and Regulations in a nondiscriminatory manner. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them.

EXHIBIT E

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 201__ by and between _____, as Landlord, and the undersigned, as Tenant, for Premises on the _____ floor(s) of the office building located at _____, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project, except as provided in the Lease.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____.

7. To Tenant's current actual knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except the Security Deposit in the amount of $_____ as provided in the Lease.

9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's current actual knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

10. If Tenant is a corporation, limited liability company, partnership or limited liability partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. To Tenant's current actual knowledge, there are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all applicable laws and the Lease, the Tenant has not used or stored any hazardous substances in the Premises.

14. To Tenant's current actual knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the _____ day of _____, 201__.

"Tenant":

Allakos, Inc.,
a Delaware corporation

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT F

COMMENCEMENT DATE MEMORANDUM

With respect to that certain lease ("Lease") dated _____, 20____ between WESTPORT OFFICE PARK, LLC, a California limited liability company ("Landlord"), and _____ ("Tenant"), whereby Landlord leased to Tenant and Tenant leased from Landlord approximately _____ rentable square feet of that certain office building located at , California ("Premises"), Tenant hereby acknowledges and certifies to Landlord as follows:

(1) Landlord delivered possession of the Premises to Tenant substantially complete on _____;

(2) The Lease commenced on _____ ("Commencement Date") and Tenant's obligation to pay Rent commenced on _____;

(3) The Expiration Date of the Lease is _____;

(4) The Premises contain _____ rentable square feet of space; and

(5) Tenant has accepted the Premises.

(6) Tenant's Building Percentage is _____

(7) Base Rent per month is _____

IN WITNESS WHEREOF, this Commencement Date Memorandum is executed this day of _____

"Tenant"

_____

_____

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT G

STANDARDS FOR UTILITIES AND SERVICES

The following Standards for Utilities and Services are in effect. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto provided that such modifications do not interfere with Tenant's use of the Premises, materially increase the obligations or decrease the rights of Tenant under the Lease:

(a) On Monday through Friday, except holidays, from 8 A.M. to 6 P.M. (and other times for a reasonable additional charge to be fixed by Landlord), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the judgment of Landlord it may be required for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings in the Premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all regulations and requirements which Landlord may reasonably prescribe for the proper function and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, or touch said installations or facilities. The cost of maintenance and service calls to adjust and regulate the air conditioning system shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligations under this section, including keeping window coverings closed as needed. Such work shall be charged at hourly rates equal to then current journeymen's wages for air conditioning mechanics.

(b) Landlord reserves the right to charge Tenant for the cost to Landlord of providing such after-hours heating and air-conditioning requested by Tenant; provided such charge applies non-discriminatorily to all occupants of the Project.

(c) Landlord shall furnish to the Premises, at all times, electric current sufficient for normal office and lab use. Tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity, to reimburse Landlord monthly for the measured excess consumption at the average cost per kilowatt hour charged to the Building during the period. If a separate meter is not installed at Tenant's cost, such excess cost will be established by an estimate agreed upon by Landlord and Tenant, and if the parties fail to agree, as established by an independent licensed engineer. Said estimates to be reviewed and adjusted quarterly. Tenant agrees not to use any apparatus or device in, or upon, or about the Premises which may in any way increase the amount of such services usually furnished or supplied to said Premises, and Tenant further agrees not to connect any apparatus or device with wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should Tenant use the same to excess, the refusal on the part of Tenant to pay upon demand of Landlord the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay Rent under this Lease and shall entitle Landlord to the rights therein granted for such breach. At

all times Tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation and Tenant shall not install or use or permit the installation or use any computer or electronic data processing equipment in the Premises (excluding Permitted Equipment) in excess of the scope of such equipment that is customary for general office/R&D use in space of comparable size in Comparable Buildings, without the prior written consent of Landlord. If Tenant is billed directly by a public utility with respect to Tenant's electrical usage at the Premises, upon request from time to time, Tenant shall provide monthly electrical utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's electricity usage with respect to the Premises directly from the applicable utility company.

(d) Water will be available in the Premises and public areas for drinking, lavatory and lab purposes only, but if Tenant requires, uses or consumes water for any purposes in addition to ordinary drinking, lavatory and lab purposes of which fact Tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof from Tenant. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be additional rent payable by Tenant and collectible by Landlord as such.

(e) Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by any cause beyond Landlord's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel; provided that Landlord shall make commercially reasonable efforts to minimize the disruption to Tenant's business operations during standard business hours. It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's control.

EXHIBIT H

COPY OF ORDER

(See Attached.)

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

ORDER NO. R2-2003-0074
UPDATED WASTE DISCHARGE REQUIREMENTS
AND RESCISSION OF ORDER NO. 94-181 FOR:

WESTPORT LANDFILL
JOHN ARRILLAGA SURVIVOR'S TRUST, THE PEERY PRIVATE
INVESTMENT COMPANY, PEERY PUBLIC INVESTMENT COMPANY
REDWOOD CITY, SAN MATEO COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region, (hereinafter called the Board), finds that:

SITE OWNER AND LOCATION

1. The legal owners of the site are the John Arrillaga Survivor's Trust, The Peery Private Investment Company, and the Peery Public Investment Company and are hereinafter referred to as the Dischargers. The unlined landfill site, as shown in Figure 1, is located adjacent to Belmont Slough in Redwood City. A commercial business park including twenty (20) two-story buildings and associated site improvements has been constructed at the site (Figure 2).

PURPOSE OF ORDER UPDATE

2. The primary purposes of this Order are 1) to update the existing Waste Discharge Requirements (WDRs) to reflect recent site development and current facility conditions and 2) to assure compliance with the appropriate portions of Title 27 of the California Code Of Regulations (formerly known as Chapter 15, Title 23), referred to hereinafter as Title 27. The "appropriate portions" of Title 27 are hereby defined as the relevant sections pertaining to post-closure maintenance and water quality monitoring.

SITE DESCRIPTION

3. The site was tidal marshlands until approximately 1910, at which time the area was diked and portions used for pastureland and for a hog farm. The landfill area was used as a refuse disposal site from about 1948 to its closing in about 1970. Disposal in the southeastern portion of the site (referred to as the Panhandle area) reportedly ceased in about 1963, while disposal in the northeastern portion of the site (the Mound area) continued until about 1970.

4. The Westport Landfill is a closed 45-acre unlined site located approximately one-mile east of Highway 101, and is bordered by Belmont Slough to the north and west, and by existing residential developments and Marine World Parkway to the east and south. The landfill covers the majority of two contiguous parcels that have been developed as a commercial business park called Westport Office Park.

5. The site currently includes a commercial business park with twenty (20) two-story office and research buildings totaling approximately 968,000 leasable square feet. The site (Figure 2) is currently covered by approximately 522,000 square feet of building footprints (14.2% of entire area), 1,522,100 square feet of asphalt and concrete pavement (41.4% of entire area), and 1,631,400 square feet of landscaped area (44.4% of entire area).

REGULATORY HISTORY

6. On July 20, 1976 Waste Discharge Requirements were adopted for the site in Board Order No. 76-77. In that Order Parkwood 101, Limited (the previous landfill owner), was required to place "a final cover of at least four-feet of compacted inert fill material" over the waste disposal areas. Board Order No. 76¬77 was subsequently revised on October 18, 1977 by Order No. 77-134, wherein a revised time schedule was adopted for compliance with site closure specifications. Closure activities at the site included placement of additional cover material over the waste disposal areas and grading to eliminate ponding.

7. On December 14, 1994, the Board adopted Order No. 94-181, rescinding Order Nos. 76-77 and 77-134. Among other activities in response to the requirements of Order No. 94-181, and in conjunction with the reconstructed cap and site development, the lateral extent of refuse was determined using historical aerial photos taken throughout the operational period of the landfill and through organized trenching. Based on the results of these studies a perimeter cut-off wall was installed consisting of a vertical clay barrier with a minimum width of two-feet connecting the overlying low permeability cover layer with the underlying young Bay Mud, completing the containment envelope. The vertical extent of the refuse as depicted in various geotechnical studies was confirmed by a deep boring program and by pile driving observations.

LANDFILL HISTORY

8. Approximately 45 acres of the project site were used for landfill disposal of municipal solid waste and incinerator ash from about 1948 to about 1970. Approximately 650,000 cubic yards of fill material was disposed of at the site on the existing unlined Bay Mud. The waste material reportedly disposed at the site consists of non-hazardous material including: municipal solid waste, construction debris paper, glass, plastic, wood, rock fragments, and incinerator ashes.

9. The landfill can be divided into three areas. Refuse is present primarily in the southern and eastern portions of the site and forms two elevated areas, referred to as (1) the Mound (35 acres) in the eastern portion of the site, and (2) the Panhandle (an elongated area of 10 acres) along the southeastern property boundary. The third area (40 acres), located between the refuse fill and the levees, is a low-lying area where unplanned sporadic refuse disposal occurred. Limited refuse disposal activities occurred outside the current property boundary as indicated by small pockets of discontinuous refuse identified during the installation of underground utilities and a perimeter leachate collection system. The site's surface soils are currently composed largely of fill that has been used to: establish a cap over the refuse fill area; to fill low-lying elevations; to construct building pads; to serve as a base for site paving; and, to provide topsoil for landscaped areas.

LANDFILL INVESTIGATIONS AND WORK

10. During the 1970's several possible real estate developments were proposed and various site investigations were performed. Until Westport Office Park, no proposed project continued beyond the preliminary stage. In conjunction with the planning and design of Westport Office Park, additional site investigations were performed and substantial information was developed and recorded.

11. Preliminary Soil and Groundwater Investigation- 1988: In 1988, a preliminary soil and groundwater investigation was conducted by Kaldveer Associates. Kaldveer installed five monitoring wells in the western portion of the site to evaluate shallow groundwater quality adjacent to the refuse fill area.

12. SWAT- 1988 to 1989: In 1988 and 1989, Levine-Fricke conducted a Solid Waste Assessment Test (SWAT) to determine the landfill's potential to have adverse effects on water quality. Levine-Fricke installed seven shallow groundwater monitoring wells outside the primary refuse areas, seven monitoring wells within the primary refuse areas, and three deeper wells.

13. Addendum to SWAT- 1992 and 1993: Levine-Fricke conducted groundwater monitoring activities to complete the SWAT.

14. Removal and Replacement of Lead-Affected Soils and Landfill Materials- 1994: Levine-Fricke investigated and remediated lead-affected soil in three locations at the site. In order to complete the removal activities, two monitoring wells were abandoned. (P-1A and P-5)

15. On March 2, 1994, United Soil Engineering, Inc., (USE) conducted an investigation to determine the thickness of the landfill cover. A total of 77 borings were advanced to a depth of 6 feet. USE's investigation revealed that some portions of the landfill cover did not meet the four-foot cover requirement as specified in Order No. 76-77 and as revised by Order No. 77-134. USE's investigations revealed that an additional one to two feet of clay or low permeability soil was required to achieve the minimum required thickness for most of the landfill cover.

16. Provision C.10 of WDR Order No. 94-181 required the Dischargers to reconstruct those portions of the landfill cap that did not meet the requirements of Section 2581 of Article 8, Chapter 15 (e.g., a cap containing a minimum of two feet of foundation material, one foot low permeability layer with a hydraulic conductivity of less than or equal to 10-6 cm/sec, and a one foot layer for erosion protection). The Dischargers submitted a Cap Reconstruction Plan dated February 14, 1995. The Cap Reconstruction is now complete in conformance with the Cap Reconstruction Plan.

17. Deep Boring Program — 1995: Geomatrix performed a subsurface study to determine the physical characteristics of the soil by advancing 13 deep borings to approximately 140 feet BGS.

18. Additional Well Installation — 1996-1998: Geomatrix installed four new monitoring wells to provide additional monitoring points for the landfill, as required by Board Order No. 94-181. (MW3-1R, MW3-2, MW-4, and P5-1).

19. Ammonia Investigation — 1998: Geomatrix conducted an assessment of ammonia in soil and groundwater in the vicinity of the former pig farm and found that these conditions may not be related to the landfill. Soil and grab groundwater samples were collected from 11 borings.

20. Acetone Investigation — 1999: Following the detection of acetone in a groundwater sample collected during a semi-annual monitoring event, an investigation was conducted by Geomatrix to assess the lateral extent of the acetone. Grab groundwater samples were collected from borings placed in the vicinity of the well where acetone had been detected.

21. Concurrent with site and building approval and construction (most of which took place in the late 1990s), landfill gas (LFG) venting and monitoring systems were approved and installed and meet regulatory requirements.

SITE GEOLOGIC SETTING

22. The site is domed in the northeast, central, and southeast portions of the site where refuse was placed and is relatively flat in the northwest and west portions. Elevations at the site currently range from 104.5 to 133.5 feet where City of Redwood City datum 100.0 equals mean sea level. The fill at the site overlies estuarine deposits referred to as Bay Mud. The Bay Mud deposits surround San Francisco Bay and generally consist of very low permeability plastic silty clays with high organic content. Stiff to very stiff sandy clay/clayey sand has been encountered below the Bay Mud extending to a depth of approximately 200 feet below ground surface (bgs). It has been reported that a moderately permeable sequence of clay, sand, and gravel underlies the stiff clays, beginning at a depth of 200 feet bgs. Franciscan bedrock was reported to exist at a depth of approximately 300 feet bgs along the western side of the site and 500 feet bgs along the eastern side of the site.

SITE HYDROGEOLOGIC SETTING

23. Hydrogeologic investigations have shown that, within the former landfill, the groundwater movement is radially away from the Mound area (eastern portion of site). As part of corrective action at the site groundwater collection trenches were installed along the northern and southeastern margins of the Mound and the Panhandle to assist with containment and removal of leachate-impacted groundwater adjacent to the primary refuse disposal areas.

24. The direction of deeper groundwater flow cannot be established with a high level of certainty because of the relatively discontinuous nature of the water bearing zones in the low permeability clay layer beneath the younger Bay Mud. However, it has been reported that regional hydrogeologic conditions suggest that deeper groundwater flows in an easterly direction towards San Francisco Bay.

25. Comparisons of shallow and deep groundwater levels have indicated the existence of both upward and downward vertical hydraulic gradients across the site.

26. Confined regional aquifer zones of moderate permeability are present at a depth of approximately 190 to 200 feet bgs. These aquifer zones are an extension of the major artesian basin of the south Bay and Santa Clara Valley and consists chiefly of unconsolidated Quaternary Alluvium.

GROUND WATER CONTAMINATION AND WATER QUALITY

27. Groundwater within the landfill refuse has been shown to contain volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polychlorinated biphenyls (PCBs), and ammonia.

28. Shallow and deep groundwater around the perimeter and/or beneath the landfill, outside the refuse limit, has had sporadic detections of low levels of VOCs and SVOCs at the following maximum concentrations: benzene at 7.2 micrograms per liter (p.g/L), ethyl-benzene at 5 1.tg/L, acetone at 120 µg/L, toluene at 6µg2, trichloroethylene at 33 j.tg/L, carbon tetra-chloride at 5 µg/L, 1,1,1-trichloroethane at 7 gg/L, chloroform at 1 4-methyl-2-pentanone at 43 pg/L, phenol at 54 µg/L, bis (2-ethylhexyl) phthalate at 81 µg/L. Elevated concentrations of ammonia are present along the western edge of the landfill where a pig farm operated during the 1940's and 1950's and is the suspected ammonia source.

LEACHATE COLLECTION AND REMOVAL SYSTEM (LCRS)

29. The leachate collection system at the site was expanded and upgraded in 1998, concurrent with site development and consists of three groundwater collection trenches. The trenches were excavated to depths of 8 to 13 feet bgs and intercept the full thickness of the refuse-containing fill layer. The collection trenches are filled with permeable material to allow leachate to flow into perforated collection pipes. The trenches are capped with low-permeability clay. The locations of the leachate control trenches are shown in Figure 2. The northern leachate collection and removal trench is. 1,400 feet long and is fitted with a sensor-activated automatic pumping system that periodically pumps leachate from manhole No. 3 to a connection with the sanitary sewer lateral where the leachate then flows by gravity to the South Bayside System Authority (SBSA) publicly operated treatment works (POTW) plant.. The two southeastern leachate collection and removal trenches total 2,800 feet in length. To remove leachate-impacted groundwater from these trenches, sensor activated automatic pumping systems have been installed in manhole No.'s 1 and 2; leachate-impacted groundwater is automatically pumped from manhole No. 2 and from manhole No. 1 to the sanitary sewer lateral where the leachate then flows by gravity to the SBSA POTW plant.

30. Leachate is discharged under a permit issued by the SBSA. The SBSA does random sampling and testing of the leachate discharge. All repeat test results forwarded by the SBSA have shown that the leachate discharge meets the SBSA criteria for discharge to the SBSA system without treatment.

LANDFILL GAS MANAGEMENT

31. Concurrently with site and building approval and construction, landfill gas (LFG) venting and monitoring systems for each building were approved and installed. A trench network was excavated under each building. A perforated high-density polyethylene (HDPE) pipe was embedded in rounded rock backfill in these trenches. The perforated pipes were extended beyond the building perimeter where they were manifolded together. The LFG pipe manifolds are connected to ..vertical LFG vent risers that allow the LFG to be vented to, and dissipated in, the atmosphere. The LFG vent risers and their immediate vicinity are monitored at a minimum of monthly to insure that dangerous concentrations of gas do not exist.

32. A continuous 60 mil HDPE membrane was installed on the underside of each first floor building slab to prevent LFG penetration into each building. Each building has a system of ten LFG sensors that are continuously monitored by an offsite life safety monitoring company. The LFG sensors are calibrated quarterly. The LFG detection alarm system and the LFG sensor calibration records are inspected annually by the San Mateo County Health Services Agency.

33. The LCRS trenches described above also act as a LFG cut-off wall. There are 13 LFG vent risers connected to the vadose zone in the permeable material above the leachate. They serve to collect the LFG intercepted by the leachate trenches and to vent this gas to the atmosphere before the LFG migrates to the property line. These LFG vent risers are monitored and inspected not less frequently then once per month.

CURRENT AND FUTURE LAND USES

34. In accordance with plans submitted to, and approved by, the City of Redwood City and the San Mateo County Health Services Agency, the former landfill site has been developed, occupied, and maintained as a commercial business park.

35. The parcels are zoned for commercial use by the City of Redwood City. Permits for additional development and/or modifications to the existing developments may be applied for in the future.

POST CLOSURE MONITORING AND MAINTENANCE

36. The Dischargers submitted Utility Inspection, Maintenance, and Settlement Monitoring programs for different portions of the site to the City of Redwood City as part of the site’s post-closure activities. This program includes providing surveyed permanent benchmarks on the property, surveyed utility alignments, and detailed periodic observations and records of settlement of the water facilities and the sanitary sewer force main.

MONITORING PROGRAMS

37. Title 27 requires that the Dischargers maintain a groundwater-monitoring program designed to detect the presence of waste constituents in groundwater outside of the waste management unit (WMU). The required monitoring is included in the Discharge Monitoring Program (Attachment A) and consists of a list of constituents of concern (COCs), sampling frequency, approved analytical methods, reporting requirements, the point of compliance, and an approved evaluation method to determine compliance consistent with Title 27.

38. **Groundwater Monitoring**—Board Order No. 94-181 required the Dischargers to document the installation of four additional monitoring wells to be included in the Discharge Monitoring Program (Attachment A). A report documenting completion of these wells, or their equivalent monitoring points, was submitted to the Board in a letter dated June 28, 1996. (MW3-1R, MW3-2, MW-4, and P5-1).

39. **Groundwater Monitoring**—There are 12 shallow (4 feet to 32 feet bgs) groundwater monitoring wells and piezometers at the site. These are shown on Figure 2 and include P3-R, P-7, P-8, MW-4, MW-4P, K-4, P5-1R, MW-3, MW3-2R, UPG-1, UPG-2, and K-1. There are three deeper (35 feet to 72 feet bgs,/ groundwater-monitoring wells and piezometers at the site. These are shown on Figure 2 and include DW-1, DW-2 and DW-3. Groundwater-monitoring is detailed in the Discharge Monitoring Program attached to this Order (Attachment A). The Dischargers are required to analyze according to the monitoring parameters presented in Attachment A of this Order.

40. **Leachate Monitoring** — There are 17 leachate monitoring wells/piezometers at the site. These are shown on Figure 2 and include S-2, S-3A, S-4A, S-5, P-2A, P3-PZ, P-4, P5-1-PZ, P-6, K3-R, K3-PZ, MW3-1R, PZ-2, PZ-2P, PZ-3A, PZ-3B, and PZ-3C. The Leachate Monitoring Program is detailed in the Discharge Monitoring Program attached to this Order (Attachment A).

41. **Vadose Zone Monitoring** — Vadose zone monitoring is conducted as part of the landfill gas venting and monitoring program and has been integrated into the commercial development of the site.

BASIN PLAN

42. The Regional Board adopted a revised Water Quality Plan for the San Francisco Bay Basin (Basin Plan) in June 21, 1995. This updated and consolidated plan represents the Board's master water quality control planning document. The State Water Resource Control Board and the Office of the Administrative Law approved the revised Basin Plan on July 20 and November 13, respectively, of 1995. A summary of regulatory provisions is contained in Title 23 of the California Code of Regulations, Section 3912. The Basin Plan defines beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater.

