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

FORM 10-Q

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from _____ to _____

Commission file number 001-36548

ATARA BIOTHERAPEUTICS, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	**46-0920988**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
611 Gateway Blvd., Suite 900 South San Francisco, CA	**94080**
(Address of principal executive offices)	**(Zip Code)**

(Registrant's telephone number, including area code: (650) 278-8930

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

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 small 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 13(a) of the Exchange Act. ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the Registrant's Common Stock as of April 30, 2017 was 29,109,123 shares.

ATARA BIOTHERAPEUTICS, INC.

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ATARA BIOTHERAPEUTICS, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except per share amounts)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 62,430	$ 47,968
Short-term investments	168,216	207,714
Restricted cash - short-term	194	194
Prepaid expenses and other current assets	4,478	4,677
Total current assets	235,318	260,553
Property and equipment, net	4,400	3,259
Restricted cash - long-term	1,200	-
Other assets	820	102
Total assets	$ 241,738	$ 263,914
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,204	$ 2,778
Accrued compensation	2,609	3,745
Accrued research and development expenses	2,106	2,408
Other accrued liabilities	886	744
Total current liabilities	7,805	9,675
Long-term liabilities	799	503
Total liabilities	8,604	10,178
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock—$0.0001 par value, 500,000 shares authorized as of March 31, 2017 and December 31, 2016; 29,109 and 28,933 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	3	3
Additional paid-in capital	436,096	431,075
Accumulated other comprehensive loss	(152)	(183)
Accumulated deficit	(202,813)	(177,159)
Total stockholders' equity	233,134	253,736
Total liabilities and stockholders' equity	$ 241,738	$ 263,914

See accompanying notes.

ATARA BIOTHERAPEUTICS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2017	2016
Operating expenses:		
Research and development	$ 17,541	$ 11,247
General and administrative	8,620	5,814
Total operating expenses	26,161	17,061
Loss from operations	(26,161)	(17,061)
Interest and other income, net	509	503
Loss before provision for income taxes	(25,652)	(16,558)
Less: Provision for income taxes	2	3
Net loss	$ (25,654)	$ (16,561)
Other comprehensive loss:		
Unrealized gain on available-for-sale securities	31	569
Comprehensive loss	$ (25,623)	$ (15,992)
Net loss per common share:		
Basic and diluted net loss per common share	$ (0.88)	$ (0.58)
Weighted-average shares outstanding used to calculate basic and diluted net loss per common share	29,056	28,542

See accompanying notes.

ATARA BIOTHERAPEUTICS, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three months ended March 31,	
	2017	**2016**
Operating activities		
Net loss	$ (25,654)	$ (16,561)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	5,347	4,724
Amortization of investment premiums and discounts	301	1,286
Depreciation expense	206	15
Loss on foreign exchange	—	42
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	199	(1,304)
Other assets	(718)	18
Accounts payable	(466)	451
Accrued compensation	(1,136)	(1,287)
Accrued research and development expenses	(302)	(682)
Other accrued liabilities	179	669
Long-term liabilities	10	138
Net cash used in operating activities	(22,034)	(12,491)
Investing activities		
Purchases of short-term investments	(51,988)	(130,963)
Maturities of short-term investments	63,760	66,849
Sales of short-term investments	27,456	75,866
Purchases of property and equipment	(1,206)	(891)
Restricted cash	(1,200)	—
Net cash provided by investing activities	36,822	10,861
Financing activities		
Taxes paid related to net share settlement of restricted stock units	(326)	(32)
Proceeds from employee stock awards	—	14
Net cash used in financing activities	(326)	(18)
Effect of exchange rates on cash	—	(42)
Increase (decrease) in cash and cash equivalents	14,462	(1,690)
Cash and cash equivalents at beginning of period	47,968	23,746
Cash and cash equivalents at end of period	$ 62,430	$ 22,056
Non-cash investing and financing activities		
Issuance of common stock upon vesting of stock awards	$ —	$ 20
Change in long-term liabilities related to non-vested stock awards	$ —	$ (20)
Capitalized lease obligations	$ 286	$ —
Property and equipment purchases included in liabilities	$ 207	$ —
Supplemental cash flow disclosure		
Cash paid for taxes	$ 2	$ 3

See accompanying notes.