43. State Board Resolution No. 89-39, “Sources of Drinking Water,” defines potential sources of drinking water to include all groundwater in the region, with limited exceptions for areas containing high TDS, high background contaminant levels, or those areas with a low-yield. Shallow and deeper (33-75 feet bgs) groundwater at the site is not considered a potential drinking water source as it exceeds electrical conductivities of 5,000 microseimens per centimeter (uS/cm). There is no current use of the site’s shallow or deep groundwater, nor any anticipated plans for its use. However, any groundwater at the site meeting Resolution 89-39 requirements of TDS concentrations below 3000 mg/L, electrical conductivities below 5,000 uS/cm, and with production yields greater that 200 gallons per day will be considered a potential drinking water source.

BENEFICIAL USES

44. The beneficial uses of Belmont Slough, and South San Francisco Bay as contained in the Basin Plan are as follows:

    a. Wildlife habitat;
    b. Brackish and salt water marshes;
    c. Water contact recreation;
    d. Non-water contact recreation;
    e. Commercial and sport fishing;
    f. Preservation of rare and endangered species;
    g. Estuarine habitat;
    h. Fish migration and spawning;
    i. Industrial process supply; and,
    j. Industrial service supply.

45. The present and potential beneficial uses of the groundwater are as follows:

    k. Domestic and municipal water supply;
    l. Freshwater replenishment; and,
    m. Agricultural supply.

STORM WATER POLLUTION PREVENTION

46. Board Order No. 94-181 required the Dischargers to prepare, implement and submit a Storm Water Pollution Prevention Plan (SWPPP) in accordance with requirements specified in State Water Resources Control Board General Permit for Storm Water Discharges Associated with Industrial Activities (NPDES Permit No. CAS000001). The Dischargers prepared and submitted a SWPPP dated March 24, 1995, in accordance with requirements specified in State Water Resources Control Board General Permit for Storm Water Discharges Associated with Construction Activities (NPDES Permit No. CAS000002). The SWPPP was implemented at the site during the construction phase. The NPDES General Permit requires the Dischargers to submit annual reports. The Dischargers implemented the SWPPP and submitted annual reports. With the completion of the construction phase, the Dischargers have filed a Notice of Termination for the site.

CONTINGENCY PLAN

47. Board Order No. 94-181 required the Dischargers to submit a Contingency Plan that would be implemented in the event of a leak or spill from the leachate collection facilities. An acceptable Contingency Plan was submitted to the Board on March 15, 1995. The Contingency Plan provides for immediate notice to the Board, the Local Enforcement Agency, and the California Department of Toxic Substances Control. The Contingency Plan also provides for the implementation of a corrective action plan to stop and contain the migration of pollutants from the site.

POST-EARTHQUAKE INSPECTION AND CORRECTIVE ACTION PLAN

48. Board Order No. 94-181 required the Dischargers to submit a detailed Post-Earthquake Inspection and Corrective Action Plan to be implemented in the event of an earthquake generating ground shaking of Richter Magnitude 7 or greater at, or within 30 miles of, the landfill. The Dischargers submitted an acceptable Plan dated March 14, 1995. The Plan describes containment features and groundwater monitoring and leachate control facilities potentially impacted by the static and seismic deformations of the landfill. The Plan provides for reporting results of the post earthquake inspection to the Board within 72 hours of the occurrence of an appropriate earthquake. Immediately after an earthquake event causing damage to the landfill structures, the Plan includes the implementation of the corrective action plan and includes providing notification of any damage to the Board.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

49. The Dischargers have completed a Final Environmental Impact Report, a Supplemental Environmental Impact Report, a Health Risk Assessment, and a Technical Addendum for development at the site that resulted in the filing of Notice of Determination 108639 Appendix H by the Redwood City Planning Division on March 3, 1995 stating that the findings were pursuant to California Environmental Quality Act (CEQA).

50. This action is exempted from the provision of CEQA pursuant to Section 15301, Title 14, of the California Code of Regulations.

PUBLIC NOTICE

51. The Board has notified the Dischargers and interested agencies and persons of its intent to issue waste discharge requirements for the Dischargers and has provided them with an opportunity for a public hearing and an opportunity to submit their written views and recommendations.

PUBLIC MEETING

52. The Board in a public meeting heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that the Dischargers, their agents, successors and assigns are to conduct post-closure maintenance and monitoring and shall meet the applicable provisions contained in Title 27, Division 2, Subdivision 1 of the California Code of Regulations and Division 7 of the California Water Code and shall comply with the following:

A. PROHIBITIONS

1. Waste shall not be in contact with ponded water from any source whatsoever.

2. The site is regulated as a closed facility. Therefore, no further waste shall be deposited or stored at this site.

3. Leachate from waste and ponded water containing leachate or in contact with solid wastes shall not be discharged to the waters of the State or the United States.

4. Neither the treatment nor the discharge of waste shall create a condition of pollution, contamination or nuisance, as defined by Section 13050 of the California Water Code (CWC). (H & SC Section 5411, CWC Section 13263).

5. The Dischargers, or any future site owner or operator of the site, shall not cause the following conditions to exist in waters of the State at any place outside the waste management facility:

   a. Surface Waters

      1) Floating, suspended, or deposited macroscopic particulate matter or foam.

      2) Bottom deposits or aquatic growths;

      3) Alteration of temperature, turbidity, or apparent color beyond natural background levels;

      4) Visible, floating, suspended or deposited oil or other products of petroleum origin; and,

      5) Toxic or other deleterious substances to be present in concentrations or quantities which may cause deleterious effects on aquatic biota, wildlife or waterfowl, or which render any of these unfit for human consumption either at levels created in the receiving waters or as a result of biological concentrations.

   b. Groundwater

      1) Groundwater shall not be degraded as a result of the waste maintained at this facility.

B. SPECIFICATIONS

1. All reports pursuant to this order shall be prepared under the supervision of a registered civil engineer, California registered geologist or certified engineering geologist.

2. The final cover system shall be maintained to promote lateral runoff and prevent ponding and infiltration of water.

3. Surface drainage from tributary areas and internal site drainage from surface sources shall not contact or percolate through wastes during the life of the site.

4. The site shall be protected from any washout or erosion of wastes or covering material and from inundation which could occur as a result of a 100-year, 24-hour precipitation event, or as the result of flooding with a return frequency of 100 years.

5. The existing LCRS shall be inspected monthly or more frequently as necessary and any excess accumulated fluid shall be removed.

6. The existing containment, drainage, landfill gas, leachate collection, and monitoring systems at the facility, shall be operated and/or maintained as long as leachate or landfill gas is present and either or both pose a threat to water quality. In the event these existing features are found to be ineffective at resolving impairments to groundwater, the Dischargers may be required to take additional corrective actions.

7. The Dischargers shall assure that the foundation of the site, the solid waste fill, and the structures (including future site structures) which control leachate, surface drainage, erosion, and gas are maintained to relevant engineering criteria, including the ability to withstand conditions generated during the maximum probable earthquake. FurtherMore, new structures shall be constructed and maintained in compliance with approved engineering criteria.

8. The Dischargers shall analyze the samples from the specified groundwater wells as outlined in the Discharge Monitoring Program (Attachment A).

9. The Dischargers shall install any reasonable additional groundwater and leachate monitoring devices required to fulfill the terms of any future Discharge Monitoring Program issued by the Executive Officer.

10. Landfill gases shall be adequately vented, removed from the landfill, or otherwise controlled to minimize the danger of explosion, adverse health effects, nuisance conditions, or the impairment of beneficial uses of water.

11. The Dischargers are subject to performance standards adopted by the California Integrated Waste Management Board for post-closure land use, which specify that the devices and features installed in accordance with this Order are designed, maintained, and continue to operate as intended without significant interruption.

12. The Dischargers shall maintain a minimum of two surveyed permanent monuments installed by a licensed land surveyor near the landfill from which the location and elevation of wastes, containment structures, and monitoring facilities can be determined throughout the operation and post-closure maintenance period.

13. The Regional Board shall be notified immediately of any failure occurring in the waste management unit. Any failure that threatens the integrity of containment features or the landfill shall be promptly corrected after approval of the method and schedule by the Executive Officer.

14. The Dischargers shall maintain the facility so as to prevent a statistically significant increase in the concentrations of indicator parameters or constituents of concern at groundwater monitoring points as provided in Section 20415 (e) (7) of Title 27. The Dischargers shall maintain the facility so as not to exceed the "Water Quality Protection Standard" (WQPS) of the Discharge Monitoring Program (Attachment A).

15. In the event of a release of a constituent of concern from the WMU beyond the Point of Compliance (Section 20405, Title 27), the site begins a Compliance Period (Section 20410, Title 27). During the Compliance Period, the Dischargers shall perform an Evaluation Monitoring Program and, depending on the findings, prepare an Optional Demonstration Report or Feasibility Study and Corrective Action Program, as appropriate. The Point of Compliance is defined as the vertical surface located along the hydraulically downgradient limit of the waste management unit and extending through the uppermost aquifer underlying the unit.

16. The Dischargers shall comply with all applicable provisions of Title 27 of the California Code of Regulations not specifically referred to in this Order.

C. PROVISIONS

1. The Dischargers shall comply with all Prohibitions, Specifications and Provisions of this Order. All required submittals must be acceptable to the Executive Officer. The Dischargers must also comply with all conditions of these Waste Discharge' Requirements. Violations may result in enforcement actions, including Regional Board orders or court orders requiring corrective action or imposing civil monetary liability, or in modification or revocation of these waste discharge requirements by the Regional Board. (CWC Section 13261, 13263, 13265, 13267, 13268, 13300, 13301, 13304, 13340, 13350).

2. All technical and monitoring reports submitted in accordance to this Order are being requested pursuant to Section 13267 of the California Water Code. Failure to submit reports in accordance with schedules established by this Order or failure to submit a report of sufficient technical quality to be acceptable to the Executive Officer may subject the Dischargers to enforcement action pursuant to Section 13268 of the California Water Code.

3. In addition to printed submittals, all reports submitted pursuant to this Order must be submitted as electronic files in PDF format. The Regional Board has implemented a document imaging system, which is ultimately intended to reduce the need for printed report storage space and streamline the public file review process. Documents in the imaging system may be viewed, and print copies made, by the public, during file reviews conducted at the Regional Board's office. PDF files can be created by converting the

original electronic files format (e.g., Microsoft Word) and/or by scanning printed text, figures, and tables. Data tables containing water level measurements, sample analytical results, coordinates, elevations and other monitoring information shall also be provided electronically in Microsoft Excel® or similar spreadsheet format to provide an easy to review summary, and to facilitate data computations and/or plotting that Regional Board staff may undertake during their review. Data tables submitted in electronic spreadsheet format will not be included in the case file for public review. All electronic files must be submitted on CD or diskette and included with the print report.

4. The Dischargers shall file with the Regional Board, Discharger Monitoring Reports, performed according to the attached Discharge Monitoring Program issued by the Executive Officer. The Executive Officer may amend the Discharge Monitoring Program at any time, as water quality conditions warrant.

5. The Dischargers shall submit an Annual Monitoring Report, acceptable to the Executive Officer, by January 31 of each year in accordance with the attached Discharge Monitoring Program (Attachment A). The annual report to the Board shall cover the previous calendar year as described in Part A of the Discharge Monitoring Program. In addition to the requirements outlined in Attachment A, this report shall also include the following: location and operational condition of all leachate and groundwater monitoring wells; groundwater and leachate potentiometric contours for each monitoring event; and tabulation of monthly leachate volumes discharged to the sanitary district along with any tabulated analytical results (if collected by the Dischargers). Furthermore, the Dischargers shall submit Semi-Annual Monitoring Reports, in accordance with the Discharge Monitoring Program (Attachment A), no later than January 31 and July 31 of each year; the January 31 semi-annual report may be combined with the annual report. The semi-annual report shall document any proposed maintenance activities for the upcoming monitoring period.

REPORT DUE DATES:
SEMI-ANNUAL AND ANNUAL REPORTS:
ANNUAL REPORT— January 31 (Each Year)
SEMI-ANNUAL REPORT — January 31 and July 31 (Each Year)

6. The Dischargers shall immediately notify the Board of any flooding, equipment failure, slope failure, or other change in site conditions that could impair the integrity of waste or leachate containment facilities or precipitation and drainage control structures.

REPORT DUE DATE:
Verbally Report Immediately (Written Report to follow within 5 Days)

7. The Dischargers shall prepare and submit a Development Proposal, acceptable to the Executive Officer, for any proposed additional development at the landfill.

COMPLIANCE DUE DATE:
120 days prior to commencement of construction

8. The Discharge Monitoring Program accompanying this Order (Attachment A) does not require the installation of any new wells. However, for any new wells required and installed as part of any future revised Discharge Monitoring Program, the Dischargers shall submit a Well Installation Report, acceptable to the Executive Officer, that provides all well construction details, geologic boring logs, and well development logs for these new wells.

COMPLIANCE DUE DATE:
45 days following completion of well installation activities

9. The Dischargers shall maintain a copy of these waste discharge requirements and these requirements shall be available to site personnel at the facility office at all times. (CWC Section 13263).

10. The Board considers the property owner(s) to have continuing responsibility for correcting any problems that arise in the future as a result of waste discharged or related activities.

11. The Dischargers shall permit the Regional Board or its authorized representative, upon presentation of credentials, during normal business hours:

    a. Immediate entry upon the premises on which wastes are located or in which any required records are kept;

    b. Access to copy any records required to be kept under the terms and conditions of this order;

    c. Inspection of any treatment equipment, monitoring equipment, or monitoring methods required by this order or by any other California State Agency; and,

    d. Sampling of any discharge or groundwater governed by this order.

12. The Dischargers shall notify the succeeding owners or operators of this Order by letter in the event of any change in control, ownership of land, or waste discharge facilities presently owned or controlled by the Dischargers. The Dischargers must notify the Executive Officer, in writing at least 30 days in advance of any proposed transfer of this Order's responsibility and coverage to a new discharger. The notice must include a written agreement between the existing Dischargers and the new dischargers-containing a specific date for the transfer of this order's responsibility and coverage between the current Dischargers and the new dischargers. This agreement shall include an acknowledgment that the existing Dischargers are liable for violations up to the transfer date and that the new dischargers are liable from the transfer date on. (CWC Sections 13267 and 13263). The request must contain the requesting entity's full legal name, and the address and telephone number of the persons responsible for contact with the Board. Failure to submit the request shall be considered a discharge without requirements, a violation of the California Water Code.

13. This Order is subject to Board review and updating, as necessary, to comply with changing State and Federal laws, regulations, policies, or guidelines; changes in the Board's Basin Plan; or changes in the discharge characteristics (CWC Section 13263).

14. Where the Dischargers becomes aware that they failed to submit any relevant facts in a Report of Waste Discharge or submitted incorrect information in a Report of Waste Discharge or in any report to the Regional Board, it shall promptly submit such facts or information (CWC Sections 13260 and 13267).

15. This Order does not convey any property rights of any sort or any exclusive privileges. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property, do not protect the Dischargers from liability under Federal, State or local laws, nor do they create a vested right for the Dischargers to continue waste discharge [CWC Section 13263(g)].

16. Provisions of these waste discharge requirements are severable. If any provision of these requirements is found invalid, the remainder of these requirements shall not be affected.

17. The Dischargers shall, at all times, properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Dischargers to achieve compliance with conditions of this Order. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls including appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this order [CWC Section 13263(f)].

18. Except for a discharge which is in compliance with these waste discharge requirements, any person who, without regard to intent or negligence, causes or permits any hazardous substance or sewage to be discharged in or on any waters of the State, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the State, shall, as soon as (a) that person has knowledge of the discharge, (b) notification is possible, and (c) notification can be provided without substantially impeding cleanup or other emergency measures, immediately notify the Office of Emergency Services of the discharge in accordance with the spill reporting provision of the state toxic disaster contingency plan adopted pursuant to Article 3.7 (commencing with Section 8574.7) of Chapter 7 of Division 1 of Title 2 of the Government Code, and immediately notify the State Board or the appropriate Regional Board of the discharge. This provision does not require reporting of any discharge of less than a reportable quantity as provided for under subdivisions (f) and (g) of Section 13271 of the Water Code unless the Dischargers are in violation of a prohibition in the applicable Water Quality Control Plan [CWC Section 13271(a)].

19. The Dischargers shall report any noncompliance that may endanger health or the environment. Any such information shall be provided orally to the Executive officer within 24 hours from the time the Dischargers becomes aware of the circumstances. A written submission shall also be provided within five days of the time the Dischargers becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected; the anticipated time it is expected to continue and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance. The Executive Officer, or an authorized representative, may waive the written report on a case-by-case basis if the oral report has been received within 24 hours [CWC Sections 13263 and 13267].

20. All monitoring instruments and devices used by the Dischargers to fulfill the prescribed Discharge Monitoring Program (Attachment A) shall be properly maintained and calibrated as necessary to ensure their continued accuracy.

21. Unless otherwise permitted by the Regional Board Executive officer, all analyses shall be conducted at a laboratory certified for such analyses by the State Department of Health Services. The Executive Officer may allow use of an uncertified laboratory under exceptional circumstances, such as when the closest laboratory to the monitoring location is outside the State boundaries and therefore not subject to certification. All analyses shall be required to be conducted in accordance with the latest edition of “Guidelines Establishing Test Procedures for Analysis of Pollutants” (40 CFR, Part 1360) promulgated by the U.S. Environmental Protection Agency (CCR Title 23, Section 2230).

22. This Board’s Order No. 94-181 is hereby rescinded.

I, Loretta K. Barsamian, Executive Officer, do hereby certify that the foregoing is a full, complete, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on August 20, 2003.

/s/ Loretta K. Barsamian
Loretta K. Barsamian
Executive Officer

Figures: Figure 1—Site Location Map
Figure 2—Site Plan

Attachment: Attachment A—Discharge Monitoring Program

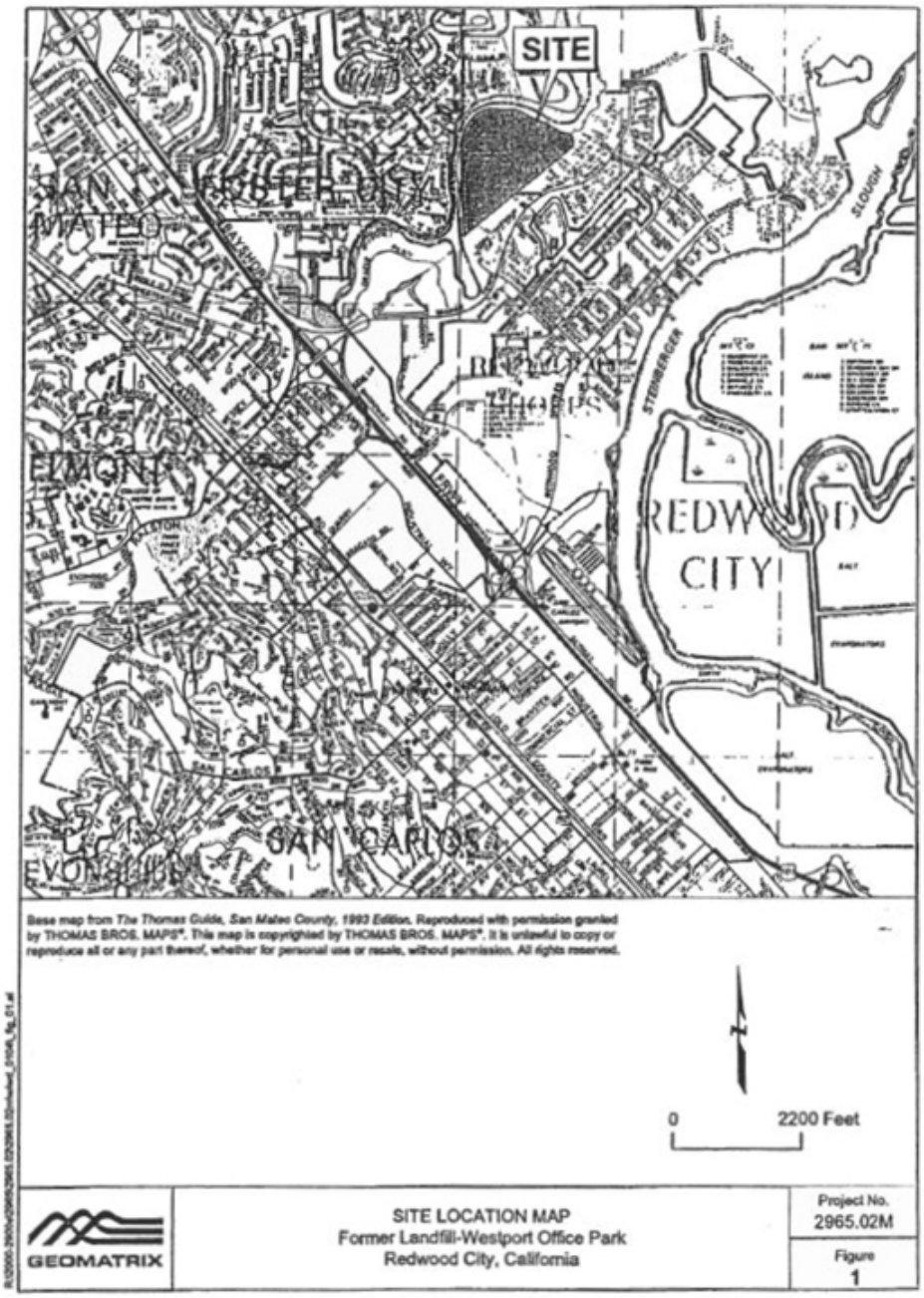

SITE
SAN MATEO
FOSTER CITY
BELMONT
REDWOOD CITY
SAN CARLOS
EVONSHIRE
STEINBERGER
SLOUGH
Base map from The Thomas Guide, San Mateo County, 1993 Edition. Reproduced with permission granted by THOMAS BROS. MAPS®. This map is copyrighted by THOMAS BROS. MAPS®. It is unlawful to copy or reproduce all or any part thereof, whether for personal use or resale, without permission. All rights reserved.
0
2200 Feet
GEOMATRIX
SITE LOCATION MAP
Former Landfill-Westport Office Park
Redwood City, California
Project No.
2965.02M
Figure
1

Exhibit H
-19-

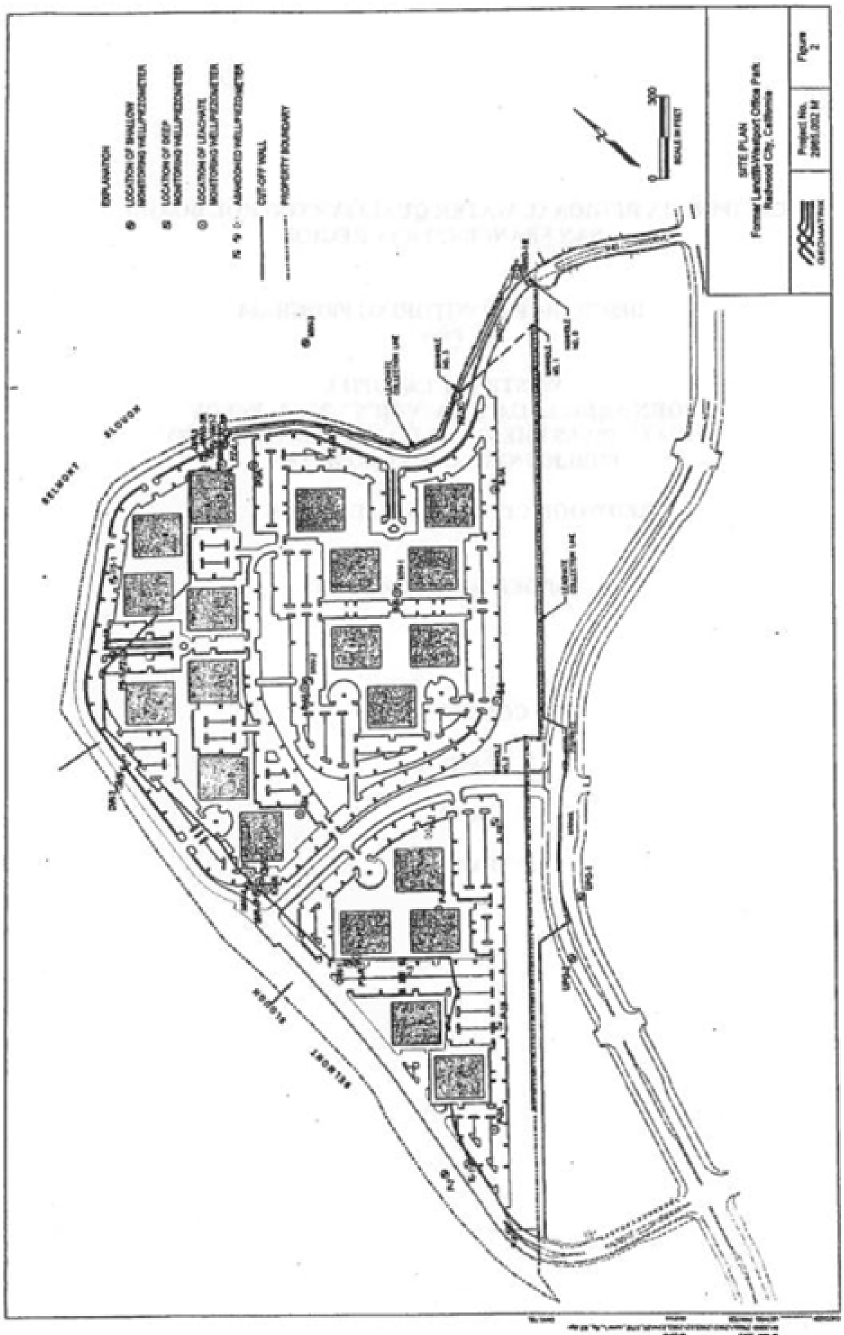

SITE PLAN
Former Landfill/Westport Office Park
Redwood City, California
Figure 2
GEOMATRIX
EXPLANATION
CUT-OFF WALL
PROPERTY BOUNDARY
SCALE IN FEET
BELMONT SLOUGH

Exhibit H

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD SAN FRANCISCO BAY REGION

DISCHARGE MONITORING PROGRAM

FOR

WESTPORT LANDFILL

JOHN ARRILLAGA SURVIVOR'S TRUST, PEERY

PRIVATE INVESTMENT COMPANY, AND THE PEERY

PUBLIC INVESTMENT COMPANY

REDWOOD CITY, SAN MATEO COUNTY

ORDER NO. R2-2003-0074

CONSISTS OF

PART A

AND

PART B

PART A

A. GENERAL

Reporting responsibilities of waste dischargers are specified in Sections 13225(a), 13267(b), 13383, and 13387(b) of the California Water Code and this Regional Board's Resolution No.73-16. This Discharge Monitoring Program is issued in accordance with Provision C.3 of Regional Board Order No. R2-2003-0074.

The principal purposes of a discharge-monitoring program are:

(1) to document compliance with waste discharge requirements and prohibitions established by the Board,

(2) to facilitate self-policing by the Dischargers in the prevention and abatement

(3) of pollution arising from waste discharge,to develop or assist in the development of standards of performance and toxicity standards, and

(4) to assist the Dischargers in complying with the requirements of Title 27.

B. SAMPLING AND ANALYTICAL METHODS

Sample collection, storage, and analyses shall be performed according to the most recent version of EPA Standard Methods and in accordance with an approved sampling and analysis plan.

Water and waste analysis shall be performed by a laboratory approved for these analyses by the State of California. The director of the laboratory whose name appears on the certification shall supervise all analytical work in his/her laboratory and shall sign all reports of such work submitted to the Regional Board.

All monitoring instruments and equipment shall be properly calibrated and maintained to ensure accuracy of measurements.

C. DEFINITION OF TERMS

1. A grab sample is a discrete sample collected at any time.
2. Receiving waters refers to any surface water, which actually or potentially receives surface or groundwater which passes over, through, or under waste materials or contaminated soils. In this case, the groundwater adjacent to the landfill areas and the surface runoff from the site are considered receiving waters.
3. Standard observations refer to:
   a. Receiving Waters:
      1) Floating and suspended materials of waste origin: presence or absence, source, and size of affected area;

2) Discoloration and turbidity: description of color, source, and size of affected area;

3) Evidence of odors, presence or absence, characterization, source, and distance of travel from source;

4) Evidence of beneficial use: presence of water associated wildlife;

5) Flow rate; and,

6) Weather conditions: wind direction and estimated velocity, total precipitation during the previous five days and on the day of observation.

b. Perimeter of the Waste Management Unit:

1) Evidence of liquid leaving or entering the waste management unit, estimated size of affected area and flow rate. (Show affected area on map);

2) Evidence of odors, presence or absence, characterization, source, and distance of travel from source; and,

3) Evidence of erosion and/or daylighted refuse.

c. The Waste Management Unit:

1) Evidence of ponded water at any point on the waste management facility;

2) Evidence of odors, presence or absence, characterization, source, and distance of travel from source;

3) Evidence of erosion, slope movement, ground movement, and/or daylighted refuse; and,

4) Standard Analysis (SA) and measurements are listed on Part B, 1., A., Table A (attached)

D. SAMPLING, ANALYSIS, AND OBSERVATIONS

The Dischargers are required to perform sampling, analyses, and observations in the following media:

1. Groundwater per Section 20415 and

2. Surface water per Section 20415 and per the general requirements specified in Section 20415 of Title 27 is not required. Due to the extensive Bay Mud flats surrounding the site and the hazards associated with traversing them, sampling this medium is not feasible. Shallow groundwater is considered receiving waters at this site.

3. Vadose zone per Section 2550.7(d) which is accomplished by sampling, analyzing, and recording the landfill gas concentrations at gas vent risers located at each building and at the east and southeast boundary of the site.

E. RECORDS TO BE MAINTAINED

Written reports shall be maintained by the Dischargers or laboratory, and shall be retained for a minimum of five years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge or when requested by the Board. Such records shall show the following for each sample:

1. Identity of sample and sample station number;
2. Date and time of sampling;
3. Date and time that analyses are started and completed, and name of the personnel performing the analyses;
4. Complete procedure used, including method of preserving the sample, and the identity and volumes of reagents used;
5. Calculation of results; and,
6. Results of analyses, and detection limits for each analysis.

F. REPORTS TO BE FILED WITH THE BOARD

1. MONITORING REPORTS

Written discharge monitoring reports shall be filed by the 31st day of the month following the reporting period (the reporting period is specified in Part B of this program). In addition an annual report shall be filed as indicated in F.3 below. The reports shall comprise the following:

a. Letter of Transmittal

A letter transmitting the essential points in each report should accompany each report. Such a letter shall include a discussion of any requirement violations found during the last report period, and actions taken or planned for correcting the violations. If the Dischargers have previously submitted a detailed time schedule for correcting requirement violations, a reference to the correspondence transmitting such schedule will be satisfactory. If no violations have occurred in the last report period this shall be stated in the letter of transmittal. Monitoring reports and the letter transmitting the monitoring reports shall be signed by a principal executive officer at the level of vice president or his duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates. The letter shall contain a statement by the official, under penalty of perjury, that to the best of the signer’s knowledge the report is true, complete, and correct.

b. Each monitoring report shall include a compliance evaluation summary. The summary shall contain:

1) Concentration Limits for the Westport Landfill for all constituents of concern except ammonia, are “laboratory non-detect” based upon laboratory non-detect results for background concentrations of the listed COCs. As such, a non-statistical method is appropriate to determine whether a measurably significant release has occurred from the Westport Landfill. Therefore, any reported laboratory detection at a point of compliance monitoring well is considered a potential release. For ammonia, a statistically significant increase shall be evaluated using a statistical method acceptable to the Regional Board staff. Any potential release must be evaluated through additional monitoring and analyses acceptable to the Executive Officer.

2) A graphic description of the direction of groundwater flow under/around the waste management unit, based upon the water level elevations obtained during the monitoring period and pertinent visual observations.

3) The method and time of water level measurement, the type of pump used for purging, pump placement in the well; method of purging, pumping rate, equipment and methods used to monitor field pH, temperature, and conductivity during purging, calibration of the field equipment, results of pH, temperature, and conductivity testing, and the method of disposing of the purge water.

4) Type of pump used, pump placement for sampling, a detailed description of the sampling procedure; number and description of equipment, field and travel blanks; number and description of duplicate samples; type of sample containers and preservatives used, the date and time of sampling, the name and qualifications of the person actually taking the samples, and any other observations.

c. A map or aerial photograph shall accompany each report showing observation and monitoring station locations.

d. Laboratory statements of results of analyses specified in Part B, Table A must be included in each report. The director of the laboratory whose name appears on the laboratory certification shall supervise all analytical work in his/her laboratory and shall sign all reports of such work submitted to the Board.

1) The methods of analyses and detection limits must be appropriate for the expected concentrations. Specific methods of analyses must be identified. If methods other than EPA approved methods or Standard Methods are used, the exact methodology must be submitted for review and approved by the Executive Officer prior to use.

2) In addition to the results of the analyses, laboratory quality assurance/quality control (QA/QC) information must be included in the monitoring report. The laboratory QA/QC information should include the method, equipment and analytical detection limits; the recovery rates; an explanation for any recovery rate that is less than 80% of the specific laboratory recovery limits; the results of equipment and method blanks; the results of spiked and surrogate samples; the frequency of quality control analysis; and the name and qualifications of the person(s) performing the analyses.

e. An evaluation of the effectiveness of the leachate monitoring or control facilities, which includes an evaluation of leachate buildup within the disposal units, a potentiometric surface map, a summary of leachate volumes removed from the units, and a discussion of the leachate disposal methods utilized.

f. A summary and certification of completion of all standard observations for the waste management unit, the perimeter of the waste management unit, and the receiving waters.

2. CONTINGENCY REPORTING

A report shall be made by telephone of any seepage from the disposal area immediately after it is discovered. A written report shall be filed with the Board within five working days thereafter. This report shall contain the following information:

1) A map showing the location(s) of discharge;

2) Approximate flow rate;

3) Nature of effects; i.e. all pertinent observations and analyses; and

4) Corrective measures underway, proposed, or as specified in the Waste Discharge Requirements.

3. REPORTING

By January 31 of each year the Dischargers shall submit an annual report to the Board covering the previous calendar year. This report shall contain:

a. Tabular summaries of the historical and recent monitoring data obtained during the previous year; the report should be accompanied by a compact disk (CD), MS-EXCEL format, tabulating the year’s data.

b. A comprehensive discussion of the compliance record, and the corrective actions taken or planned which may be needed to bring the Dischargers into full compliance with the waste discharge requirements.

c. A written summary of the groundwater analyses indicating any change in the quality of the groundwater.

d. An evaluation of the effectiveness of the leachate monitoring/ control facilities, which includes an evaluation of leachate buildup within the disposal units, a summary of leachate volumes removed from the units, and a discussion of the leachate disposal methods utilized.

4. WELL LOGS

Although no new wells are required at the time of the adoption of this Order, if future conditions require the installation of additional monitoring wells, a boring log and a monitoring well construction log shall be submitted for each new sampling well established for this monitoring program, as well as a report of inspection or certification that each well has been constructed in accordance with the construction standards of the Department of Water Resources. These shall be submitted within 45 days after well installation.

PART B

1. DESCRIPTIONS OF OBSERVATION STATIONS AND SCHEDULE OF OBSERVATIONS.

A. GROUNDWATER AND LEACHATE MONITORING

Report Semi-annually

1. Groundwater: Groundwater samples shall be analyzed as outlined in Table A (Attached). Groundwater elevations shall be recorded quarterly and reported semi-annually in the July and January semi-annual monitoring reports.

Monitoring Points:

Groundwater	P-8, P-7, P3-R, MW-4, MW-4P, K-4, P5-1R, MW3-2R, MW-3, DW-1, DW-2, DW-3, UPG-1, UPG-2

MW-4 and MW-4P are in close proximity, therefore only one well needs to be monitored for the parameters listed in Table A. The other well (MW-4P) is intended as a piezometer well and shall be monitored for water elevation only. MW-4 is considered a POC well.

Wells UPG-1, UPG-2, and MW-3 shall be monitored for water elevation only.

2. Leachate samples shall be analyzed once every five years (First leachate chemical analysis due for the January through July 2003 semi-annual monitoring event) for the parameters outlined in Table A (Attached). Leachate water elevations shall be recorded quarterly and reported semi¬annually in the July and January semi-annual monitoring reports.

Monitoring Points:

Leachate-Impacted Groundwater	S-2, S-3A, S-4A, S-5, P-2A, P3-PZ, P-4, P5-1-PZ, P-6, K3-R, K3-PZ*, MW3-1R, PZ-2*, PZ-2P, PZ-3A*, PZ-3B*, PZ-3C

All wells shall be monitoring for water elevation. All wells shall be monitored for chemical constituents outlined in Table A (Attached) once every 5 Years. Wells denoted with an asterisk (*) shall be monitored for leachate elevations only.

B. FACILITIES MONITORING

The Dischargers shall inspect all facilities to ensure proper and safe operation once per quarter and report semi-annually.

MONITORING REPORT SCHEDULE

Reports shall be due on the following schedule:

First semi-annual report:	**July 31 of each year**
Second semi-annual Report:	**January 31 of each year**
Annual Report:	**Combined with the second semi-annual report, due January 31 of each year**

I, Loretta K. Barsamian, Executive Officer, hereby certify that the foregoing Self-Monitoring Program:

1. Has been developed in accordance with the procedures set forth in this Board's Resolution No. 73-16 in order to obtain data and document compliance with waste discharge requirements established in this Board's Order No. R2-2003-0074

2. Is effective on the date shown below.

3. May be reviewed or modified at any time subsequent to the effective date, upon written notice from the Executive Officer.

/s/ Loretta K. Barsamian
Loretta K. Barsamian
Executive Officer

Date Ordered: August 20, 2003

Attachment: Table A — Schedule for Sampling, Measurement, and Analysis

Table A—Discharge Monitoring Program, List of Analytical Parameters-Leachate and Groundwater

Field/Inorganic Parameters	Method[1]	Frequency
pH	Field	Semi-Annual
Electrical conductivity	Field	Semi-Annual
Groundwater Elevations	Field	Quarterly 2
Leachate Elevations	Field	Quarterly 2
Total Ammonia	350.3	Semi-Annual
Ammonia (un-ionized)	350.1	Semi-Annual

Organics/ PCBs	Methods	Frequency
Volatile Organic Compounds (including MTBE)	8260	Semi-Annual [3,4]
Semi-Volatile Organic Compounds	8270	Semi-Annual [3,4]
PCBs	8082	Semi-Annual [3,4]

Notes:

1. Test methods per Methods for Chemical Analysis of Water and Waste, USEPA 600/4/79/029, revised March 1983, or Test Methods for Evaluating Solid Wastes: Physical/Chemical Methods, USEPA SW-846, 3rd edition, November 1986 and revisions. Board staff may consider alternative EPA and/or Standard Methods, with comparable MDLs and PQLs, for use at the Westport Landfill.

2. Analyzed quarterly and reported semi-annually.

3. Analysis of groundwater (wells located outside the waste management unit) shall be conducted during the 2003 calendar year. Any identified impacted groundwater monitoring wells shall be analyzed semi-annually thereafter. All other groundwater-monitoring wells shall be sampled annually, thereafter.

4. Analysis of existing leachate-impacted groundwater wells within the WMU shall be conducted during the 2003 calendar year and once every 5 years, thereafter.

EXHIBIT I

HAZARDOUS MATERIALS

Substance	Maximum Quantity
Acetic Acid	2.0 L
Acetone	500 mL
Acetonitrile	1.0 L
Ammonium Suflate	500 g
Biotin	1.0 g
Boric Acid	500 g
Calcium Chloride Solution	100 mL
Caps Buffer	200 g
Carbamoylcholine Chloride	10 g
Carbon Dioxide (Co2 Gas)	15 cylinders
Casein Bovine From Milk	500 g
Chaps	5.0 g
Citric Acid Anhydrous	2.0 kg
Citric Acid Monohydrate	1.0 kg
Cyclic Alkyl Amino Carbene	50 g
Cystamine Dihydrochloride	25 g
D-(+) Galactose	100 g
Dextran (From Leuconostoc Suspended Particulate Phase)	25 g
Dextran Sulfate Sodium Salt	50 g
Dextrose Anhydrous	1.0 kg
Dimethyl Sulfoxide	1.0 L
Dimethylbenzene	8.0 L
Dimethylformamide	100 mL
Dithiothreitol Solution	250 mL
D-Mannitol	600 g
Ethanol	40 L
Ethylenediaminetetraacetic Acid	400 mL
Folic Acid	5.0 g
Formalin 10%	4.0 L
Fucose	5.0 g
Gelatin Type A	500 g
Glutaraldehyde	70 mL
Glycerol	1.0 L
Glycine	3.0 kg
Guanidine Hcl	500 g
Hepes	500 g
Hydrazine Sulfate Salt	100 g
Hydrochloric Acid (36M)	2.0 L

Substance	Maximum Quantity
Hydrochloric Acid Solution (1M)	4.0 L
Hydrochloric Acid Solution (6M)	2.0 L
Hydroxylamine	100 mL
Imidazole	2.5 kg
Iron(Iii) Chloride Hexahydrate	500 g
Isopentane	4.0 L
Isopropanol	8.0 L
L-Arginine	5.0 kg
L-Arginine Hydrochloride	5.0 kg
L-Cysteine	200 g
L-Glutamic Acid	100 g
L-Histidine	4.0 kg
L-Histidine Hydrochloride	3.0 kg
Magnesium Calcium Tetrahydrate	100 g
Magnesium Chloride Solution	100 mL
Magnesium Sulfate Anhydrous	500 g
Maltose	1.0 kg
Man nopyranside	100 g
Mercaptoethanol	100 mL
Mes Hydrate	250 g
Mes Monohydrate	100 g
Methanol	4.0 L
Methylbenzene (Toluene)	500 mL
Myo-I nosito I	50 g
Nickel Sulfate	200 g
Nitrogen (Liquid N2)	90 gallons
Paraformaldehyde 16%	2.0 L
Phenylmethanesulfonyl Fluoride	5.0 g
Phosphorous Acid	1.0 L
Piperazine	25 g
P-Nitrophenol Solution	100 mL
Poly(Glu, Tyr) Sodium Salt	10 mg
Polyisoprene	250 g
Polysorbate 20	4.0 L
Polysorbate 80	400 mL
Potassium Acetate	50 g
Potassium Phosphate	1.0 kg
Propylene Glycol	500 mL
Quantipro Kit	1 Kit
Sephadex G25	500 g
Sigmacote	100 mL
Sodium Acetate	4.0 kg
Sodium Azide	500 g

Substance	Maximum Quantity
Sodium Bicarbonate	500 g
Sodium Carbonate	1.5 kg
Sodium Chloride	5.0 kg
Sodium Citrate Tribasic	1.0 kg
Sodium Formate	500 g
Sodium Hydroxide	12 kg
Sodium Phosphate Dibasic	3.0 kg
Sodium Phosphate Monobasic	5.0 kg
Sodium Succinate Dibasic Hexahydrate	1.0 kg
Sodium Sulfate	1.5 kg
Sorbitol	100 g
Succinic Acid	2.5 kg
Sucrose	5.0 kg
Sulfuric Acid 95%	1.0 L
Tetrahydrofuran	1.0 L
Tolonium Chloride	50 g
Treha lose	25 g
Trithanolamione	500 mL
Triton X-100	250 mL
Trizma Base	1.0 kg
Turbidity Standard	1.0 L
Urea	2.0 kg
Zinc Sulfate Heptahydrate	500 g

EXHIBIT J

FORM OF LETTER OF CREDIT

_____, 20__

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

ISSUE DATE: _____

ISSUING BANK:
SILICON VALLEY BANK
3003 TASMAN DRIVE
2ND FLOOR, MAIL SORT HF210
SANTA CLARA, CALIFORNIA 95054

BENEFICIARY:

WESTPORT OFFICE PARK, LLC
4 EMBARCADERO CENTER, SUITE 2700
SAN FRANCISCO, CA 94111
ATTENTION: PRISA II ASSET MANAGER

APPLICANT:

ALLAKOS INC
75 SHOREWAY ROAD, SUITE A
SAN CARLOS, CA 94070

AMOUNT: USD802,449.54 (EIGHT HUNDRED TWO THOUSAND FOUR HUNDRED FORTY NINE AND 54/100 U.S. DOLLARS)

EXPIRATION DATE: _____, 2018 [ONE YEAR FROM ISSUANCE DATE]

LOCATION: SANTA CLARA, CALIFORNIA

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF _____ IN FAVOR OF WESTPORT OFFICE PARK, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (`BENEFICIARY'), AND FOR THE ACCOUNT OF ALLKOS INC, A DELAWARE CORPORATION, ('APPLICANT'), FOR AN AGGREGATE AMOUNT OF _____ U.S. DOLLARS ($_____), EFFECTIVE IMMEDIATELY AND EXPIRING AT 3003 TASMAN DRIVE, SANTA CLARA, CA 95054, 5:00PM CALIFORNIA TIME ON _____, 2018__.