1. Description of Business

Atara Biotherapeutics, Inc. ("Atara", "we", "our" or "the Company") was incorporated in August 2012 in Delaware. Atara is a clinical-stage biopharmaceutical company focused on developing meaningful therapies for patients with severe and life-threatening diseases that have been underserved by scientific innovation. We are focused on developing allogeneic or third-party derived antigen-specific T-cells. T-cells are a type of white blood cell. Cytotoxic T-cells, otherwise known as cytotoxic T lymphocytes, or CTLs, which can mount an immune response against an antigen or antigens in order to combat viral infection or disease.

Our cellular therapy platform is designed to provide a healthy immune capability to a patient whose immune system is compromised or is unable to identify the disease targets. We licensed rights to T-cell product candidates from Memorial Sloan Kettering Cancer Center ("MSK") in June 2015 and to know-how and technology from QIMR Berghofer Medical Research Institute ("QIMR Berghofer") in October 2015 and September 2016. See Note 6 for further information.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and following the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. These condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair statement of the Company's consolidated financial information. The results of operations for the three month period ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year or any other future period. The condensed consolidated balance sheet as of December 31, 2016 has been derived from audited consolidated financial statements at that date but does not include all of the information required by U.S. GAAP for complete consolidated financial statements.

Significant Risks and Uncertainties

We have incurred significant operating losses since inception and have relied on public and private equity financings to fund our operations. As of March 31, 2017 we had an accumulated deficit of $202.8 million. As we continue to incur losses, our transition to profitability will depend on the successful development, approval and commercialization of product candidates and on the achievement of sufficient revenues to support our cost structure. We may never achieve profitability, and unless and until we do, we will need to continue to raise additional capital. Management expects that our cash, cash equivalents and short-term investments as of March 31, 2017 will be sufficient to fund our planned operations into the first quarter of 2019.

Concentration of Credit Risk and Other Uncertainties

We place cash and cash equivalents in the custody of financial institutions that management believes are of high credit quality, the amount of which at times, may be in excess of the amount insured by the Federal Deposit Insurance Corporation. We also have short-term investments in money market funds, U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities, which can be subject to certain credit risk. However, we mitigate the risks by investing in high-grade instruments, limiting our exposure to any one issuer, and monitoring the ongoing creditworthiness of the financial institutions and issuers.

We are subject to certain risks and uncertainties and believe that changes in any of the following areas could have a material adverse effect on future financial position or results of operations: our ability to obtain future financing; regulatory approval and market acceptance of, and reimbursement for, our product candidates, if approved; performance of third-party clinical research organizations and manufacturers upon which we rely; development of sales channels; protection of our intellectual property; litigation or claims against us based on intellectual property, patent, product, regulatory or other factors; and our ability to attract and retain employees necessary to support our growth.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions, and judgments that affect the amounts reported in the financial statements and accompanying notes. Significant estimates relied upon in preparing these financial statements include estimates related to clinical trial and other accruals, stock-based compensation expense, construction costs and income taxes. Actual results could differ materially from those estimates.

Leases

We lease office space in multiple locations. In addition, we are constructing a manufacturing facility in Thousand Oaks, California under a non-cancelable lease agreement. The leases are reviewed for classification as operating or capital leases. For operating leases, rent is recognized on a straight-line basis over the lease period. For capital leases, we record the leased asset with a corresponding liability for principal and interest. Payments are recorded as reductions to these liabilities with interest being charged to interest expense in our statements of operations and comprehensive loss.