PAYMENTS UNDER THIS STANDBY LETTER OF CREDIT ARE AVAILABLE AGAINST YOUR SIGHT DRAFT(S) DRAWN ON US, IN THE FORM OF EXHIBIT “A“ATTACHED HERETO, SIGNED BY AN AUTHORIZED SIGNATORY OF THE BENEFICIARY AND THE ORIGINAL OF THIS CREDIT, PRESENTED TO OUR OFFICE, LOCATED AT SILICON VALLEY BANK, 3003 TASMAN DRIVE, 2ND FLOOR, MAIL SORT HF210, SANTA CLARA, CALIFORNIA 95054, ATTENTION: GLOBAL TRADE SERVICES—STANDBY LETTER OF CREDIT DEPARTMENT.

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS ARE PERMITTED UNDER THIS LETTER OF CREDIT.

PAYMENT AGAINST CONFORMING PRESENTATIONS HEREUNDER PRIOR TO 10:00 A.M. CALIFORNIA TIME, ON A BUSINESS DAY SHALL BE MADE BY BANK DURING NORMAL BUSINESS HOURS OF THE BANK’S OFFICE ON THE NEXT SUCCEEDING BUSINESS DAY. PAYMENT AGAINST CONFORMING PRESENTATIONS HEREUNDER AFTER 10:00 A.M. CALIFORNIA TIME, ON A BUSINESS DAY SHALL BE MADE BY BANK DURING NORMAL BUSINESS HOURS OF THE BANK’S OFFICE ON THE SECOND SUCCEEDING BUSINESS DAY.

AS USED IN THIS LETTER OF CREDIT, “BUSINESS DAY” SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE.

THIS LETTER OF CREDIT SHALL CONSTITUTE A DIRECT DRAW LETTER OF CREDIT AND YOU SHALL NOT BE REQUIRED TO GIVE NOTICE TO OR MAKE ANY PRIOR DEMAND OR PRESENTMENT TO APPLICANT WITH RESPECT TO THE PAYMENT OF ANY SUM AS TO WHICH A DRAW IS MADE HEREUNDER.

WE HEREBY ENGAGE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO THE AFORESAID OFFICE ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE.

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE SEND YOU A NOTICE BY REGISTERED MAIL OR OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESS (OR ANY OTHER ADDRESS INDICATED BY YOU, IN A WRITTEN NOTICE TO US THE RECEIPT OF WHICH WE HAVE ACKNOWLEDGED, AS THE ADDRESS TO WHICH WE SHOULD SEND SUCH NOTICE) THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND _____, 2025 [INSERT A FINAL EXPIRATION DATE]. IN THE EVENT OF SUCH NOTICE OF NON-EXTENSION, YOU MAY DRAW HEREUNDER WITH A DRAFT STATED ABOVE AND ACCOMPANIED BY THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

THE OBLIGATION OF SILICON VALLEY BANK UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF SILICON VALLEY BANK, AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT, INSTRUMENT OR AGREEMENT.

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES WITHOUT COST TO BENEFICIARY, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE AND ONLY UP TO THE THEN AVAILABLE AMOUNT, IN FAVOR OF ANY NOMINATED TRANSFEREE (“TRANSFEREE”), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATION, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U. S. DEPARTMENT OF TREASURY AND U. S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US AT OUR ADDRESS INDICATED IN THIS LETTER OF CREDIT TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT “B” DULY EXECUTED. APPLICANT SHALL PAY OUR TRANSFER FEE OF Vs OF 1% OF THE TRANSFER AMOUNT (MINIMUM US$250.00) UNDER THIS LETTER OF CREDIT. PAYMENT OF ANY TRANSFER FEES AND/OR ANY TRANSFER COST SHALL NOT BE A CONDITION PRECEDENT TO TRANSFER.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO YOUR ACCOUNT WITH ANOTHER BANK, WE WILL ONLY EFFECT SUCH PAYMENT BY FED WIRE TO A U.S. REGULATED BANK, AND WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590 AND AS TO MATTERS NOT GOVERNED BY THE ISP98, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA U.S.A.

VERY TRULY YOURS,

AUTHORIZED SIGNATURE

EXHIBIT A

DATE: _____ REF. NO. _____

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF _____ US$_____

US DOLLARS _____

DRAWIN UNDER SILICON VALLEY BANK, SANTA CLARA, CALIFORNIA, STANDBY LETTER OF CREDIT NUMBER NO. _____ DATED _____

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054

_____
(BENEFICIARY'S NAME)

_____
Authorized Signature

GUIDELINES TO PREPARE THE DRAFT

1. DATE: ISSUANCE DATE OF DRAFT.
2. REF. NO.: BENEFICIARY'S REFERENCE NUMBER, IF ANY.
3. PAY TO THE ORDER OF: NAME OF BENEFICIARY AS INDICATED IN THE L/C (MAKE SURE BENEFICIARY ENDORSES IT ON THE REVERSE SIDE).
4. US$: AMOUNT OF DRAWING IN FIGURES.
5. USDOLLARS: AMOUNT OF DRAWING IN WORDS.
6. LETTER OF CREDIT NUMBER: SILICON VALLEY BANK'S STANDBY L/C NUMBER THAT PERTAINS TO THE DRAWING.
7. DATED: ISSUANCE DATE OF THE STANDBY L/C.
8. BENEFICIARY'S NAME: NAME OF BENEFICIARY AS INDICATED IN THE L/C.
9. AUTHORIZED SIGNATURE: SIGNED BY AN AUTHORIZED SIGNER OF BENEFICIARY.

IF YOU HAVE QUESTIONS RELATED TO THIS STANDBY LETTER OF CREDIT PLEASE CONTACT US AT _____.

EXHIBIT "B"
TRANSFER FORM

DATE: _____

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054
ATTN:INTERNATIONAL DIVISION.
STANDBY LETTERS OF CREDIT

RE: IRREVOCABLE STANDBY LETTER OF CREDIT
NO. _____ ISSUED BY
SILICON VALLEY BANK, SANTA CLARA
UC AMOUNT: _____

GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

_____

(NAME OF TRANSFEREE)

_____

(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SIGNATURE AUTHENTICATED The names(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.
(Name of Bank)
(Address of Bank)
(City, State, Zip Code)
(Print Authorized Name and Title)
(Authorized Signature)
(Telephone Number)

_____
(BENEFICIARY'S NAME)

By: _____

Printed Name: _____

Title: _____

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (the "Amendment") is entered into as of March 15, 2018, by and between WESTPORT OFFICE PARK, LLC, a California limited liability company ("Landlord"), and ALLAKOS INC., a Delaware corporation ("Tenant"), with respect to the following facts and circumstances:

A. Landlord and Tenant have previously entered into that certain Lease Agreement dated as of January 4, 2018 (the "Original Lease"), of certain premises more particularly described in the Original Lease. Capitalized terms used and not otherwise defined herein shall have the meanings given those terms in the Original Lease.

B. Landlord and Tenant desire to amend the Original Lease on the terms and conditions provided herein.

IT IS, THEREFORE, agreed as follows:

1. The description of the Premises in the Basic Lease Information of the Original Lease is hereby deleted in its entirety and replaced with the following:

"Premises: The second floor of the Building, containing approximately 25,136 square feet of rentable area, outlined in Exhibit B to this Lease."

2. The description of the Base Rent in the Basic Lease Information of the Original Lease is hereby deleted in its entirety and replaced with the following:

"Base Rent:

Period (In Months)	Annual Base Rent	Monthly Base Rent
01 — 09	N/A	$99,287.20 (Abated*)
10 — 12	N/A	$99,287.20
13 — 24	$1,227,189.84	$102,265.82
25 — 36	$1,264,005.48	$105,333.79
37 — 48	$1,301,925.60	$108,493.80
49 — 60	$1,340,983.44	$111,748.62
61 —72	$1,381,212.96	$115,101.08
73 — 84	$1,422,649.32	$118,554.11
85 — 96	$1,465,328.76	$122,110.73
97 — 108	$1,509,288.60	$125,774.05
109 — 120	$1,554,567.36	$129,547.28
121 — 129	N/A	$133,433.69

* As an inducement to Tenant entering into this Lease, so long as no Monetary Default or other material Event of Default shall have occurred and be continuing under this Lease, Base Rent in the amount of $99,287.20 per month shall be abated for the first nine (9) months

commencing as of the Commencement Date, or if the Commencement Date is other than the first day of a calendar month, commencing as of the first day of the first full calendar month of the Term. During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease."

3. The description of the Tenant's Building Percentage in the Basic Lease Information of the Original Lease is hereby deleted in its entirety and replaced with the following:

"Tenant's Building Percentage: 49.83%."

4. The description of the Tenant's Common Area Building Percentage in the Basic Lease Information of the Original Lease is hereby deleted in its entirety and replaced with the following:

"Tenant's Common Area Building Percentage: 2.52%."

5. Exhibit B to the Original Lease is hereby deleted in its entirety and replaced with Exhibit B attached hereto.

6. The fourth sentence of Section 3.1 of Exhibit C to the Original Lease is hereby deleted in its entirety and replace with the following:

"Landlord shall pay for the cost of the design and construction of the Tenant Improvements in an amount up to, but not exceeding, $1,385,670.00 (the "Allowance")."

7. In the event this Amendment is executed after the Commencement Date and Tenant has paid Base Rent and amounts payable by Tenant pursuant to Article 5 of the Original Lease that are different than the amounts payable for the period after the Commencement Date pursuant to this Amendment, Landlord and Tenant shall promptly make an appropriate adjustment to reflect that payment of those different amounts, and any net amount due Tenant shall be credited against Tenant's future rent obligations under the Lease and any net amount due Landlord shall be payable within thirty (30) days after demand.

8. Tenant represents, warrants and covenants to Landlord that, as of the date hereof and throughout the term of the Lease, Tenant is not, and is not entering into the Lease on behalf of, (i) an employee benefit plan, (ii) a trust holding assets of such a plan or (iii) an entity holding assets of such a plan. Notwithstanding any terms to the contrary in the Lease or this Amendment, in no event may Tenant assign or transfer its interest under the Lease to a third party who is, or is entering into the Lease on behalf of, (i) an employee benefit plan, (ii) a trust holding assets of such a plan or (iii) an entity holding assets of such a plan if such transfer would could cause Landlord to incur any prohibited transaction excise tax penalties or other materially adverse consequences under the Employee Retirement Income Security Act of 1974, as amended, Section 4975 of the Internal Revenue Code of 1986, as amended or similar law.

9. Except as specifically provided herein, the terms and conditions of the Original Lease as amended hereby are confirmed and continue in full force and effect. This Amendment shall be binding on the heirs, administrators, successors and assigns (as the case may be) of the parties hereto.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

TENANT:

ALLAKOS INC., a Delaware corporation

By: /s/ Adam Tomasi

Adam Tomasi, CFO
[Printed Name and Title]

By: _____

_____
[Printed Name and Title]

If Tenant is a corporation, this instrument must be executed by the chairman of the board, the president or any vice president and the secretary, any assistant secretary, the chief financial officer or any assistant financial officer or any assistant treasurer of such corporation, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which case the bylaws or a certified copy of the resolution, as the case may be, must be attached to this instrument.

LANDLORD:

WESTPORT OFFICE PARK, LLC,
a California limited liability company

By: PR II LHC Bayshore Technology Center, LLC, a Delaware limited liability company, its managing member

By: PRISA II LHC, LLC, a Delaware limited liability company, its sole member

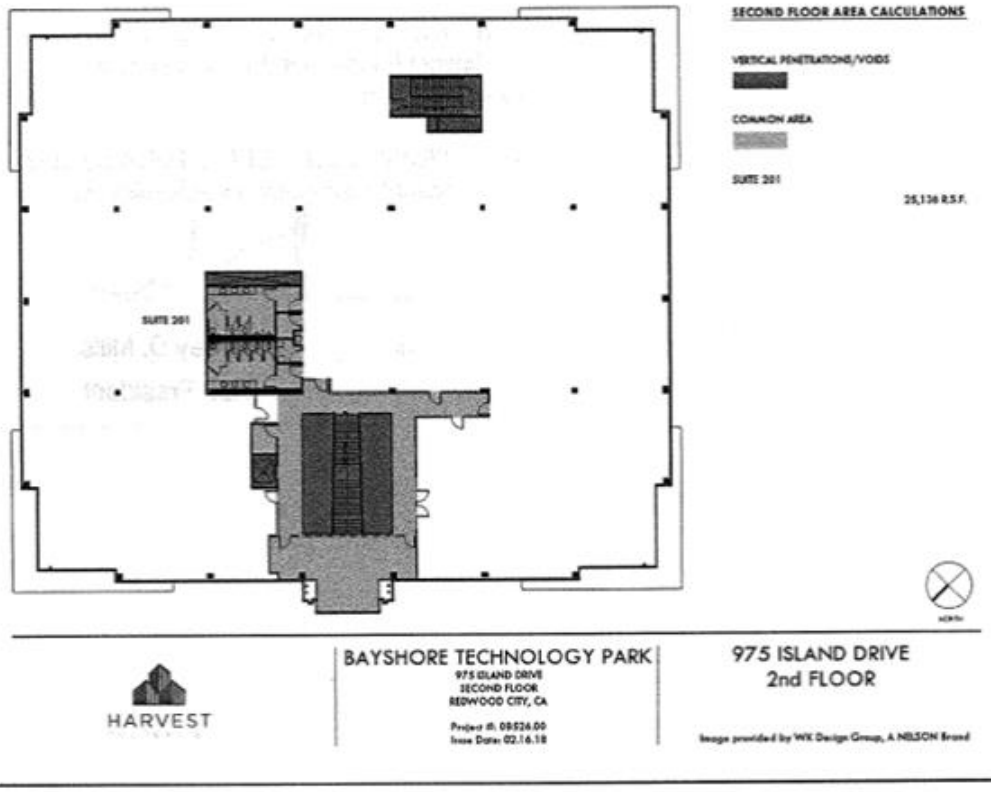
By: /s/ Jeffrey D. Mills

Name: Jeffrey D. Mills

Title: Vice President

EXHIBIT B

PREMISES



SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT FOR THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [***].

NON-EXCLUSIVE LICENSE AGREEMENT

THIS NON-EXCLUSIVE LICENSE AGREEMENT (the "Agreement"), effective as of October 31, 2013 (the "Effective Date"), is entered into by and between **BioWa, Inc.**, with a principal place of business at 9420 Athena Circle, La Jolla, California 92037 USA ("BioWa"), **Lonza Sales AG** a Swiss corporation, with a principal place of business at Munchensteinerstrasse 38, Basel, CH-4002 Switzerland ("Lonza") (together "the Licensor") and **Allakos, Inc.** with its principal place of business located at 75 Shoreway Road, Suite A San Carlos CA 94070 ("Licensee"). Lonza, BioWa, Licensor or Licensee may hereafter be referred to as a "Party" and collectively as the "Parties."

BACKGROUND

WHEREAS, Lonza and BioWa have combined Lonza's GS System and BioWa's Potelligent® Technology and their related intellectual property to jointly create Potelligent® CHOK1SV for use in combination with the Vectors (all as herein defined) (the "Technology"); and

WHEREAS, Licensee is engaged in the business of researching, developing, manufacturing and/or commercializing recombinant protein products containing monoclonal antibodies for use as pharmaceutical products; and

WHEREAS, Licensee wishes to acquire certain nonexclusive rights to the Technology to research and develop monoclonal antibodies capable of specifically binding to targets which shall be identified and mutually agreed upon as specified in this Agreement; and

WHEREAS, Licensor is willing to grant such license to the Technology and the Licensee desires to take such license, subject to the terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1
DEFINITIONS

Words or phrases having their initial letter capitalized shall, except as clearly provided otherwise in this Agreement or in the context in which they are used, have the respective meanings set forth below. A cross-reference below to a defined term in this Agreement is for the convenience of the reader of this document, and this Article 1 may not contain an exhaustive list of all words or phrases defined elsewhere in this Agreement.

1.1 "Activities" means the Research, development, manufacturing and commercialization of a Product performed by Licensee or any permitted Sublicensee under this Agreement.

1.2 "ADCC" means Antibody Dependent Cellular Cytotoxicity.

1.3 "Affiliate" means any corporation, company, partnership, joint venture, firm or other business entity which controls, is controlled by, or is under common control with a Party. For purposes of this definition, "control" shall be presumed to exist if one of the following conditions is met: (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares having the right to vote for the election of directors, and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entities. The Parties acknowledge that in the case of certain entities organized under the laws of certain countries, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management and policies of such entities.

1.4 "Antibody" means a monoclonal antibody, antibody fragment or any composition of matter derived therefrom, made through use of the Technology. For purposes of this Agreement, "derived" shall mean obtained, developed, created, synthesized, designed, derived or resulting from, based upon or otherwise generated (whether directly or indirectly, or in whole or in part). For purpose of clarity, the foregoing shall include any monoclonal antibody, any CDR (complementarity determining region), variable or constant region, any single chain antibody, any partially or fully humanized antibody, any peptides identified through antibody phage display, and any peptide derived from one or more antibodies based on the sequence and structure information of the antibodies, e.g. binding site information of the antibodies.

1.5 "Approval" means, with respect to a Product in a particular jurisdiction, the technical, medical and scientific licenses, registrations, authorizations and approvals (including, without limitation, approval of a BLA, and pricing and Third Party reimbursement approvals, and labeling approvals with respect thereto) of any national, supra-national, regional, state or local regulatory agency, necessary for the commercial manufacture, distribution, marketing, promotion, offer for sale, use, import, export and sale of a Product.

1.6 [***]

1.7 "Bankruptcy Code" means Title 11 of the United States Code.

1.8 "Base Powder" means the powder set out in Exhibit 3.

1.9 "Biologics License Application" or "BLA" means a Biologics License Application and amendments thereto filed pursuant to the requirements of the FDA, as defined in 21 C.F.R. Section 600 et seq., for FDA approval of a Product and "sBLA" means a supplemental BLA, and any equivalent or a New Drug Application, as defined in the U.S. Federal Food, Drug and Cosmetic Act, as amended, and the regulations promulgated thereunder, and any corresponding non-U.S. marketing authorization application, registration or certification, necessary to market a Product in any country outside the U.S., but not including applications for pricing and reimbursement approvals.

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

1.10 “Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York, United States are required or authorized by law to be closed.

1.11 “Calendar Quarter” means each three-month period commencing on January 1, April 1, July 1 or October 1 of each year during the Term.

1.12 “CHOK1SV Cell Line” means Lonza’s suspension variant host Chinese Hamster Ovary (CHO) cell line.

1.13 “Claims” has the meaning set forth in Section 11.1.

1.14 “Commencement” means the first dosing of the first patient in the applicable clinical trial.

1.15 “Commercial License” has the meaning set forth in Section 2.1.

1.16 “Commercial License Fee” has the meaning set forth in Section 6.3.

1.17 “Commercial Target” means [***].

1.18 [***].

1.19 “Confidential Information” means all confidential or other proprietary information of a Party, whether written, oral or otherwise, and including, but not limited to, Know-How or other information, whether or not patentable, regarding a Party’s technology, products, business information or objectives that is designated as confidential, or which under the circumstances surrounding disclosure or given the nature of the information would reasonably be believed to be confidential.

1.20 “Control” or “Controlled” means, with respect to a Know-How or Patent right, that a Party has the ability to grant a license or a sublicense to such intellectual property without violating the terms of any agreement with a Third Party.

1.21 “Effective Date” has the meaning set forth in the preamble to this Agreement.

1.22 “Enforcement Action” has the meaning set forth in Section 8.3.

1.23 “FDA” means the U.S. Food and Drug Administration and any successors thereto and its foreign counterparts throughout the world.

1.24 “Field” means the prevention, diagnosis and treatment of human diseases.

1.25 “First Commercial Sale” means, with respect to any Product in any country, the first bona fide commercial sale by Licensee or its Sublicensee (or Strategic Partner, if applicable) of such Product following an Approval in such country.

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

1.26 “GS System” means Lonza’s glutamine synthetase gene expression system consisting of the CHOK1SV Cell Line, the Transfection Medium & Supplements System, the Vectors, and the related Know-How and Patents, whether used individually, or in combination with each other. For the avoidance of doubt, any gene proprietary to Licensee inserted into the GS System for the purpose of producing Product does not form part of the GS System.

“IND” means an Investigational New Drug application, as defined in the U.S. Federal Food, Drug and Cosmetic Act, as amended, and the regulations promulgated thereunder, or any corresponding non-U.S. application, registration or certification necessary to transport or distribute investigational new drugs for clinical testing in any country outside the U.S.

1.27 “Indemnitee” and “Indemnitor” have the respective meanings set forth in Section 11.2.

1.28 “IP” means intellectual property.

1.29 “Know-How” means any proprietary technical or other information whether patentable or not and whether in written or verbal form, including technology, experience, formulae, concepts, discoveries, trade secrets, inventions, modifications, improvements, data (including all chemical, preclinical, pharmacological, clinical, pharmacokinetic, toxicological, analytical and quality control data), results, designs, ideas, analyses, methods, techniques, assays, research plans, procedures, tests, processes (including manufacturing processes, specifications and techniques), laboratory records, reports and summaries.

1.30 “Licensor IP Rights” means the Licensor Know-How and the Licensor Patent Rights.

1.31 “Licensor Know-How” means Know-How owned or Controlled by Licensor that relates directly to the Technology which may be provided to Licensee hereunder. Licensor Know-How includes Potelligent® CHOK1SV, Vectors, and any composition or formulation incorporating Potelligent® CHOK1SV and/or Vectors.

1.32 “Licensor Patent Rights” means the Patents set out in Exhibit 1 hereto, solely to the extent that such Patents relate to the Technology and are necessary or reasonably useful for researching, developing, commercializing, making, having made, using, having sold, offering for sale, selling or otherwise disposing of a Product pursuant to this Agreement.

1.33 “Losses” has the meaning set forth in Section 11.1.

1.34 [***].

1.35 “Management Representatives” has the meaning set forth in Section 12.1.

1.36 “Milestone Payments” means the payments set forth in Section 6.4.

1.37 “Net Sales” means [***]

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

1.38 “Patents” means all patents and patent applications existing as of the Effective Date and all patent applications thereafter filed, including any continuation, continuation-in-part, division, provisional or any substitute applications, any patent issued with respect to any such patent applications, any reissue, reexamination, renewal or extension (including any supplemental patent certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

1.39 [***].

1.40 “Phase I Clinical Trial” means a human clinical trial in any country that is intended to collect data on safety of a Product for a particular indication or indications in patients with the disease or indication under study or that would otherwise satisfy the requirements of 21 Code of Federal Regulations (“CFR”) §312.21(a) (U.S.) or its non-U.S. equivalent.

1.41 “Phase II Clinical Trial” means a human clinical trial in any country that is intended to collect data on dosage and evaluate the safety and the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study or that would otherwise satisfy the requirements of 21 Code of Federal Regulations (“CFR”) §312.21(b) (U.S.) or its non-U.S. equivalent.

1.42 “Phase III Clinical Trial” means a human clinical trial in any country that is intended to be a pivotal trial the result of which would be used to establish safety and efficacy of a Product as a basis for a BLA or that would otherwise satisfy the requirements of 21 CFR 312.21(c) or its non-U.S. equivalent.

1.43 “Potelligent® CHOK1SV” means the FUT8 (-/-) knock-out CHOK1SV Cell Line jointly created by Lonza’s Affiliate, Lonza Biologics plc, and BioWa’s Affiliate, Kyowa Hakko Kirin Co., Ltd., by combining the CHOK1SV Cell Line and the Potelligent® Technology.

1.44 “Potelligent® Technology” means BioWa’s proprietary technology directly relating to the use of Potelligent® Cells to produce Antibodies with enhanced ADCC activity by reducing the amount of fucose linked to the carbohydrate chains, including (i) Potelligent® Cells; (ii) cell transfection methods, including methods for selection of transfected cells; (iii) protein expression, production or purification methods; (iv) therapeutic compositions, formulations or uses of, and other modifications to, Antibodies with enhanced ADCC activity produced by transfected cells; and (v) any modifications to host cells producing glycoproteins with a reduced amount of fucose linked to such glycoproteins. For the purposes of clarity general technology that relates solely to the growth of cells or applies generally to antibodies that have not been fucose-reduced, even if it also applies to Potelligent® Cells, is not included. For the purposes of further clarity, a combined technology comprising Potelligent® Technology offered in combination with technology owned or Controlled by one or more Third Parties is also not Potelligent® Technology.

1.45 “Product” means any composition or formulation in the Field containing or comprising an Antibody owned or controlled by Licensee, which alone or in combination with other active or inactive ingredients, components or materials is designed to bind to or modulate the Commercial Target and whose development, manufacture, use or sale would but for a license under the Licensor IP Rights infringe the Licensor IP Rights.

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1.46 “Progress Report” has the meaning set forth in Article 5.

1.47 “Prosecution and Maintenance” has the meaning set forth in Section 8.2.

1.48 “Regulatory Authority” means any federal, national, multinational, state, provincial or local regulatory agency, department, bureau or other governmental entity with authority over the research, development, manufacture, commercialization or use (including the granting of a BLA) of any Product in any jurisdiction, including the FDA, the European Commission or the European Agency for the Evaluation of Medicinal Products, and the Ministry of Health, Labor and Welfare in Japan.

1.49 “Research” means research and non-clinical development activities performed up to the date of the Commencement of Phase I Clinical Trial for any Product, but does not include human clinical studies or other commercialization activities, such as the manufacture, use, marketing and sale of any Product or any product containing or derived from a Product.

1.50 “Royalty” and “Royalties” has the meaning set forth in Section 6.5.

1.51 “Strategic Partner” means a party with whom [***]. In no event may any entity that is [***] be deemed a Strategic Partner for the purposes of this Agreement.

1.52 “Sublicensee” means any Third Party or an Affiliate of Licensee, to whom Licensee has granted any of its rights under Article 2.

1.53 “Target” means a polypeptide, carbohydrate chain or other molecule to which an Antibody binds and/or which an Antibody modulates.

1.54 “Technology” means Antibody expression and ADCC enhancing technology using Potelligent® CHOK1SV in combination with the Transfection Medium & Supplements System, the Vectors and related Know-How and Patents, including but not limited to (i) Potelligent® CHOK1SV; (ii) cell transfection methods, including methods for selection of transfected cells; (iii) protein expression, production or purification methods; (iv) therapeutic compositions, formulations or uses of, and other modifications to, Antibodies with enhanced ADCC activity produced by transfected cells; and (v) any modifications to host cells producing glycoproteins with a reduced amount of fucose linked to such glycoproteins.

1.55 “Technology Improvements” means any inventions or other intellectual property (including all Patent, Know-How and other intellectual property rights therein) that relates specifically to the Technology made by, or under authority of, the Licensee or any authorized Sublicensee during the Term in conducting the Activities contemplated by this Agreement. For the avoidance of doubt, any invention or other intellectual property (including Patent, Know-How and other intellectual property rights therein) relating to any Antibody or any Product shall not constitute a Technology Improvement under this Agreement to the extent that it is severable from and does not comprise of (in whole or part) or disclose or reveal any Licensor IP Rights.

1.56 “Term” has the meaning set forth in Section 7.1.

1.57 “Territory” means all countries and territories in the world.

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1.58 “Third Party” means any entity other than Licensee, BioWa, or Lonza.

1.59 “Transfected Cells” means Potelligent® CHOK1SV Cells transfected by Licensee with recombinant DNA encoding a monoclonal antibody.

1.60 “Transfection Medium” means the solutions of nutrients used in mammalian cell culture, as more fully set out in Exhibit 3.

1.61 “Transfection Supplements” means the supplement solutions used in the Transfection Medium, as more fully set out in Exhibit 3.

1.62 “Transfection Medium Know-How” means any Know-How specifically relating to the Transfection Medium, as set out in Exhibit 3.

1.63 “Transfection Medium & Supplements System” means the Base Powder, the Supplements, the Transfection Medium, and Transfection Medium Know-How used either in combination or individually.

1.64 “U.S.” means the United States of America, including all commonwealths, territories, and possessions of the United States.

1.65 “Valid Claim” means an issued and unexpired claim of a Licensor Patent Right that has not been canceled, withdrawn, or rejected and has not lapsed or become abandoned or been declared invalid or unenforceable or been revoked by a court or agency of competent jurisdiction from which no appeal can be or has been taken.

1.66 “Vectors” means Lonza’s vectors identified in Section 6.1 below.

1.67 “Withholding Taxes” means the amount of taxes required to be paid or withheld pursuant to any applicable law, including U.S. federal, state or local tax law.

ARTICLE 2
LICENSE GRANTS AND COVENANTS

2.1 Grant of Commercial License. Subject to the terms and conditions of this Agreement and upon payment of the Commercial License Fee, Licensor hereby grants to Licensee a fee- and royalty-bearing, non-exclusive license in and to the Licensor IP Rights, with the limited right to sublicense in accordance with Section 2.2, to Research, develop, commercialize, make, use, import, have imported, sell, have sold, offer for sale and otherwise dispose of Product in the Field in the Territory (the “Commercial License”).

2.2 Sublicense. Licensee shall have the right to grant sublicenses to Third Parties under the terms of this Section 2.2, provided that no sublicense shall provide for the right to grant further sublicenses without Licensor’s prior written consent, such consent not to be unreasonably withheld or delayed.

2.2.1 Licensee may [***].

2.2.2 Licensee shall have the right [***].

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2.2.3 If Licensee desires to [***].

2.2.4 Any sublicense permitted under Sections 2.2.1, 2.2.2 and 2.2.3 above shall be [***].

2.2.5 In the event that Licensee fails to make payments pursuant to this Agreement, all payments due to Licensee from its Sublicensees under the sublicense agreements shall, upon notice from Licensor to Sublicensees, become payable directly to Licensor for the account of Licensee, but solely to the extent of payments due to Licensor under this Agreement.

2.3 **Performance by Sublicensees.** Licensee's execution of a sublicense agreement shall not relieve Licensee of any of its obligations under this Agreement. Licensee shall remain jointly and severally liable to Licensor for any performance or non-performance of a Sublicensee that would be a breach of this Agreement if performed or omitted by Licensee, and Licensee shall be deemed to be in breach of this Agreement as a result of such Sublicensee performance or non-performance.

2.4 **Licensor's Rights**. Except for the rights granted to Licensee under this Agreement, all right, title and interest in and to the Technology shall at all times remain with and be vested in Licensor. Neither Licensee nor its Sublicensees shall use the Technology for any purpose other than as expressly granted to Licensee under this Agreement.

2.5 **Third Party Rights and Licenses**. Licensee shall be responsible for obtaining all rights from Third Parties or Licensor's Affiliates that are necessary to research, develop and commercialize Product in the Field.

2.6 **Permitted Uses of the Technology; Prohibition on Modifications or Adaptations**. Licensee's use of the Technology is limited to inserting gene(s) coding for Licensee's proprietary antibodies into the Vectors and then into Potelligent® CHOK1SV for the purpose of generating Antibodies. Licensee hereby undertakes not to make any modifications or adaptations to the Technology during the subsistence of this Agreement except as explicitly provided under this Section 2.6 hereto. Licensee is specifically prohibited from performing any analysis, test, experiment or reverse-engineering of the Technology, provided that Licensee may test Potelligent® CHOK1SV and Transfected Cells as necessary for Allakos' quality assurance, quality control or compliance with Applicable Laws.

ARTICLE 3—USE OF TECHNOLOGY

3.1 Sole Uses of Technology. Licensee shall not use, nor shall it permit any authorized Sublicensee to use, the Vectors, Potelligent® CHOK1SV or Licensor IP Rights for any purpose other than that permitted in Section 2.1. Upon transfection, Licensee shall have the right to use the Transfected Cells solely to Research, develop, commercialize, make, have made, use, import, have imported, export, have exported, sell, have sold, offer for sale, and otherwise dispose of Product pursuant to the terms and subject to the conditions of this Agreement. Except as permitted in accordance with Section 2.2, Licensee shall not offer for

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sale, sell, transfer or otherwise distribute Potelligent® CHOK1SV, Transfected Cells, or Licensor IP Rights to any Third Party. Licensee shall store, handle, transport, use and dispose of Potelligent® CHOK1SV and Transfected Cells in accordance with all applicable country, state and local laws and regulations.

3.2 Rights in Transfected Cells. Subject to the Licensor IP Rights and rights in Technology Improvements set forth in this Agreement, Licensor shall have no rights to the Transfected Cells and Licensee shall be the exclusive owner of the Transfected Cells, Antibodies and Product, provided that Licensee's use of the Transfected Cells is subject to the licenses granted under this Agreement.

ARTICLE 4 – TARGET DESIGNATION

4.1 Target Designation. [***].

4.2 Notification of Commencement of Phase I Clinical Trials. Within thirty (30) days of Commencement of the first Phase I Clinical Trial for each Product, Licensee shall provide Licensor written notice of such Commencement and such notice shall (i) specifically identify the Commercial Target for such Product and (ii) specifically identify the Product being developed.

ARTICLE 5
PROGRESS REPORTS

During the Term Licensee shall deliver to Licensor annual, written, reasonably detailed progress reports, following the format set forth in Exhibit 2, of Activities conducted in the preceding calendar year, including Licensee's progress towards the achievement of milestone events set forth in Section 6.3 (the "Progress Report"). The first Progress Report shall be due on the first anniversary of the Effective Date, and subsequent Progress Reports on each anniversary of the Effective Date thereafter.

ARTICLE 6—FINANCIAL TERMS

6.1 Reservation of Research License Fee. It is acknowledged between Lonza and Licensee that [***].

6.2 BioWa Target Reservation Fee [***], Licensee shall pay to BioWa an upfront and annual non-refundable, non-creditable Target reservation fee ("Target Reservation Fee") in the amount of [***], within [***].

6.3 BioWa Commercial License Fee. In partial consideration of the Commercial License granted under this Agreement, Licensee shall pay to BioWa an annual, nonrefundable, non-creditable commercial license fee of Forty Thousand U.S. Dollars (US $40,000) (the "Commercial License Fee"). The initial payment of the Commercial License Fee shall be due and payable within [***] and shall end on the anniversary of the Effective Date immediately preceding BioWa's receipt of the first royalty payment pursuant to Section 6.5.1 below.

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6.4 Milestone Payments.

6.4.1 **BioWa Milestone Payments.** [***], Licensee shall make the following [***] milestone payments to BioWa, [***]:

(a) [***].

6.5 Royalty Payments.

6.5.1 BioWa Royalty Payments. As [***], during the BioWa Royalty Term (as defined below), Licensee shall pay to BioWa running royalties ("BioWa Royalties") [***].

BioWa Royalties shall be payable on a country-by-country basis until the later of: (i) (x) ten (10) years from the date of First Commercial Sale of the Product for the Commercial Target in such country or (y) [***], whichever of (x) and (y) is later; and (ii) the expiration of the last to expire Valid Claim within the Licensor Patent Rights in such county ("BioWa Royalty Term"). Thereafter, subject to Sections 6.5.2 and 6.5.3 below the license under this Agreement for the Commercial Target shall become fully paid up.

6.5.2 Lonza Royalty Payments. As [***] during the Lonza Royalty Term (as defined below), Licensee shall pay to Lonza royalties ("Lonza Royalties") on a country-by-country basis and Product-by-Product basis at the following rates:

[***].

Lonza Royalties will be payable by Licensee until the later of (i) ten (10) years from the date of First Commercial Sale of the first Product for the Commercial Target, or (ii) the expiration of the last-to-expire patent within the Licensor IP Rights ("Lonza Royalty Term"). Thereafter, subject to Section 6.5.1 above and 6.5.3 below, the license under this Agreement for the Product shall become fully paid up.

6.5.3 Product sold in Countries not Protected by a Valid Claim. In the event Product is sold in a country in which there is no Valid Claim [***], royalties shall be due only in respect of [***].

6.5.4 [***]. If Licensee, [***], then Licensee may [***]; provided that, in no event shall [***]. For clarity, Licensee shall not be entitled to [***].

6.6 Notification Obligations and Payment Dates for Milestone Payments and Royalties. Licensee shall inform Licensor in writing within [***].

6.7 Late Payment. Any payments or portions thereof due to Licensor hereunder which are not paid when due [***]. This Section 6.7 shall in no way limit any other remedies available to Licensor for late payments. Failure to make any payments pursuant to the terms of this Agreement hereunder shall constitute a breach of this Agreement.

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6.8 Mode of Payment.

6.8.1 Mode of Payment to BioWa. All payments to BioWa hereunder shall be made in [***] in the stated amount by [***]. Until otherwise designated by notice, the fees payable under this Article 6 to BioWa shall be paid to [***]. Payments shall be [***].

6.8.2 Mode of Payment to Lonza. All payments to Lonza hereunder shall be made in [***] in the stated amount by [***]. Until otherwise designated by notice, the fees payable to Lonza under this Article 6 to Lonza shall be paid to: [***].

6.9 Records Retention and Audit. With respect to the Product, Licensee shall keep, and shall cause its Sublicensees (or Strategic Partner, if applicable) , and their respective agents, to keep for as long as legally required and in no event less than [***], complete, true and accurate books of accounts and records of all quantities of Product manufactured and sold (or otherwise distributed) in sufficient detail to confirm the accuracy of the Net Sales and Royalty calculations hereunder. Upon reasonable prior written notice from Licensor, during the Term and for [***] thereafter, Licensee shall permit an independent certified public accountant, appointed and paid by Licensor, and reasonably acceptable to Licensee, at reasonable times during normal business hours and under a written confidentiality agreement between the accountant and Licensee executed prior to the inspection, to examine these records solely to the extent reasonably necessary to verify such calculations for any Calendar Year ending not more than [***] prior to the date of such request. Such investigation shall be at the expense of [***].

6.10 Tax Withholding. All payments required under this Agreement shall be without deduction or withholding for, or on account of, any taxes or similar governmental charge imposed by any jurisdiction. Any withholding taxes shall be the sole responsibility of the paying Party. The Party receiving payment agrees to elect to claim a tax credit for any such withholding taxes paid by the paying Party for which the receiving Party is entitled to so elect, and at the time the receiving Party actually realizes a reduction in its regular income tax liability by utilizing any such withholding taxes as a credit against its regular income tax liability (determined on a “first in first out” basis pro rata with other available foreign tax credits), then the amount of such credit shall be promptly reimbursed to the paying Party, to the extent such withholding taxes were paid by the paying Party.

6.11 Blocked Payments. In the event that, by reason of applicable laws or regulations in any country, it becomes impossible or illegal for Licensee or its Sublicensees to transfer, or have transferred on its or their behalf, Royalties or other payments to Licensor, such Royalties or other payments shall be deposited in local currency in the relevant country to the credit of Licensor in a recognized banking institution designated by Licensor or, if none is designated by Licensor within a period of thirty (30) days, in a recognized banking institution selected by Licensee or its Sublicensees, as the case may be, and identified in a written notice to Licensor.

ARTICLE 7—TERM AND TERMINATION

7.1 Term and Expiration. This Agreement shall become effective on the Effective Date and unless earlier terminated pursuant to this Article 7, shall remain in full force and effect until there are no remaining Royalty payment obligations with respect to any Product in any country (the “Term”).

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7.2 Termination at Will by Licensee. Licensee shall have the right to terminate this Agreement in its entirety for any reason upon ninety (90) days prior written notice to Licensor. Upon termination in accordance with this Section 7.2, the licenses granted by Licensor pursuant to Article 2 shall terminate in its entirety. Licensee shall remain obligated for all payments due at the time of such notice and for any continuing obligations otherwise surviving and owed under this Agreement pursuant to Section 7.9.

7.3 Termination for Breach. Without prejudice to any other remedies that may be available under this Agreement, in the event that [***].

7.4 Termination for Insolvency. Either Licensor or Licensee may terminate this Agreement by written notice with immediate effect if the other becomes insolvent, makes a general assignment for the benefit of creditors, is the subject of proceedings in a voluntary or involuntary bankruptcy proceeding instituted on behalf of or against such Party (except for involuntary bankruptcies which are dismissed within ninety (90) days), or has a receiver or trustee appointed for substantially all of its property.