We analyzed the nature of the renovations and our involvement during the construction period of a newly-leased manufacturing facility and determined that we are the deemed "owner" of the construction project during the construction period. As a result, we are required to capitalize the fair value of the building as well as the construction costs incurred on our condensed consolidated balance sheet along with a corresponding financing liability for landlord paid construction costs (i.e. "build-to-suit" accounting). Upon occupancy for build-to-suit leases, we are also required to assess whether the circumstances qualify for sale recognition under "sale-leaseback" accounting guidance.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which is intended to increase the transparency and comparability in the reporting of leasing arrangements by generally requiring leased assets and liabilities to be recorded on the balance sheet. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018, with early adoption permitted. The Company has not yet determined the method of adoption and the potential effect the new standard will have on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)*, which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2016, with early adoption permitted. The Company prospectively adopted the new standard on January 1, 2017 and that adoption did not have a material effect on the Company's consolidated financial statements due to the full valuation allowance of its deferred tax assets.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires that expected credit losses relating to financial assets measured on an amortized cost basis and available-for-sale debt securities be recorded through an allowance for credit losses. ASU 2016-13 limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. The new standard will be effective for us on January 1, 2020. Early adoption will be available on January 1, 2019. We are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which clarifies how certain cash receipts and cash payments should be presented and classified in the statement of cash flows. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted. The Company has not yet determined the method of adoption and the potential effect the new standard will have on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*, which clarifies the statement of cash flow treatment of restricted cash or restricted cash equivalents. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted. The standard should be applied using a retrospective transition method to each period presented. The Company has not yet determined the potential effect the new standard will have on the Company's consolidated financial statements.

3. Net Loss per Common Share

Basic net loss per common share is calculated by dividing net loss by the weighted-average number of shares of common stock outstanding during the period, without consideration of common share equivalents. Diluted net loss per common share is computed by dividing net loss by the weighted-average number of shares of common stock and common share equivalents outstanding for the period. Common share equivalents are only included in the calculation of diluted net loss per common share when their effect is dilutive.

Potential dilutive securities, which include unvested restricted stock awards ("RSAs"), unvested restricted stock units ("RSUs"), vested and unvested options to purchase common stock and shares to be issued under our employee stock purchase plan ("ESPP") have been excluded from the computation of diluted net loss per share as the effect is antidilutive. Therefore, the denominator used to calculate both basic and diluted net loss per common share is the same in all periods presented.

The following table represents the potential common shares issuable pursuant to outstanding securities as of the related period end dates that were excluded from the computation of diluted net loss per common share as their inclusion would have an antidilutive effect:

	As of March 31,	
	2017	2016
Unvested RSAs	—	161,779
Unvested RSUs	1,818,315	1,007,542
Vested and unvested options	3,775,661	3,430,482
ESPP share purchase rights	27,765	—
Total	5,621,741	4,599,803

4. Financial Instruments

Our financial assets are measured at fair value on a recurring basis using the following hierarchy to prioritize valuation inputs, in accordance with applicable GAAP:

Level 1: Quoted prices in active markets for identical assets or liabilities that we have the ability to access

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data such as quoted prices, interest rates and yield curves

Level 3: Inputs that are unobservable data points that are not corroborated by market data

We review the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels of certain securities within the fair value hierarchy. We recognize transfers into and out of levels within the fair value hierarchy in the period in which the actual event or change in circumstances that caused the transfer occurs. There have been no transfers between Level 1, Level 2, and Level 3 in any periods presented.

Financial assets and liabilities are considered Level 2 when their fair values are determined using inputs that are observable in the market or can be derived principally from or corroborated by observable market data such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, Level 2 financial instruments are valued using comparisons to like-kind financial instruments and models that use readily observable market data as their basis. U.S. Treasury, government agency and corporate debt obligations, and commercial paper and asset-backed securities are valued primarily using market prices of comparable securities, bid/ask quotes, interest rate yields and prepayment spreads and are included in Level 2.

Financial assets and liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable. We have no Level 3 financial assets or liabilities.

The following tables summarize the estimated fair value and related valuation input hierarchy of our available-for-sale securiti es as of each period end:

As of March 31, 2017:	Input Level	Total Amortized Cost	Total Unrealized Gain	Total Unrealized Loss	Total Estimated Fair Value
		(in thousands)			
Money market funds	Level 1	$ 46,617	$ —	$ —	$ 46,617
U.S. Treasury obligations	Level 2	54,363	1	(37)	54,327
Government agency obligations	Level 2	12,343	2	(4)	12,341
Corporate debt obligations	Level 2	104,168	9	(106)	104,071
Commercial paper	Level 2	798	—	—	798
Asset-backed securities	Level 2	12,390	—	(17)	12,373
Total available-for-sale securities		230,679	12	(164)	230,527
Less amounts classified as cash equivalents		(62,315)	—	4	(62,311)
Amounts classified as short-term securities		$ 168,364	$ 12	$ (160)	$ 168,216

As of December 31, 2016:	Input Level	Total Amortized Cost	Total Unrealized Gain	Total Unrealized Loss	Total Estimated Fair Value
		(in thousands)			
Money market funds	Level 1	$ 28,816	$ —	$ —	$ 28,816
U.S. Treasury obligations	Level 2	65,403	3	(21)	65,385
Government agency obligations	Level 2	23,860	5	(5)	23,860
Corporate debt obligations	Level 2	113,649	8	(172)	113,485
Commercial paper	Level 2	699	—	—	699
Asset-backed securities	Level 2	13,414	4	(6)	13,412
Total available-for-sale securities		245,841	20	(204)	245,657
Less amounts classified as cash equivalents		(37,944)	—	1	(37,943)
Amounts classified as short-term securities		$ 207,897	$ 20	$ (203)	$ 207,714

The amortized cost and fair value of our available-for-sale securities by contractual maturity were as follows:

	As of March 31, 2017		As of December 31, 2016	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(in thousands)		(in thousands)	
Maturing within one year	$ 194,903	$ 194,823	$ 198,022	$ 197,956
Maturing in one to five years	35,776	35,704	47,819	47,701
Total available-for-sale securities	$ 230,679	$ 230,527	$ 245,841	$ 245,657

As of March 31, 2017, certain available-for-sale securities had been in a continuous unrealized loss position, each for less than twelve months. As of this date, no significant facts or circumstances were present to indicate a deterioration in the creditworthiness of the respective issuers, and the Company has no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. During the three months ended March 31, 2017 and 2016, we did not recognize any other-than-temporary impairment loss.

In addition, restricted cash collateralized by money market funds is a financial asset measured at fair value and is a Level 1 financial instrument under the fair value hierarchy. As of March 31, 2017 and December 31, 2016, restricted cash was $1.4 million and $0.2 million, respectively.

5. Property and Equipment

Property and equipment consisted of the following as of each period end:

	March 31, 2017	December 31, 2016
	(in thousands)	
Construction in progress	$ 2,192	$ 970
Lab equipment	1,631	1,506
Leasehold improvements	580	580
Furniture and fixtures	526	526
Computer equipment and software	66	66
	4,995	3,648
Less accumulated depreciation and amortization	(595)	(389)
Property and equipment, net	$ 4,400	$ 3,259

Property and equipment includes lab equipment, furniture and fixtures, computer equipment and software, which are depreciated over the estimated useful lives of the assets, ranging from three to five years. Leasehold improvements are amortized over the lesser of the life of the leasehold improvements or the lease term. Costs for construction in progress relate to expenses capitalized for our planned manufacturing facility in Thousand Oaks, California. Depreciation and amortization expense was $0.2 million and $15,000 for the three months ended March 31, 2017 and 2016, respectively.

6. License and Collaboration Agreements

MSK Agreements – In September 2014, we entered into an exclusive option agreement with MSK under which we had the right to acquire the exclusive worldwide license rights to three clinical stage T-cell therapies from MSK. In exchange for the option, we paid $1.25 million in cash and issued 59,761 shares of our common stock to MSK. At the time of issuance, we estimated the fair value of the stock issued to MSK to be $0.75 million. The total of $2.0 million was recorded as research and development expense in our statements of operations and comprehensive loss. In June 2015, we exercised an option to enter into an exclusive license agreement with MSK for three clinical stage T-cell therapies. In connection with the execution of the license agreement, we paid $4.5 million in cash to MSK, which was recorded as research and development expense in our condensed consolidated statement of operations and comprehensive loss.