7.5 Accrued Rights and Obligations. Termination or expiration of this Agreement for any reason shall not (a) release any Licensor or Licensee from any liability which, at the time of such termination or expiration, has already accrued or which is attributable to a period prior to such termination or expiration or (b) preclude any Licensor or Licensee from pursuing any rights and remedies it may have hereunder, or at law or in equity, with respect to any breach of, or default under, this Agreement. Licensor or Licensee understand and agree that monetary damages may not be a sufficient remedy for a breach of this Agreement and that the Licensor or Licensee may be entitled to injunctive relief as a partial remedy for any such breach.

7.6 Inventory on Hand. Upon termination or expiration of this Agreement for any reason other than for non-payment of Royalties and Milestone Payments, Licensee and its Sublicensees may sell or otherwise distribute the inventory of any Product then on hand until the first anniversary of the date of such termination. All such sale or distribution shall be subject to the relevant terms of this Agreement (including the payment of Royalties thereon).

7.7 Destruction of Biological Materials. Upon termination [***] of this Agreement, [***]**.**

7.8 Licenses. The license(s) granted to Licensee in this Agreement shall terminate upon any termination of this Agreement and, in such event, Licensee shall cease, and cause its Sublicensees to cease, all uses of Licensor IP Rights or the Technology for any purposes, including but not limited to, the Research, development, manufacturing and commercialization of any Product. Upon expiration of this Agreement, all license(s) granted to Licensee in this Agreement shall survive as paid-up, irrevocable, non-exclusive licenses.

7.9 Survival. The following provisions of this Agreement shall survive expiration or termination of this Agreement: Article 1; Section 2.4 (regarding Licensor's retained rights); Section 3.1 (regarding sole uses of Technology); Article 6 (regarding payment obligations incurred prior to termination or expiration, record retention and audit rights); Sections 7.6 through 7.9; Section 8.1 (regarding the ownership of any IP rights); Section 8.2 (regarding Patent prosecution); Article 9 (regarding confidentiality); Sections 11.4, 11.5 and 11.6 (regarding warranty disclaimers); Article 11 (regarding indemnifications); Article 12 (regarding dispute resolution); and Article 13 (regarding miscellaneous provisions).

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Article 8 INTELLECTUAL PROPERTY

8.1 Ownership of IP.

8.1.1 Background IP. Except as expressly otherwise provided herein, neither Party will, as a result of this Agreement, acquire any right, title, or interest in any intellectual property either (i) owned or controlled by another Party prior to the Effective Date or (ii) developed or acquired by another Party independently from, and in the case of Licensee without the use or reliance on the Technology.

8.1.2 General. Subject to Section 8.1.4, all [***] shall be owned by [***] and [***] hereby assigns to [***] its entire right, title and interest in and to any [***]. [***] shall disclose or cause to be disclosed to [***].

8.1.3 Subject to the terms and conditions set forth herein, Licensor hereby grants to Licensee a non-exclusive, world-wide, fully paid-up, irrevocable, transferable license, including the right to grant sublicenses as provided under Section 2.2, under the Technology Improvements, to research, develop, make, use, sell and import the Product**.**

8.1.4 Licensee Product Improvements. [***].

8.2 Patent Prosecution. As between Licensor and Licensee, [***] shall have the right, [***].

8.3 Infringement by Third Party. Subject to the provisions of this Section 8.3, in the event that [***].

8.4 Third Party Infringement Claims. [***].

8.5 Product Markings and Trademarks. To the extent required by law, each Product marketed and sold by Licensee or Sublicensees under this Agreement shall be marked with all patents and other intellectual property notices relating to the Licensor Patent Rights. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a non-exclusive, revocable license, with the limited right to Licensee to sublicense to its Sublicensees, to use and display the "POTELLIGENT® CHOK1SV™" trademark solely for marking the Product, if required, under this Section 8.5.

Article 9 CONFIDENTIALITY AND PUBLICATION

9.1 Confidential Information. The Parties recognize that each Party's Confidential Information constitutes highly valuable and proprietary assets of the disclosing Party.

9.1.1 The Parties agree that Confidential Information shall not be deemed to include information that the receiving Party can demonstrate by written documentation:

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(a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving Party, in the public domain;

(b) is known by the receiving Party or its Affiliates at the time of receiving such information, as evidenced by credible evidence;

(c) is furnished to the receiving Party or its Affiliates by a Third Party under no obligation of confidentiality, as a matter of right and without restriction on disclosure; or

(d) is independently discovered or developed by the receiving Party or its Affiliates without reference to the disclosing Party's Confidential Information.

9.1.2 Each Party agrees that, notwithstanding the termination or expiration of this Agreement, the receiving Party shall maintain all Confidential Information of a disclosing Party in confidence and shall not publish, disseminate or otherwise disclose a disclosing Party's Confidential Information to any Third Party, nor use any Confidential Information of a disclosing Party, without the written consent of the disclosing Party, except for the purpose of this Agreement as provided in this Article 9. Notwithstanding the foregoing, the receiving Party may disclose and disseminate Confidential Information of the disclosing Party only to those Affiliates, Sublicensees, employees or contractors, professional advisers, finance-providers, and potential and actual acquirers of the receiving Party who have a bona fide need to know for the purpose of this Agreement, or an applicable financing or acquisition, and only after such Affiliates, employees, contractors, professional advisers, finance-providers, and potential and actual acquirers have been advised of the confidential nature of such information and are bound in writing by an obligation of confidentiality under terms substantially similar to the confidentiality obligations in this Agreement; and further provided that potential acquirers will only be entitled to received information on the material terms of this Agreement.

9.2 Permitted Use and Disclosures. Each receiving Party may use or disclose Confidential Information of a disclosing Party to the extent such use or disclosure is reasonably necessary in complying with applicable governmental regulations or otherwise submitting information to governmental authorities, conducting clinical trials, applying for regulatory approvals, negotiating or making a permitted sublicense or otherwise exercising its rights hereunder, provided that if a receiving Party is required to make any such disclosure of a disclosing Party's Confidential Information, it shall make commercially reasonable efforts to: (a) give prompt written notice to the disclosing Party of the proposed disclosure to the relevant governmental authority, and allow the disclosing Party at least thirty (30) days to object to all or any portion of the disclosure before it is disclosed; (b) if advance notice is not possible, provide written notice of disclosure immediately thereafter; (c) to the extent possible, minimize the extent of such disclosure; and (d) secure confidential treatment of such information prior to its disclosure (whether through protective orders or otherwise), it being understood that any information so disclosed shall otherwise remain subject to the limitations on use and disclosure hereunder. The Party proposing to disclose any Confidential Information under this provision shall take into reasonable consideration any comments and objections raised by the disclosing Party.

9.3 Press Releases. The text of any press release or other communication to be published by or presented in the media concerning the subject matter of this Agreement shall require the prior written approval of all Parties, except as may be required by law or regulation.

9.4 Disclosures Required by Law. If a public disclosure is required by law, rule or regulation, including in a filing with the Securities and Exchange Commission, the disclosing Party shall provide copies of the disclosure reasonably in advance of such filing or other disclosure, but not later than ten (10) Business Days prior to the filing, for a non-disclosing Party's prior review and comment and to allow a non-disclosing Party a reasonable time to object to any such disclosure or to request confidential treatment thereof. Notwithstanding the foregoing, the Parties hereby agree to issue a press release subsequent to the Effective Date, the content of which shall be approved by the Parties as soon as practical.

9.5 Review of Proposed Publications, Presentations or Patent Applications. No Party shall publish any manuscript, abstract, specification, text and/or any other material that includes information about the Agreement, the Technology or a Party's Confidential Information without providing a copy of the materials to the receiving Parties and obtaining such other Parties' consent pursuant to this Section 9.5. A receiving Party shall review any such materials provided to it by the publishing Party to determine if Confidential Information is or may be disclosed. A receiving Party shall notify the publishing Party [***] after receipt of the [***] if the receiving Party determines that [***]. If it is determined by the receiving Party that [***]. In the event that the delay needed to complete the [***], the Parties shall discuss the need for [***]. If it is determined by the receiving Party that [***], the publishing Party shall [***]. The publishing Party shall [***], unless otherwise instructed by such other Party.

9.6 Confidential Terms. Except as expressly permitted in this Agreement, no Party shall disclose any terms of this Agreement to any Third Party without the prior written consent of the other Parties; except that such consent shall not be required for disclosure to actual or prospective investors or to a Party's accountants, attorneys and other professional advisors (provided that such disclosures shall be subject to continued confidentiality obligations at least as strict as are set forth herein).

9.7 Return or Destruction of Confidential Information. Upon termination or expiration of this Agreement, Licensor and Licensee shall each, at its sole discretion, either promptly return to the other all Confidential Information of the other or destroy all tangible items comprising, bearing or containing any Confidential Information and provide a written certification of such destruction; provided, however, that each Party may retain one (1) copy of such Confidential Information for archival purposes and for ensuring compliance with this Article 9.

Article 10 REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 Mutual Representations, Warranties and Covenants. Licensor and Licensee each warrants, represents and covenants to the other that:

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10.1.1 *Organization.* It is duly organized and validly existing under the laws of its jurisdiction of incorporation, and has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder;

10.1.2 *Authority.* This Agreement has been duly authorized, executed and delivered by such Party and constitutes valid and binding obligations of such Party, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, and other laws of general application limiting the enforcement of creditors' rights;

10.1.3 *Consents and Approvals.* Such Party has obtained all necessary consents, approvals and authorizations of all governmental authorities and Third Parties required to be obtained by such Party in connection with the execution of this Agreement;

10.1.4 *No Conflicts*. The execution, delivery and performance of this Agreement does not conflict with, or constitute a breach or default under any of the charter or organizational documents of such Party, any law, order, judgment or governmental rule or regulation applicable to such Party, or any material agreement, contract, commitment or instrument to which such Party is a party.

10.1.5 *Assignment of IP Rights.* Each employee, consultant, agent or Sublicensee of such Party performing work under this Agreement has, and during the Term will have, a legally binding and outstanding obligation to assign the rights of such employee, consultant, agent or Sublicensee to any Technology Improvements to such Party.

10.2 Licensor's Representations, Warranties and Covenants. Licensor represents, warrants and covenants to Licensee that:

10.2.1 it has the right to grant the rights and licenses granted herein;

10.2.2 in the performance of this Agreement, or the exercise of any rights obtained hereunder, Licensor will comply with all applicable laws, regulations, rules, orders and other requirements, now or hereafter in effect;

10.2.3 to its knowledge, except as otherwise disclosed to Licensee, there are as at the Effective Date no claims asserted or threatened that any of the Licensor IP Rights or Licensor Technology infringe, misappropriate or violate any Third Party intellectual property rights; and

10.2.4 Licensor will notify Licensee in writing promptly if it receives or is notified of a claim from a Third Party that the use by Licensee of the Potelligent Technology infringes any intellectual or industrial property rights vested in such Third Party.

10.3 Licensee's Representations, Warranties and Covenants. Licensee represents, warrants and covenants to Licensor that in the performance of this Agreement, or the exercise of any rights obtained hereunder, Licensee will comply with and will cause its Sublicensees to comply with, all applicable laws, regulations, rules, orders and other requirements, now or hereafter in effect.

10.4 DISCLAIMER OF WARRANTIES. EXCEPT AS SET FORTH IN THIS AGREEMENT, LICENSOR AND LICENSEE MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OR CONDITIONS OF ANY KIND, EITHER EXPRESS OR IMPLIED (IN THE CASE OF LICENSOR, INCLUDING WITH RESPECT TO THE TECHNOLOGY), INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENTS LICENSED HEREUNDER, OR NONINFRINGEMENT OF THE IP RIGHTS OF THIRD PARTIES. IN PARTICULAR, LICENSOR OFFERS NO REPRESENTATION OR WARRANTIES THAT THE USE OF ALL OR ANY PART OF THE TECHNOLOGY WILL RESULT IN THE SUCCESSFUL COMMERCIALIZATION OF ANY PRODUCT FOR ANY PURPOSE.EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND WITHOUT LIMITING LICENSEE'S REMEDIES FOR ANY BREACH OF THIS AGREEMENT BY LICENSOR, LICENSOR SHALL NOT BE LIABLE TO LICENSEE FOR ANY DAMAGES INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGES OR COST OF PROCUREMENT OF SUBSTITUTE GOODS SERVICES OR TECHNOLOGY BY REASON OF THE LICENSEE'S USE AND APPLICATION OF THE TECHNOLOGY, WHICH USE AND APPLICATION IS UNDERTAKEN AT LICENSEE'S SOLE RISK.

10.5 MATERIALS DISCLAIMER. THE VECTORS AND POTELLIGENT® CHOK1SV TRANSFERRED PURSUANT TO THIS AGREEMENT, WHEN COMBINED WITH AN ANTIBODY, ARE IN THE DEVELOPMENTAL STAGE AND MAY HAVE HAZARDOUS PROPERTIES. THE VECTORS, BASE POWDERS, SUPPLEMENTS AND TRANSFECTION MEDIUM AND POTELLIGENT® CHOK1SV ARE UNTESTED AND, EXCEPT AS SET FORTH IN THIS AGREEMENT, PROVIDED "AS IS" WITH NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE SHALL BEAR ALL RISK RELATING TO THE VECTORS OR POTELLIGENT® CHOK1SV, BASE POWDER, SUPPLEMENTS AND TRANSFECTION MEDIUM TRANSFERRED TO LICENSEE.

10.6 IP DISCLAIMER. EXCEPT AS OTHERWISE EXPLICITLY PROVIDED IN THIS AGREEMENT, NOTHING IN THIS AGREEMENT IS OR SHALL BE CONSTRUED AS: (i) A WARRANTY OR REPRESENTATION BY LICENSOR AS TO THE VALIDITY, ENFORCEABILITY OR SCOPE OF ANY CLAIM WITHIN LICENSOR IP RIGHTS; (ii) A WARRANTY OR REPRESENTATION THAT ANYTHING MADE, USED, OFFERED FOR SALE, SOLD OR OTHERWISE DISPOSED OF UNDER ANY LICENSE GRANTED IN THIS AGREEMENT IS OR SHALL BE FREE FROM INFRINGEMENT OF ANY PATENT RIGHTS OR OTHER IP RIGHT OF A THIRD PARTY; (iii) AN OBLIGATION TO BRING OR PROSECUTE ACTIONS OR SUITS AGAINST THIRD PARTIES FOR INFRINGEMENT OF ANY OF THE LICENSOR IP RIGHTS; OR (iv) GRANTING BY IMPLICATION, ESTOPPEL, OR OTHERWISE ANY LICENSES OR RIGHTS UNDER IP RIGHTS OF LICENSEE OR LICENSOR OR THIRD PARTIES, REGARDLESS OF WHETHER SUCH IP OR OTHER RIGHTS ARE DOMINANT OR SUBORDINATE TO ANY LICENSOR IP RIGHTS.

Article 11 INDEMNIFICATION

11.1 Indemnification by Licensee. Licensee shall defend, indemnify and hold harmless Licensor, [***] from all claims, losses, damages and expenses, including reasonable legal expenses ("Losses") resulting from suits, claims, actions, demands or other proceedings, in each case brought by a Third Party ("Claims") arising out of or relating to [***].

11.2 Indemnification by Licensor. Licensor shall defend, indemnify and hold harmless Licensee, [***] from all Losses resulting from all Claims arising out of or relating to [***].

11.3 Procedure. If an indemnified Party (the "Indemnitee") intends to claim indemnification under this Article 11, it shall promptly notify the indemnifying Party (the "Indemnitor") in writing of any Claims of Third Party for which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, to assume the defense thereof with counsel mutually satisfactory to the Parties; provided, however, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitor, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between the Indemnitee and any other Party represented by such counsel in such proceeding. The obligations of this Article 11 shall not apply to [***]. The failure to deliver written notice to the Indemnitor [***], shall [***], but the failure to so deliver written notice to the Indemnitor shall [***]. The Indemnitee, [***], shall [***].

11.4 Insurance Proceeds. Any indemnification hereunder shall be made [***]; provided, however, that if, [***].

11.5 Insurance. Each Party shall procure and maintain insurance policies underwritten by a reputable insurance company or self-insurance, including clinical trial and product liability insurance, and providing adequate coverage for its respective obligations and activities hereunder. Notwithstanding the foregoing, [***] shall procure and/or maintain policies of insurance for [***] in a minimum amount of [***] with respect to Licensee's performance under this Agreement provided however that [***] need only maintain insurance to the value of [***] .

11.6 Limitation of Liability. LICENSOR SHALL NOT BE LIABLE TO LICENSEE AND LICENSEE SHALL NOT BE LIABLE TO LICENSOR FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL OR INDIRECT DAMAGES, INCLUDING LOSS OF ANTICIPATED PROFITS, [***].

Article 12 DISPUTE RESOLUTION

12.1 Dispute Resolution Philosophy and Process. Any dispute that may arise between Licensor and Licensee relating to the terms of this Agreement or the activities of the Parties shall be referred to [***] and [***], who shall attempt [***] to achieve a resolution. If such [***] are unable to resolve such a dispute within [***], such dispute shall be referred to [***] who shall [***]. If any dispute is not resolved by these individuals (or their designees) within [***], then [***].

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

12.2 No Limitation. Notwithstanding the foregoing, nothing in this Agreement shall be construed as limiting in any way the right of a Party to immediately seek temporary and/or preliminary injunctive relief from a court of competent jurisdiction with respect to any actual or threatened breach of this Agreement.

Article 13 MISCELLANEOUS PROVISIONS

13.1 Advice of Counsel. Licensee and Licensor have consulted counsel of their choice regarding this Agreement and each acknowledges and agrees that this Agreement shall not be deemed to have been drafted by one Party or another and shall be construed accordingly.

13.2 Assignment. [***].

13.3 Binding Effect. This Agreement, the rights granted and obligations assumed hereunder shall be binding upon and shall inure to the benefit of Licensee, Licensor and their respective successors and permitted assigns.

13.4 Counterparts. This Agreement may be executed in counterparts, or facsimile versions, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement.

13.5 Entire Agreement. This Agreement and the exhibits and schedules hereto and thereto, constitute and contain the entire understanding and agreement of the Parties respecting the subject matter of this Agreement, and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter, except that the Confidentiality Agreement between the Parties dated as of January 30, 2013 shall remain in full force and effect pursuant to the terms thereof.

13.6 Force Majeure. The failure of Licensor or Licensee to timely perform any obligation under this Agreement by reason of epidemic, earthquake, riot, civil commotion, fire, act of God, war, terrorist act, strike, flood, or governmental act or restriction, or other cause that is beyond the reasonable control of that Party shall not be deemed to be a material breach of this Agreement, but shall be excused to the extent and for the duration of such cause, and that Party shall provide the other Parties with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities) and shall use commercially reasonable efforts to avoid or remove such cause, and shall perform its obligation(s) with the utmost dispatch when the cause is removed. If the performance of any such obligation under this Agreement is delayed owing to such a force majeure for any continuous period of more than one hundred eighty (180) days, the Parties hereto shall consult with respect to an equitable solution, including the possibility of the mutual termination of this Agreement.

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13.7 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be reasonably necessary or appropriate in order to carry out the purposes and intent of this Agreement. The Parties shall cooperate and use all reasonable efforts to make all other registrations, filings, and applications, to give all notices, and to obtain as soon as practicable all governmental or other consents, transfers, approvals, orders, qualifications, authorizations, permits, and waivers, if any, and to do all other things necessary or desirable for the consummation of this Agreement.

13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the [***], without regard to the application of principles of conflicts of law. The [***] shall have exclusive jurisdiction in relation to this Agreement provided that the Parties shall have the right to proceed to a suitable jurisdiction for the purpose of enforcing a judgment, award, or order (including without limitation seeking specific performance) and injunctive relief.

13.9 Interpretation. The captions and headings in this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any provisions of this Agreement. Unless specified to the contrary, references to Articles, Sections or Exhibits mean the particular Articles, Sections or Exhibits to this Agreement and references to this Agreement include all Exhibits hereto. Unless the context otherwise clearly requires, whenever used in this Agreement: (i) the words “include” or “including” shall be construed to have the inclusive meaning frequently identified with the phrase “including but not limited to” or “including without limitation;” (ii) the word “day” or “year” means a calendar day or year; (iii) the word “notice” shall mean notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (iv) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement (including any Exhibits); (v) the word “or” shall be construed to have the inclusive meaning identified with the phrase “and/or;”(vi) words of any gender include the other gender; (vii) references to the plural shall be deemed to include the singular and the plural, the part and the whole; and (viii) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement law, rule or regulation thereof.

13.10 No Implied Licenses to Use of Name or Trademark. Except as otherwise specifically provided in Section 8.5, no right, expressed or implied, is granted by this Agreement to a Party to use in any manner the name or any other trademark of any other Party in connection with the performance of this Agreement.

13.11 Independent Contractors. Each Party is an independent contractor under this Agreement. Nothing contained in this Agreement is intended nor is to be construed so as to constitute Licensee or Licensor as partners or joint venturers with respect to this Agreement. No Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other Party, or to bind any other Party to any other contract, agreement or undertaking with any Third Party or Affiliate.