We are required to make additional payments of up to $33.0 million to MSK based on achievement of specified regulatory and sales-related milestones, as well as mid-single-digit percentage tiered royalty payments based on future sales of products resulting from the development of the licensed product candidates, if any. In addition, under certain circumstances, we are required to make certain minimum annual royalty payments to MSK, which are creditable against earned royalties owed for the same annual period. We are also required to pay a low double-digit percentage of any consideration we receive for sublicensing the licensed rights. The license agreement expires on a product-by-product and country-by-country basis on the later of: (i) expiration of the last licensed patent rights related to each licensed product, (ii) expiration of any market exclusivity period granted by law with respect to each licensed product, and (iii) a specified number of years after the first commercial sale of the licensed product in each country. Upon expiration of the license agreement, Atara will retain non-exclusive rights to the licensed products.

QIMR Berghofer Agreements – In October 2015, we entered into an exclusive license agreement and a research and development collaboration agreement with QIMR Berghofer.

Under the terms of the license agreement, we obtained an exclusive, worldwide license to develop and commercialize allogeneic cytotoxic T-lymphocyte ("CTL") therapy programs utilizing technology and know-how developed by QIMR Berghofer. In consideration for the exclusive license, we paid $3.0 million in cash to QIMR Berghofer, which was recorded as research and development expense in our statement of operations and comprehensive loss in the fourth quarter of 2015. In September 2016, the exclusive license agreement and research and development collaboration agreement were amended and restated. Under the amended and restated agreements, we obtained an exclusive, worldwide license to develop and commercialize additional CTL programs as well as the option to license additional technology in exchange for $3.3 million in cash, which was recorded as research and development expense in our statement of operations and comprehensive loss in the third quarter of 2016 and paid in October 2016. The amended and restated license agreement also provides for various milestone and royalty payments to QIMR Berghofer based on future product sales, if any.

Under the terms of the amended and restated research and development collaboration agreement, we are also required to reimburse the cost of agreed-upon development activities related to programs developed under the collaboration. These payments are expensed on a straight-line basis over the related development periods and recorded in research and development expense in our condensed consolidated statements of operations and comprehensive loss. The agreement also provides for various milestone payments to QIMR Berghofer based on achievement of certain developmental and regulatory milestones.

Amgen License Agreements – In September 2012, we entered into license agreements with Amgen, Inc., for several molecular programs, including PINTA745, ATA842 and STM434. In December 2015, we announced the suspension of further development of PINTA745 and, in June 2016, we returned the rights related to this and the ATA842 program to Amgen.

Milestones and royalties under each of the above agreements are contingent upon future events and will be recorded as expense when it is probable that the milestones will be achieved or royalties are due. As of March 31, 2017 and December 31, 2016, there were no outstanding obligations for milestones and royalties.

7. Commitments and Contingencies

License and Collaboration Agreements

Certain potential payments related to our license and collaboration agreements, including milestone and royalty payments, are detailed in Note 6. As the achievement of these milestones and royalties are currently not fixed and determinable, such commitments have not been included in our condensed consolidated balance sheets.

Other Research and Development Agreements

We may enter into contracts in the normal course of business with clinical research organizations for clinical trials, with contract manufacturing organizations for clinical supplies, and with other vendors for pre-clinical studies, supplies and other services for our operating purposes. These contracts generally provide for termination on notice, with the exception of potential termination charges related to one of our contract manufacturing agreements in the event certain minimum purchase volumes are not met. As of March 31, 2017 and December 31, 2016, there were no amounts accrued related to termination charges for minimum purchase volumes not being met.

Operating Leases

We lease our corporate headquarters in South San Francisco, California under a non-cancellable lease agreement that expires in April 2021. In connection with the lease, we were required to issue a letter of credit in the amount of $0.2 million to the landlord, which expires in December 2017 and is classified as restricted cash in our condensed consolidated balance sheet. We also lease office space in Westlake Village, California that expires in April 2019.

Rent expense for the three months ended March 31, 2017 and 2016 was $0.3 million and $0.3 million, respectively.

Financing Obligation—Build-to-Suit Lease

In February 2017, we entered into a lease agreement for approximately 90,580 square feet of office, lab and cellular therapy manufacturing space in Thousand Oaks, California. The initial 15-year term of the lease commences after the end of the construction project when the landlord delivers possession of the property to us. The contractual obligations during the initial term are $16.4 million in aggregate. We have the option to extend the lease for two additional periods of ten and nine years, respectively, after the initial term. In connection with the lease, we were required to issue a letter of credit in the amount of $1.2 million to the landlord, which is recorded as long-term restricted cash in our condensed consolidated balance sheet.

Based on the terms of the lease agreement and due to our involvement in certain aspects of the construction, we were deemed the owner of the building (for accounting purposes only) during the construction period in accordance with U.S. GAAP. Under this build-to-suit lease arrangement, we recognize construction in progress based on all construction costs incurred by both us and the landlord. We also recognize a financing obligation equal to all costs funded by the landlord.

As the accounting owner of these buildings during the construction period, we have recorded approximately $2.2 million as construction in progress through March 31, 2017, representing the costs of the building and improvements incurred and a corresponding long-term financing obligation of $0.3 million. We have also recorded a long-term prepaid asset of $0.8 million for costs of construction paid

to our landlord. In addition, we recorded ground lease expense of $37,000 for the three months ended March 31, 2017 in our condensed consolidated statement of operations and comprehensive loss.

Indemnification Agreements

In the normal course of business, we enter into contracts and agreements that contain a variety of representations and warranties and provide for indemnification for certain liabilities. The exposure under these agreements is unknown because it involves claims that may be made against us in the future but have not yet been made. To date, we have not paid any claims or been required to defend any action related to our indemnification obligations. However, we may record charges in the future as a result of these indemnification obligations. We also have indemnification obligations to our directors and executive officers for specified events or occurrences, subject to some limits, while they are serving at our request in such capacities. There have been no claims to date and we believe the fair value of these indemnification agreements is minimal. Accordingly, we did not record liabilities for these agreements as of March 31, 2017 and December 31, 2016.

Contingencies

From time to time, we may be involved in legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of our business or otherwise. The ultimate outcome of any litigation is uncertain and unfavorable outcomes could have a negative impact on our results of operations and financial condition. Regardless of outcome, litigation can have an adverse impact on us because of the defense costs, diversion of management resources and other factors. We are not currently involved in any material legal proceedings.

8. Stockholders' Equity

The following shares of common stock were reserved for future issuance as of March 31, 2017:

	Total Shares Reserved
2014 Equity Incentive Plan	10,403,584
2014 Employee Stock Purchase Plan	871,592
Total reserved shares of common stock	11,275,176

Equity Incentive Plan

Under the terms of the 2014 Equity Incentive Plan, ("2014 EIP"), we may grant options, RSAs and RSUs to employees, directors, consultants and other service providers. As of March 31, 2017, a total of 10,403,584 shares of common stock were reserved for issuance under the 2014 Plan, of which 4,784,205 shares were available for future grant and 5,619,379 shares were subject to outstanding options and RSUs.

Restricted Stock Units

The RSUs granted prior to our October 2014 IPO had a time-based service condition and a liquidity-based performance condition, and vest when both conditions are met. The liquidity-based performance condition was satisfied upon the closing of our IPO. The fair value of RSUs is determined as the closing stock price on the date of grant. The weighted average grant date fair value of RSUs granted during the three months ended March 31, 2017 and 2016 was $15.09 and $15.78, respectively. As of March 31, 2017, there was $27.1 million of unrecognized stock-based compensation expense related to RSUs that is expected to be recognized over a weighted average period of 3.2 years. The aggregate intrinsic value of the RSUs outstanding as of March 31, 2017 was $37.9 million.

The following is a summary of RSU activity under our 2014 EIP:

	RSUs	
	Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2016	1,286,262	$16.61
Granted	744,913	$15.09
Forfeited	(16,905)	$15.49
Vested	(195,955)	$13.34
Unvested as of March 31, 2017	1,818,315	$16.35
Vested and unreleased	25,403	
Outstanding as of March 31, 2017	1,843,718	

Under our RSU net settlement procedures, we withhold shares at settlement to cover the minimum payroll withholding tax obligations. During the three months ended March 31, 2017, we settled 195,957 RSUs, of which 175,723 RSUs were net settled by withholding 20,234 shares. The value of the RSUs withheld was $0.3 million, based on the closing price of our common stock on the settlement date. During the three months ended March 31, 2016, we settled 52,933 RSUs, of which 50,912 RSUs were net settled by withholding 2,021 shares. The value of the RSUs withheld was $32,000, based on the closing price of our common stock on the settlement date. The value of RSUs withheld in each period was remitted to the appropriate taxing authorities and has been reflected as a financing activity in our condensed consolidated statements of cash flows.