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13.12 Notices and Deliveries. Any formal notice, request, delivery, approval or consent required or permitted to be given under this Agreement shall be in writing in English and shall be deemed to have been sufficiently given when it is received, whether delivered in person, transmitted by facsimile with contemporaneous confirmation by mail, delivered by certified mail (or its equivalent), or delivered by courier service (receipt required), to the Party to which it is directed at its address shown below or such other address as such Party shall have last given by notice to the other Parties.

If to Licensor:	*With a copy to:*
BioWa, Inc. [***]	[***]
and	*With a copy to:*
Lonza Sales AG [***]	[***]
If to Licensee:	*With a copy to:*
Allakos, Inc. 75 Shoreway Road Suite A San Carlos CA 94070 Attn: CEO Fax:	

13.13 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision, so long as the Agreement, taking into account said voided provision, continues to provide the Parties with materially the same benefits as set forth in this Agreement on the Effective Date. If, after taking into account said voided provision, the Parties are unable to realize materially the same, the Parties shall negotiate in good faith to amend this Agreement to reestablish (to the extent legally permissible) the benefits as provided the Parties under this Agreement on the Effective Date.

13.14 Waiver. No waiver, modification or amendment 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. The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition.

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13.15 Exhibits. The exhibits attached to this Agreement shall form an integral part hereof. In the event of any inconsistency between this Agreement and any exhibit, this Agreement shall prevail.

13.16 Section 365(n) of the Bankruptcy Code. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under section 365(n) of the Bankruptcy Code.

IN WITNESS WHEREOF, the Parties have put their names and affixed their seals or executed this Agreement and each Party shall have one (1) copy.

LONZA SALES AG

By: /s/ Janet L. White
Name: Janet L. White
Title: Authorized Signatory

BIOWA, INC.

By: /s/ Yasunori Yamaguchi
Name: Yasunori Yamaguchi, Ph.D.
Title: President and CEO

LONZA SALES AG

By: /s/ Jeetendra Vaghjiani
Name: Jeetendra Vaghjiani
Title: Authorized Signatory

ALLAKOS, INC.

By: /s/ C.R. Bebbington
Name: Christopher Bebbington
Title: Chief Executive Officer

EXHIBIT 1

LICENSOR PATENT RIGHTS

[***]

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EXHIBIT 2

PROGRESS REPORT

[***]

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EXHIBIT 3
BASE POWDER, TRANSFECTION MEDIUM, TRANSFECTION SUPPLEMENTS, AND TRANSFECTION MEDIUM KNOW-HOW

[***]

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EXHIBIT 4

[***]

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT FOR THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [***].

AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

BETWEEN

THE JOHNS HOPKINS UNIVERSITY

&

ALLAKOS INC.

JHU AGREEMENT A30817

AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

THIS AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT (this "Agreement") is entered into by and between THE JOHNS HOPKINS UNIVERSITY, a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 ("JHU") and ALLAKOS INC., a Delaware corporation having an address at 75 Shoreway Road, Suite A, San Carlos, CA 94070 ("Company"), as of September 30, 2016 (the "Restatement Date") and amends and restates that certain Exclusive License Agreement entered into by and between JHU and Allakos as of the Effective Date (the "Original License Agreement"), with respect to the following:

RECITALS

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new processes, but is without capacity to commercially develop, manufacture, and distribute any such products or processes;

WHEREAS, a valuable invention(s) entitled [***] was developed during the course of research conducted by Drs. Bruce S. Bochner and Robert Schleimer (JHU Ref. C03875); [***] was developed during the course of research conducted by Drs. Bruce S. Bochner, Robert Schleimer, and Esra Nutku-Bilir, (JHU Ref. C03906); [***] was developed during the course of research conducted by Drs. Bruce S. Bochner, Robert Schleimer and Esra Nutku-Bilir (JHU Ref. C11235); [***] was developed during the course of research conducted by Drs. Bruce S. Bochner, Robert Schleimer and Esra Nutku-Bilir (JHU Ref. C11251) (collectively, all JHU inventors are hereinafter referred to as "Inventors");

WHEREAS, JHU has acquired through assignment from the Inventors and from a prior assignee, all rights, title and interest, with the exception of certain retained rights by the United States Government, in its interest in said valuable inventions;

WHEREAS, Company and JHU executed that certain Exclusive Option Agreement with Effective Date of December 5, 2012 (the "Option Agreement") with agreed-upon license terms attached in Exhibit C of that agreement for the above-identified inventions under JHU Ref. C03875, JHU Ref. C03906, JHU Ref. C11235 and JHU Ref. C11251, and under which Company received the BIOLOGICAL MATERIAL(S) under JHU Ref. C11235 and JHU Ref. C11251 from Dr. Bruce Bochner at JHU and on which Company conducted evaluation testing during the term of the Exclusive Option Agreement (JHU Agreement A21208), and executed the Original License Agreement with Effective Date of December 20, 2013; and

WHEREAS, the Parties now desire to amend and replace the Original License Agreement in its entirety with this Agreement, effective as of the Restatement Date.

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

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ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Paragraphs shall mean the Exhibits to, and Paragraphs and Articles of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1 "**AFFILIATED COMPANY(IES)**" as used herein in either singular or plural shall mean any corporation, company, partnership, joint venture or other entity, which controls, is controlled by or is under common control with Company. For purposes of this Paragraph 1.1, control shall mean the direct or indirect ownership of at least fifty percent (50%).

1.2 "BIOLOGICAL MATERIAL(S)" shall mean materials in JHU's possession as identified in Exhibit D which have been assigned to JHU by Inventors and prior assignee of PATENT RIGHT(S).

1.3 "**DEVELOPED PRODUCT(S)**" shall mean any materials, compositions, biologic, drugs, other products (including combination products), or methods which but for the use of the BIOLOGICAL MATERIALS licensed hereunder could not be developed, made, invented, discovered or derived. For the avoidance of doubt, DEVELOPED PRODUCT(S) (as defined above) shall include [***].

1.4 "**DIAGNOSTIC FIELD**" shall mean the field of identification, diagnosis or prognosis of any disease or medical condition in humans or other animals using a LICENSED PRODUCT(S) or DEVELOPED PRODUCT(S).

1.5 "**EFFECTIVE DATE**" of this Agreement shall mean December 20, 2013.

1.6 "**EXCLUSIVE LICENSE**" shall mean the license grant by JHU to Company pursuant to Paragraph 2.1 of this Agreement of its entire right and interest in the PATENT RIGHTS and BIOLOGICAL MATERIALS, subject to Paragraphs 2.3 and 2.4 of this Agreement.

1.7 "**FIRST COMMERCIAL SALE**" shall mean the first transfer by a LICENSEE, AFFILIATED COMPANY or SUBLICENSEE of a LICENSED PRODUCT(S) or DEVELOPED PRODUCT(S) for value, but shall not include a transfer of materials for the purpose of use in a clinical trial, where the consideration received is intended to cover the manufacturing cost of the materials.

1.8 "**LICENSED FIELD A**" shall mean the treatment and/or prevention of any disease or medical condition in humans or other animals using a LICENSED PRODUCT or DEVELOPED PRODUCT, but excluding the diagnosis thereof.

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1.9 "**LICENSED FIELD B**" shall mean any application, use, manufacture, sub-license, sale, lease or transfer of LICENSED PRODUCTS, DEVELOPED PRODUCTS, or BIOLOGICAL MATERIALS, including within the DIAGNOSTIC FIELD and as research reagents, but excluding LICENSED FIELD A.

1.10 "**LICENSED PRODUCT(S)**" as used herein in either singular or plural shall mean any material, composition, biologic, drug, other products, or methods, that, in the absence of a license to the PATENT RIGHT(S), the manufacture, use, offer for sale, sale, or importation thereof, or the practice thereof, would infringe a claim of the PATENT RIGHT(S) (infringement shall include, but not be limited to, direct, contributory or inducement to infringe same); or is, incorporates or uses a BIOLOGICAL MATERIAL. [***].

1.11 "**NET REVENUES**" as used herein shall mean and includes [***].

[***].

1.12 [***].

1.13 "**PATENT RIGHT(S)**" shall mean [***].

1.14 "**SUBLICENSEE(S)**" as used herein in either singular or plural shall mean any person or entity other than AFFILIATED COMPANIES to which Company has granted a sublicense under this Agreement.

1.15 "TERM" has the meaning set forth in Paragraph 9.1.

1.16 "**TERRITORY**" shall mean worldwide.

ARTICLE 2
LICENSE GRANT

2.1 Grants. Subject to the terms and conditions of this Agreement, JHU hereby grants to Company:

(a) an EXCLUSIVE LICENSE to develop, make, have made, use, have used, import, offer for sale, sell and have sold the LICENSED PRODUCT(S) and DEVELOPED PRODUCT(S) in the TERRITORY under the PATENT RIGHTS and using the BIOLOGICAL MATERIAL(S) in the LICENSED FIELD A and LICENSED FIELD B and

(b) an EXCLUSIVE LICENSE to make, have made and use BIOLOGICAL MATERIAL(S) in LICENSED FIELD A and LICENSED FIELD B.

(c) For clarity, the EXCLUSIVE LICENSE granted pursuant to subsection (b) does not include the right to sell and have sold BIOLOGICAL MATERIAL(S) which JHU and Company agree would be conducted under the EXCLUSIVE LICENSE granted under subsection (a). [***].

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These grants shall apply to the Company and any AFFILIATED COMPANIES, except that any AFFILIATED COMPANIES shall not have the right to sublicense others as set forth in Paragraph 2.2 below. If any AFFILIATED COMPANIES exercises rights under this Agreement, such AFFILIATED COMPANIES shall be bound by all terms and conditions of this Agreement, including but not limited to indemnity, insurance provisions and royalty payments, which shall apply to the exercise of the rights, to the same extent as would apply had this Agreement been directly between JHU and the AFFILIATED COMPANIES. In addition, Company shall remain fully liable to JHU for all acts and obligations of AFFILIATED COMPANIES such that acts of the AFFILIATED COMPANIES shall be considered acts of the Company.

2.2 Sublicense. Company may sublicense to third parties under this Agreement, subject to the terms and conditions of this Paragraph 2.2 and with prior written notice to JHU, and shall provide an unredacted copy of each such sublicense agreement to JHU promptly after it is executed. [***].

2.3 Government Rights. The grants of Paragraph 2.1 are subject to rights retained by the United States government in accordance with 35 U.S.C. 200-205 and P.L. 96-517, as amended by P.L. 98-620, codified at 35 U.S.C. 200 et. seq. and implemented according to 37 CFR Part 401. The United States government has acquired a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the use of BIOLOGICAL MATERIALS and the inventions described in PATENT RIGHTS throughout the world. The rights granted herein are additionally subject to: (i) the requirement that any LICENSED PRODUCT(S) or DEVELOPED PRODUCT(S) produced for use or sale within the United States shall be substantially manufactured in the United States to the extent required under 35 U.S.C. 200-205 and P.L. 96-517, as amended by P.L. 98-620, codified at 35 U.S.C. 200 et. seq. and implemented according to 37 CFR Part 401 (unless a waiver under 35 USC § 204 or equivalent is granted by the appropriate United States government agency), (ii) the right of the United States government to require JHU, or its licensees, including Company, to grant sublicenses to responsible applicants on reasonable terms when necessary to fulfill health or safety needs, and, (iii) any other rights acquired by the United States government under the laws and regulations applicable to the grant/contract award under which the inventions were made.

2.4 Retained Rights. The grants of Paragraph 2.1 are subject to the retained rights [***].

2.5 Conversion of Grant for LICENSED FIELD B. The grants for LICENSED FIELD B in Paragraphs 2.1(a) and 2.1(b) [***].

2.6 Duration and Conversion of Grant for LICENSED FIELDS A and B.

(a) Duration of license grants [***]:

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[***].

(b) [***].

(c) If Company grants any sublicense to a third party in compliance with Paragraph 2.2 [***].

ARTICLE 3
FEES, ROYALTIES, PAYMENTS & EQUITY

3.1 License Fees.

(a) Company shall pay to JHU a license fee as set forth in Exhibit A within thirty (30) days of the EFFECTIVE DATE of this Agreement. This license fee is nonrefundable and shall not be credited against royalties or other fees.

(b) Company shall pay to JHU an amendment fee as set forth in Exhibit A within thirty (30) days of the RESTATEMENT DATE of this Agreement. This amendment fee is nonrefundable and shall not be credited against royalties or other fees.

3.2 Minimum Annual Royalties. Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the EFFECTIVE DATE beginning with the first anniversary. Running royalties on NET REVENUES of LICENSED PRODUCT(S) and DEVELOPED PRODUCT(S) accrued under Paragraph 3.3 and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

3.3 Running Royalties. Company shall pay to JHU a running royalty as set forth in Exhibit A for each LICENSED PRODUCT(S) and for each DEVELOPED PRODUCT(S) sold or provided, by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) for use in LICENSED FIELD A and LICENSED FIELD B, based on NET REVENUES for the term of this Agreement. Such payments shall be made within [***] following FIRST COMMERCIAL SALE of LICENSED PRODUCT(S) and/or DEVELOPED PRODUCT(S). All non-US taxes related to LICENSED PRODUCT(S) and/or DEVELOPED PRODUCT(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

(a) The running royalty obligations for the sale of LICENSED PRODUCT(S) with respect to NET REVENUES in LICENSED FIELD A and LICENSED FIELD B shall commence on the date of FIRST COMMERCIAL SALE of LICENSED PRODUCT intended for use in either LICENSED FIELD A or LICENSED FIELD B in a given country and shall continue, on a country-by-country basis, until the expiration of the last to expire of any PATENT RIGHT(S) issued in that country covering the LICENSED PRODUCT(S) unless otherwise officially extended under applicable patent term extension ("Licensed Product Royalty Period").

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(b) The running royalty obligations for the sale of DEVELOPED PRODUCT(S) with respect to NET REVENUES in LICENSED FIELD A and LICENSED FIELD B shall commence on the date of FIRST COMMERCIAL SALE of DEVELOPED PRODUCT intended for use in either LICENSED FIELD A or LICENSED FIELD B in a given country and shall continue for ten (10) years from the FIRST COMMERCIAL SALE of any DEVELOPED PRODUCT anywhere in the world in each field ("Developed Product Royalty Period"). DEVELOPED PRODUCT intended for use in either LICENSED FIELD A or LICENSED FIELD B launched by Company, AFFILIATED COMPANY or SUBLICENSEE(S) after expiration of the PATENT RIGHTS is subject to the running royalties in this subsection (b).

(c) For clarity, as provided for in Exhibit A, to the extent that [***].

(d) Should Company be required to pay running royalties [***].

(e) In no instance shall the running royalty [***].

(f) Company acknowledges that its agreement to make payments to JHU under this Paragraph 3.3 regarding rights and/or products [***].

(g) In the event that [***].

3.4 Arms-Length Transactions. In order to ensure JHU the full royalty payments contemplated hereunder, Company agrees that in the event [***].

3.5 Milestone Payments. Company shall pay to JHU the one-time milestone payments as set forth in Exhibit A within thirty (30) days of achievement of each milestone-triggering event [***]. [***]. Company agrees that it will pay the accrued Phase II milestone payment when it submits the accrued Phase III milestone payment to JHU. For clarity, to the extent that any Company products in development in LICENSED FIELD A are LICENSED PRODUCT(S) which, except for such product's inclusion as LICENSED PRODUCT, would be a DEVELOPED PRODUCT(S) during the term of the PATENT RIGHT(S), Company agrees to pay to JHU milestone payments attributed to LICENSED PRODUCT(S) until expiration of the last to expire of any PATENT RIGHT(S). Thereafter, Company agrees that with respect to such product, the milestone payments attributed to DEVELOPED PRODUCTS will be paid by Company as subsequent milestones are met.

3.6 Sublicense Consideration. Company shall pay to JHU sublicense consideration that Company receives for execution of a sublicense agreement as identified in Exhibit A of this Agreement. Such sublicense consideration shall mean consideration of any kind received by [***] such as including but not limited to [***]. If any sublicense agreement includes [***], then Company may [***].

3.7 Patent Reimbursement. During the term of this Agreement, Company will reimburse JHU for [***]. Company shall reimburse JHU such costs within [***]. [***] are identified and totaled in Exhibit E of this Agreement. JHU will provide to Company [***].

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request

3.8 Equity. As partial consideration for the grants under Paragraph 2.1, the Company shall issue to JHU and the Inventors within sixty (60) days of the EFFECTIVE DATE of this Agreement 111,111 shares [***]:

- [***];
- [***];
- [***]; and
- [***].

Such shares shall be issued pursuant to customary Stock Issuance Agreements in substantially the form attached hereto as Exhibit F. The equity interests granted under this Paragraph 3.8 shall be diluted at the same rate as the founders' and any other issued common stock through subsequent rounds of equity financing.

3.9 [***].

3.10 Form of Payment. All payments under this Agreement shall be made in U.S. Dollars by either check or wire transfer as provided for in Paragraph 3.11 below.

3.11 Payment Information. All check payments from Company to JHU shall be sent to:

[***]

or such other addresses which JHU may designate in writing from time to time. Checks are to be made payable to [***].

Wire transfers may be made through:

[***]

Company shall be responsible for any and all costs associated with wire transfers. Company shall provide JHU with the date of wire transfer payment and ACH confirmation number upon completion of such payment.

3.12 Late Payments. In the event that any payment due hereunder is not made when due, [***].

3.13 Invoices. Any invoice for payments sent by JHU to Company may be electronically provided by e-mail service. JHU will send invoices to an e-mail address provided by Company. Company will provide JHU with any updates to this e-mail address.

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ARTICLE 4
PATENT PROSECUTION, MAINTENANCE, & INFRINGEMENT

4.1 Prosecution & Maintenance. [***], shall file, prosecute and maintain all patents and patent applications specified under PATENT RIGHT(S) and, subject to the terms and conditions of this Agreement, [***]. [***] shall have full and complete control over all patent matters in connection therewith under the [***].

4.2 Notification. Each party will notify the other promptly in writing when any infringement of [***].

4.3 Infringement. [***] shall have the first right to enforce any patent within [***] against any infringement or alleged infringement thereof for [***], but only for [***] for [***], and shall at all times [***]. Before [***] commences an action with respect to any infringement of any patent within the [***].

If [***] elects not to enforce any patent within [***], then it shall [***].

4.4 Patent Invalidity Suit. If a declaratory judgment action is brought naming [***] as a defendant and alleging invalidity of any of [***].

4.5 Recovery. Any recovery by [***] under Paragraph 4.3 shall be deemed to reflect [***], and [***].

ARTICLE 5
OBLIGATIONS OF THE PARTIES

5.1 Reports. Company shall provide to JHU the following written reports according to the following schedules.

(a) Until [***], Company shall provide [***], due within [***] following the EFFECTIVE DATE of this Agreement. These [***] shall describe [***], including [***].

(b) Upon achieving [***], Company shall provide [***], substantially in the format of Exhibit B, accompanying each running royalty payment under Paragraph 3.3 of this Agreement. [***] shall disclose [***].

(c) Company shall provide [***] within [***]. [***] shall include:

[***].

(d) In lieu of sending reports to JHU via mail or via courier under this Paragraph 5.1, Company may electronically submit all required reports to an e-mail address specified by JHU.

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request

5.2 Records. Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 5.1, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 5.1. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. Company shall permit the inspection and copying of such records, files and books of account by [***] during [***] upon [***] written notice to Company. Such inspection shall not be made more than [***]. All costs of such inspection and copying shall be [***], provided that if any such inspection shall [***], such costs shall be borne by [***]. As a condition to entering into any such agreement, Company shall include in any agreement with [***].

5.3 Diligence Milestones: Company will use [***] to [***]. [***].

5.4 Other Products. After [***], demonstrating the [***], Company shall [***] or [***]. If Company is [***], Company will [***].

5.5 Patent Acknowledgement. Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) of Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

5.6 Deliverable(s). Company received BIOLOGICAL MATERIAL(S) under the Option Agreement. Company agrees that it has adequate supply of BIOLOGICAL MATERIAL(S) to fulfill its obligations under this Agreement and will take steps to maintain its supply of BIOLOGICAL MATERIAL(S) during the term of this Agreement. JHU is not obligated to provide additional quantities of BIOLOGICAL MATERIAL(S) upon execution of this Agreement or thereafter during the term of this Agreement.

ARTICLE 6
REPRESENTATIONS

6.1 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHT(S), LICENSED PRODUCT, DEVELOPED PRODUCT or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHT(S), its freedom to operate, and the value of any LICENSED PRODUCT(S) or other rights granted.

6.2 Representations by JHU. JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHT(S) and BIOLOGICAL MATERIAL(S) with the exception of certain retained rights of the United States Government, which may apply if any part of the JHU research was funded in whole or in part by the United States Government. JHU does not warrant the validity of any patents or that practice under such patents or use of such material shall be free of infringement. EXCEPT AS EXPRESSLY SET

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FORTH IN THIS PARAGRAPH 6.2, COMPANY AGREES THAT THE PATENT RIGHT(S) AND BIOLOGICAL MATERIAL(S) ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF BIOLOGICAL MATERIAL(S), LICENSED PRODUCT(S) AND DEVELOPED PRODUCT(S) INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY, OR WITH RESPECT TO THEIR UTILITY IN MAKING A DEVELOPED PRODUCT(S) OR THE USEFULNESS OF SUCH A DEVELOPED PRODUCT(S). JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) LICENSED UNDER THIS AGREEMENT. AS BETWEEN THE PARTIES, COMPANY ASSUMES ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT MANUFACTURED, USED, OR SOLD BY COMPANY, ITS SUBLICENSEE(S) AND AFFILIATED COMPANIES WHICH IS A LICENSED PRODUCT(S) OR A DEVELOPED PRODUCT(S) AS DEFINED IN THIS AGREEMENT.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. [***] would have no legal liability exposure to third parties if [***] or [***], and any [***]. Therefore, [***]. Furthermore, [***] will not, under the provisions of this Agreement or otherwise, [***]. [***] shall indemnify [***].