Stock Options

The following is a summary of stock option activity under our 2014 EIP:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2016	3,733,847	$24.14		
Granted	155,100	$14.89		
Exercised	—	$ —		
Forfeited or expired	(113,286)	$30.79		
Outstanding as of March 31, 2017	3,775,661	$23.56	5.5	$6,519
Vested and expected to vest as of March 31, 2017	3,775,661	$23.56	5.5	$6,519
Exercisable as of March 31, 2017	1,392,218	$24.24	5.0	$2,821

Aggregate intrinsic value represents the difference between the closing stock price of our common stock on March 31, 2017 and the exercise price of outstanding, in-the-money options. As of March 31, 2017, there was $29.8 million of unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted average period of 2.6 years.

No options were exercised during the three months ended March 31, 2017. Options for 1,244 shares of our common stock were exercised during the three months ended March 31, 2016, with an intrinsic value of $10,000. As we believe it is more likely than not that no stock option related tax benefits will be realized, we do not record any net tax benefits related to exercised options.

The fair value of each option issued was estimated at the date of grant using the Black-Scholes valuation model. The following table summarizes the weighted-average assumptions used as inputs to the Black-Scholes model, and resulting weighted-average grant date fair values of stock options granted to employees during the periods indicated:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Assumptions:		
Expected term (years)	4.4	4.5
Expected volatility	69.2 %	68.8 %
Risk-free interest rate	1.9 %	1.5 %
Expected dividend yield	0.0 %	0.0 %
Fair Value:		
Weighted-average estimated grant date fair value per share	$ 8.21	$ 11.42
Options granted	155,100	325,900
Total estimated grant date fair value	$ 1,273,000	$ 3,722,000

There were no options granted to consultants in the three months ended March 31, 2017 and 2016.

The estimated fair value of stock options that vested in the three months ended March 31, 2017 and 2016 was $4.2 million and $2.7 million, respectively.

Employee Stock Purchase Plan

As of March 31, 2017, there were 871,592 shares available for purchase under the 2014 Employee Stock Purchase Plan ("2014 ESPP"). The Company recorded $0.1 million and no expense related to the 2014 ESPP in the three months ended March 31, 2017 and 2016, respectively. No shares were purchased during the three months ended March 31, 2017 and 2016, respectively.

Stock-based Compensation Expense

Total stock-based compensation expense related to all employee and non-employee stock awards was as follows:

	Three months ended March 31,	
	2017	2016
	(in thousands)	
Research and development	$ 2,141	$ 2,246
General and administrative	3,206	2,478
Total stock-based compensation expense	$ 5,347	$ 4,724

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. This discussion and other parts of this Quarterly Report contain forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations and intentions. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a clinical-stage biopharmaceutical company focused on developing meaningful therapies for patients with severe and life-threatening diseases that have been underserved by scientific innovation. We are focused on developing allogeneic or third-party derived antigen-specific T-cells. T-cells are a type of white blood cell. Cytotoxic T-cells, otherwise known as cytotoxic T lymphocytes, or CTLs, can mount an immune response against an antigen or antigens in order to combat viral infection or disease.

Our cellular therapy platform is designed to provide a healthy immune capability to a patient whose immune system is compromised or is unable to identify the disease targets. Our product candidates are derived from cells donated by healthy individuals. These cells are trained to recognize an antigen, expanded, characterized, banked and held as inventory. These cells are ready to infuse in a partially human leukocyte antigen, or HLA, matched patient in approximately 3-5 days. Once administered, the cells home to their target, expand in-vivo to eliminate diseased cells, and eventually recede. This versatile platform can be directed towards a broad array of disease causing targets and has demonstrated clinical proof of concept across both viral and non-viral targets in conditions ranging from liquid and solid tumors to infectious and autoimmune diseases. We licensed rights to T-cell product candidates from Memorial Sloan Kettering Cancer Center, or MSK, in June 2015 and to know-how and technology from QIMR Berghofer Medical Research Institute, or QIMR Berghofer, in October 2015, and September 2016. In connection with the license from QIMR Berghofer, we also received an option to exclusively license the autologous, or patient-derived, version of product candidates intended for the potential treatment of Epstein-Barr virus, or EBV, related diseases, including ATA188.

Our relationship with QIMR Berghofer provides rights to know-how and a technology that is complementary to that which we licensed from MSK. This know-how and technology is enabling the development of EBV, and other virally targeted CTLs for other indications such as multiple sclerosis, or MS. We are working with QIMR Berghofer on the development of product candidates for these new indications.

ATA129 for EBV-PTLD after HCT or SOT

Our most advanced T-cell product candidate, ATA129 (previously referred to as EBV-CTL) is currently being investigated for the treatment of EBV associated post-transplant lymphoproliferative disorder, or EBV-PTLD. In immunocompromised patients, EBV causes lymphomas and other lymphoproliferative disorders, collectively called EBV-PTLD. EBV-PTLD most commonly affects patients after hematopoietic cell transplant, or HCT, or after solid organ transplant, or SOT. In December 2016, we announced that we had reached agreement with the U.S. Food and Drug Administration, or FDA, on the designs of two Phase 3 trials for ATA129 intended to support approval in two separate indications: the treatment of rituximab-refractory EBV-PTLD, after HCT and after SOT.

The MATCH trial (EBV-PTLD after HCT) is designed to be a multicenter, open label, single arm trial designed to enroll approximately 35 patents with rituximab-refractory EBV-PTLD after HCT. The ALLELE trial (EBV-PTLD after SOT) is designed to be a multicenter, open label trial with two non-comparative cohorts. Each cohort is designed to enroll approximately 35 patients. The first cohort will include patients who previously received rituximab monotherapy, and the second cohort will include patients who previously received rituximab plus chemotherapy. Both cohorts are planned to enroll concurrently.

The primary endpoint of both the MATCH and ALLELE trials is objective response rate, defined as the percent of patients achieving either a complete or partial response to treatment with ATA129. Secondary endpoints for both trials include duration of response, overall survival, safety, quality of life metrics, and other data in support of potential health economic benefits. The trials are expected to open initially in the United States and later expand to include ex-U.S. sites.

In addition, in June 2016, we opened a multicenter expanded access protocol, or EAP, trial to provide access to ATA129 treatment and collect additional safety data while the medication is not commercially available or available to patients through another

protocol. The trial is open to patients with EBV-associated viremia or certain malignancies for whom there are no appropriate alternative treatment options.

We are continuing to determine the comparability of ATA129 produced by our contract manufacturing organization, or CMO. We generated and evaluated data from new material manufactured by our CMO and initiated discussions with the FDA. We have been successful in producing ATA129 drug product and identified certain assays that need refinement prior to initiating the Phase 3 trials. We are refining these assays within our laboratories, manufacturing lots to further support comparability evaluations and the Phase 3 trials, and expect to review these data in ongoing discussions with the FDA and European Medicines Agency, or EMA. We expect to initiate the Phase 3 trials in the second half of this year.

In clinical trials that enrolled patients with EBV-PTLD following HCT or SOT, efficacy following treatment with ATA129 compared favorably with historical data in these patient populations. In rituximab-refractory patients with EBV-PTLD after HCT, treatment with ATA129 resulted in one-year overall survival of approximately 60% in two separate clinical trials in comparison with historical data where median survival, or the time by which 50% of patients had died, was 16-56 days. In the setting of rituximab-refractory EBV-PTLD after SOT, similar results were observed, with one-year overall survival of approximately 60% in ATA129-treated patients in comparison with an expected historical one-year survival of 36% in patients with high risk disease similar to the patients treated in the trials. In February 2015, the FDA granted breakthrough therapy designation for ATA129 in the treatment of rituximab-refractory EBV-PTLD after HCT. Breakthrough therapy designation is an FDA process designed to accelerate the development and review of drugs intended to treat a