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. If necessary, the parties will exchange information relating to the PATENT RIGHT(S), BIOLOGICAL MATERIAL(S), LICENSED PRODUCT(S) and DEVELOPED PRODUCTS(S), as well as information related to the Company's research, business plans and financial information, which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information, and to employ all reasonable efforts to maintain the information secret and confidential, such efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a secrecy agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the confidential nature of the information and that the information shall be treated accordingly.

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The obligations of this Paragraph 8.1 shall also apply to AFFILIATED COMPANIES and/or SUBLICENSEE(S) provided such information by Company. JHU's, Company's, AFFILIATED COMPANIES' and SUBLICENSEE(S)' obligations under this Paragraph 8.1 shall extend until three (3) years after the expiration or termination of this Agreement.

8.2 Exceptions. The recipient's obligations under Paragraph 8.1 shall not extend to any part of the information:

a. that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure;

b. that can be demonstrated, from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of secrecy to the disclosing party prior to the disclosure;

c. that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient;

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party; or

e. that is required to be disclosed by law, government regulation or court order.

8.3 Right to Publish. JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHT(S) and inventions contained therein and BIOLOGICAL MATERIAL(S) provided confidential information of Company, as defined in Paragraph 8.1, is not included or without first obtaining approval from Company to include such confidential information. Otherwise, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technologies without prior approval.

ARTICLE 9
TERM & TERMINATION

9.1 Term. The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue, in each country, until the later of: (i) date of expiration of the last to expire patent included within PATENT RIGHT(S) in that country and (ii) the expiration of all of Company's payment obligations under this Agreement (the "TERM").

9.2 Termination by Either Party. This Agreement may be terminated by either party, in the event that the other party (a) files or has filed against it a petition under the Bankruptcy Act, makes an assignment for the benefit of creditors, has a receiver appointed for it or a substantial part of its assets, or otherwise takes advantage of any statute or law designed for relief of debtors or (b) fails to perform or otherwise materially breaches any of its obligations hereunder, if, following the giving of notice by the terminating party of its intent to terminate and stating the grounds therefor, the party receiving such notice shall not have cured the failure or breach within [***]. In no event, however, shall such notice or intention to terminate be deemed to waive any rights to damages or any other remedy, which the party giving notice of breach may have as a consequence of such failure or breach.

9.3 Termination by Company. Company may terminate this Agreement and the licenses granted herein, for any reason, upon giving JHU ninety (90) days written notice in accordance with Paragraph 10.6 of this Agreement.

9.4 Obligations and Duties upon Termination or Expiration. If this Agreement is terminated or expired, both parties shall be released from all obligations and duties imposed or assumed hereunder to the extent so terminated or expired, except as expressly provided to the contrary in this Agreement. Upon termination or expiration, both parties shall cease any further use of the confidential information disclosed to the receiving party by the other party. Termination or expiration of this Agreement, for whatever reason, shall not affect the obligation of either party to make any payments for which it is liable prior to or upon such expiration or termination. Expiration or termination shall not affect JHU's right to recover unpaid royalties, fees, reimbursement for patent expenses, or other forms of financial compensation incurred prior to expiration or termination.

(a) Upon expiration or termination, Company shall submit any accrued royalty payments for [***] with [***], accrued fees, unreimbursed patent expenses and other accrued financial compensation due to JHU shall become immediately payable.

(b) Upon expiration or termination of this Agreement, [***], except that [***]. Furthermore, upon expiration or termination of this Agreement, [***], except that [***].

(c) Upon termination of this Agreement, any SUBLICENSEE(S) shall become a direct licensee of JHU, provided that JHU's obligations to SUBLICENSEE(S) are no greater than JHU's obligations to Company under this Agreement and SUBLICENSEE(S) will have no obligation to pay any amounts to JHU in excess of the amounts that would have been due to JHU by Company under this Agreement. Company shall provide written notice of termination of the Agreement to each SUBLICENSEE(S) with a copy of such notice provided to JHU.

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request

9.5 Obligation regarding DEVELOPED PRODUCT(S). Expiration or termination of this Agreement shall not affect [***] obligation under Paragraph 3.3(c) to [***] on [***] and provide [***] under Paragraph 5.1(b) for any sales prior to the conclusion of the [***]. Such obligation will survive expiration or termination of this Agreement.

ARTICLE 10
MISCELLANEOUS

10.1 Use of Name. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall allow at least seven (7) business days' notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

10.2 No Partnership. Nothing in this Agreement shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

10.3 Notice of Claim. Each party shall give the other or its representative immediate notice of any suit or action filed, or prompt notice of any claim made, against them arising out of the performance of this Agreement or arising out of the practice of the inventions licensed hereunder.

10.4 Product Liability Insurance. Prior to [***], Company shall establish and maintain, [***], product liability or other appropriate insurance coverage in the minimum amount of [***] and will [***] present evidence to JHU that such coverage is being maintained. Company will furnish JHU with [***]. [***]. If such Product Liability insurance is underwritten on a [***] basis, Company agrees that [***].

10.5 Governing Law. This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of [***] applicable to contracts solely executed and wholly to be performed within [***] without giving effect to the principles of conflicts of law. Any disputes between the parties to this Agreement shall be brought in [***]. Both parties agree to waive their right to a jury trial.

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10.6 Notice. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier, such as Federal Express, to the other party at its respective address set forth below or to such other address as one party shall give notice of to the other from time to time hereunder ("Notice"). Mailed notices shall be deemed to be received on the third business day following the date of mailing. Notices sent by overnight courier shall be deemed received the following business day.

If to Company: Allakos, Inc.
75 Shoreway Road, Suite A
San Carlos, CA 94070
[***]

If to JHU: [***]

10.7 Compliance with All Laws. In all activities undertaken pursuant to this Agreement, both JHU and Company covenant and agree that each will in all material respects comply with such Federal, state and local laws and statutes, as may be in effect at the time of performance and all valid rules, regulations and orders thereof regulating such activities.

10.8 Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein, except for the right to receive any remuneration hereunder, may be assigned by either party, in whole or in part, without [***], except that [***] shall be free to assign this Agreement in connection with [***]. Such assignment shall be subject to [***]. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto.

10.9 No Waivers; Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provision of this Agreement, and no waiver shall be effective unless made in writing. Any provision hereof prohibited by or unenforceable under any applicable law of any jurisdiction shall, as to such jurisdiction, be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held by any governmental agency or court of competent jurisdiction to be void, illegal and unenforceable, the parties shall negotiate in good faith for a substitute term or provision which carries out the original intent of the parties.

10.10 Entire Agreement; Amendment. Company and JHU acknowledge that they have read this entire Agreement and that this Agreement, including the attached Exhibits, constitutes the entire understanding and contract between the parties hereto and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which communications are merged herein. It is expressly understood and agreed that (i) there being no expectations to the contrary between the parties hereto, no usage of trade, verbal agreement or another regular practice or method dealing within any industry or between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the express terms of this Agreement; and (ii) this Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties hereto.

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10.11 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10.12 Force Majeure. If either party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstances beyond its reasonable control, including but not limited to fire, flood, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable the parties to resume performance under this Agreement, provided however, that in no event shall such time extend for a period of more than one hundred eighty (180) days.

10.13 Further Assurances. Each party shall, at any time, and from time to time, prior to or after the EFFECTIVE DATE of this Agreement, at reasonable request of the other party, execute and deliver to the other such instruments and documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

10.14 Survival. All representations, warranties, covenants and agreements made herein and which by their express terms or by implication are to be performed after the execution and/or termination hereof, or are prospective in nature, shall survive such execution and/or termination, as the case may be. This shall include Paragraphs 3.10 (Late Payments), 5.2 (Records), 9.5 (Obligation regarding DEVELOPED PRODUCT(S)) and Articles 6, 7, 8, 9, and 10.

10.15 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

10.16 Headings. Article headings are for convenient reference and are not a part of this Agreement. All Exhibits are incorporated herein by this reference.

10.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement shall take effect as of the EFFECTIVE DATE when it has been executed below, by the duly authorized representatives of the parties.

THE JOHNS HOPKINS UNIVERSITY	**ALLAKOS INC.**
/s/ Neil Veloso	/s/ Chris Bebbington
Neil Veloso Executive Director, Johns Hopkins Technology Transfer Johns Hopkins Technology Ventures	Christopher Bebbington President & CEO
10/14/2016	10/14/2016
(Date)	(Date)

EXHIBIT A. LICENSE FEES, ROYALTIES, PAYMENTS & EQUITY UNDER ARTICLE 3

EXHIBIT B. [***] REPORT FORM UNDER PARAGRAPH 5.1(b)

EXHIBIT C. PATENT RIGHT(S) UNDER PARAGRAPH 1.14

EXHIBIT D. BIOLOGICAL MATERIAL(S) UNDER PARAGRAPH 1.2

EXHIBIT E. [***] UNDER PARAGRAPH 3.7

EXHIBIT F. FORM OF STOCK ISSUANCE AGREEMENT UNDER PARAGRAPH 3.8

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EXHIBIT A

LICENSE FEE, ROYALTIES, PAYMENTS AND EQUITY UNDER ARTICLE 3

1. **License Fee and Amendment Fee:** The license fee payable under Paragraph 3.1(a) is [***]. The amendment fee payable under Paragraph 3.1(b) is [***].

2. **Minimum Annual Royalties:** The minimum annual royalties payable under Paragraph 3.2 are:

Anniversary	Amount
[***]	

3. **Royalties:** The running royalty rates payable under Paragraph 3.3 are:

   [***]

4. **Diligence Milestone Payments:** The diligence milestone payments payable under Paragraph 3.5 are:

   [***].

5. **Sublicense Consideration:** The percent sublicense consideration payable under Paragraph 3.6 is:

   [***].

6. **Equity:** The equity to be issued to JHU under Paragraph 3.8 is:

   111,111 shares of the Company's common stock pursuant to a customary Stock Issuance Agreement

7. **Patent Expense Reimbursement:** The patent expense reimbursement under Paragraph 3.7 is:

   [***]

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EXHIBIT B

[***] REPORT UNDER PARAGRAPH 5.1(b)

FOR LICENSE AGREEMENT A30817

BETWEEN

ALLAKOS INC. AND THE JOHNS HOPKINS UNIVERSITY

EFFECTIVE DATE

[***]

This report format is to be used to report [***] to JHU. [***].

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EXHIBIT C

PATENT RIGHTS UNDER PARAGRAPH 1.14

[***]

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EXHIBIT D

BIOLOGICAL MATERIAL(S) UNDER PARAGRAPH 1.2

[***]

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EXHIBIT E

[***] UNDER PARAGRAPH 3.7

[***]

*** Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [***] indicates that text has been omitted and is the subject of a confidential treatment request.

EXHIBIT F

FORM OF STOCK ISSUANCE AGREEMENT UNDER PARAGRAPH 3.8

(see attached)

FINAL

CONFIDENTIAL

ALLAKOS INC.

COMMON STOCK ISSUANCE AGREEMENT

This Common Stock Issuance Agreement (the "**Agreement**") is made as of , 2013, by and between Allakos Inc., a Delaware corporation (the "**Company**"), and The Johns Hopkins University (the "**JHU**").

RECITALS

A. JHU and the Company are each a party to that certain Exclusive License Agreement with an effective date of , 2013 (the "**License Agreement**"), pursuant to which JHU licensed certain intellectual property rights to the Company.

B. Pursuant to Section 3.8 of the License Agreement, JHU is entitled to receive 111,111 shares of Common Stock of the Company.

C. The Board of Directors of the Company has approved the issuance of 111,111 shares of Common Stock of the Company as fulfillment in full of the Company's obligation to grant such equity award to JHU pursuant to Section 3.8 of the License Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and each intending to be bound hereby, the Company and JHU hereby agree as follows:

1. Issuance of Common Stock.

(a) The Company hereby issues to JHU 111,111 shares of the Company's Common Stock (the "**Shares**") at a price of $[***] (par value) per Share and an aggregate Purchase Price of $[***] (the "**Purchase Price**"). The Company will promptly, after delivery of this Agreement, issue a certificate representing the Shares registered in the name of JHU.

(b) The Purchase Price for the Shares shall be deemed to be paid in full by JHU's execution of the License Agreement and the grants made by JHU pursuant to Section 2.1 of the License Agreement.

(c) JHU acknowledges and agrees that, except for JHU's participation rights set forth in Section 3.9 of the License Agreement, the issuance of the Shares satisfies in full any and all rights that JHU may have to acquire or otherwise receive equity securities or securities convertible into or exercisable for equity securities of the Company pursuant to the License Agreement.

2. Stock Splits, etc. If, from time to time during the term of this Agreement:

(a) there is any stock dividend or dividend of cash and/or property, stock split, or other change in the character or amount of any of the outstanding securities of the Company, including any conversion of outstanding securities of the Company into cash or securities of another corporation, person, or entity in connection with any acquisition, merger, consolidation, or similar transaction involving the Company; or

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(b) there is any liquidation, dissolution, or similar transaction,

then, in such event, any and all new, substituted or additional securities, or other property to which JHU is entitled by reason of its ownership of Shares shall be immediately subject to this Agreement and be included in the word "Shares" for all purposes with the same force and effect as the Shares presently subject to the right of first refusal, market standoff agreement and other terms of this Agreement.

3. Right of First Refusal. Before any Shares registered in the name of JHU or of any transferee (either being sometimes referred to herein as the "**Holder**") thereof may be sold or transferred (including any transfer by operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3 (the "**Right of First Refusal**").

(a) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a notice (the "**Notice**") stating (i) the Holder's *bona fide* intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (the "**Proposed Transferee**"); (iii) the number of Shares to be sold or transferred to each Proposed Transferee; and (iv) the *bona fide* cash price or other consideration for which the Holder proposes to sell or transfer such Shares (the "**Offered Price**"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) **Exercise of Right of First Refusal**. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all or part of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) **Purchase Price**. The purchase price for the Shares purchased by the Company (the "**Company's Price**") or its assignee(s) under this Section 3 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) **Payment**. Payment of the Company's Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) **Holder's Right to Transfer**. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of

the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) **Termination of Right of First Refusal**. The Right of First Refusal shall terminate upon the earlier of (i) the effective date of a registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"), with respect to a public offering of Common Stock of the Company, or (ii) the closing date of a sale of assets or merger of the Company or other acquisition transaction pursuant to which stockholders of the Company receive cash or securities of a buyer whose shares are publicly traded.

(g) **Invalid Transfers**. The Company shall not be required (i) to transfer on its share register any Shares which shall have been purportedly sold or transferred if such transfer would be in violation of this Agreement or (ii) to treat as owner of such Shares, to accord the right to vote as such owner, or to pay dividends to any purported transferee to whom such Shares shall have purportedly been so transferred.

4. Legends. All certificates representing any of the Shares shall have endorsed thereon legends in substantially the following form:

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, INCLUDING A RIGHT OF FIRST REFUSAL ON TRANSFERS, SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR ITS, HIS OR HER PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

(b) "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED."

(c) Any legend required to be placed thereon by the applicable blue sky laws of any state.

5. JHU's Representations. In connection with the purchase of the Shares, JHU hereby represents and warrants to the Company as follows:

(a) **Investment Intent**. JHU is purchasing the Shares solely for investment and not with any present intention of selling or otherwise disposing of the Shares or any portion thereof in any transaction other than a transaction exempt from registration under the Securities Act. JHU also represents that the entire legal and beneficial interest of the Shares is being purchased, and will be held, for JHU's account only, and neither in whole nor in part for any other person or entity.

(b) **Residence**. JHU principal location is at the address indicated beneath JHU's signature below.

(c) **Information Concerning Company**. JHU has had the opportunity to discuss the plans, operations, and financial condition of the Company with its officers and has received all information JHU has deemed appropriate to enable JHU to evaluate the financial risk inherent in investing in the Shares. JHU has a preexisting business relationship with the Company or any of its officers, directors, or controlling persons or by reason of JHU's business or financial experience or the business or financial experience of JHU's professional advisors who are unaffiliated with and who are not compensated by the Company, directly or indirectly, could be reasonably assumed to have the capacity to evaluate the merits and risks of an investment in the Company and to protect JHU's own interests in connection with these transactions.

(d) **Economic Risk**. JHU realizes that the purchase of the Shares involves a high degree of risk, and JHU is able, without impairing its financial condition, to hold the Shares for an indefinite period of time and to suffer a complete loss of their value.

(e) **Restricted Securities**. JHU acknowledges that the sale of the Shares has not been registered under the Securities Act. The Shares must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available, and the Company is under no obligation to register the Shares.

(f) **Rule 144**. JHU is familiar with Rule 144 adopted under the Securities Act, which in some circumstances permits limited public resales of "restricted securities" like the shares acquired from an issuer in a non-public offering. JHU understands that its ability to sell the Shares under Rule 144 in the future is uncertain, and may depend upon, among other things: (i) the availability of certain current public information about the Company; (ii) the resale occurring more than a specified period after JHU's purchase and full payment (within the meaning of Rule 144) for the Shares; and (iii) if JHU is an affiliate of the Company (A) the sale being made in an unsolicited "broker's transaction", transactions directly with a market maker or riskless principal transactions, as those terms are defined under the Securities Exchange Act of 1934, as amended, (B) the amount of shares being sold during any three-month period not exceeding the specified limitations stated in Rule 144, and (C) timely filing of a notice of proposed sale on Form 144, if applicable. JHU further understands that the requirements of Rule 144 may never be met, and that the Shares may never be saleable under the rule. JHU further understands that at the time it wishes to sell the Shares, there may be no public market for the Company's stock upon which to make such a sale, or the current public information requirements of Rule 144 may not be satisfied, either of which may preclude JHU from selling the Shares under Rule 144 even if the relevant holding period had been satisfied.

(g) **Further Limitations on Disposition**. Without in any way limiting the representations set forth above, JHU further agrees that it shall in no event make any disposition of any portion of the Shares unless and until:

(i) (A) there is in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement; (B) the resale provisions of Rule 701 or Rule 144 are available in the opinion of counsel to the Company; or (C)(1) JHU shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (2) JHU shall have furnished the Company with an opinion of JHU's counsel, reasonably acceptable to the Company to the effect that such disposition will not require registration of such shares under the Securities Act, and (3) such opinion of JHU's counsel shall have been concurred in by counsel for the Company and the Company shall have advised JHU of such concurrence; and

(ii) JHU shall have complied with the Right of First Refusal set forth in Section 3.

(h) **Responsibility for Tax Consequences**. JHU has reviewed the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement (including any tax consequences that may result now or in the future under recently enacted tax legislation) and has had the opportunity to consult with its tax advisors, if any, regarding such consequences. JHU acknowledges that it is not relying on any statements or representations of the Company or any of the Company's agents in regard to such tax consequences and understands that JHU (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement. JHU acknowledges that the Company has no obligation in regard to the future conduct of its business, to act or refrain from acting in any manner, regardless of the loss of any tax benefit to JHU in connection with the purchase, ownership, or sale of the Stock, which may result from such action or inaction.

6. Market Standoff Agreement. JHU hereby agrees that JHU shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by JHU (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

JHU agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, JHU shall provide, within ten (10) days of such request, such information as may be required by the

Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 6 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. JHU agrees that any transferee of the Shares shall be bound by this Section 6.

7. Governing Law. This Agreement shall be governed by the laws of the State of California without regard to the conflicts of law provisions thereof.

8. Jurisdiction; Venue. The parties consent to the exclusive jurisdiction of, and venue in, the state courts in Santa Clara County in the State of California (or in the event of exclusive federal jurisdiction, the courts of the Northern District of California) with respect to any disputes arising out of or related to this Agreement which is not resolved by the relevant parties thereto themselves in writing.

9. Dispute Resolution Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

10. Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the parties hereto.

11. Additional Actions. The parties will execute such further instruments and take such further action as may reasonably be necessary to carry out the intent of this Agreement.

12. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by regular or certified mail with postage and fees prepaid, addressed, if to JHU, at its address shown on the Company's records and, if to the Company, at the address of its principal corporate offices (Attention: President) or at such other address as such party may designate by ten (10) days' advance written notice to the other party.

13. Assignment. The Company may assign its rights and delegate its duties under this Agreement. If any such assignment or delegation requires consent of the California Commissioner of Corporations, the parties agree to cooperate in requesting such consent.

14. Successors and Assigns. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer herein set forth, be binding upon JHU and its successors and assigns.

15. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

17. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the Company and JHU with regard to the subjects hereof and thereof, and no party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations, or covenants, except as specifically set forth herein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Common Stock Issuance Agreement as of the day and year first above written.

"COMPANY"

ALLAKOS INC.

BY: _____
NAME: _____
TITLE: _____

"**JHU**"

THE JOHNS HOPKINS UNIVERSITY

BY: _____
NAME: _____
TITLE: _____

Address: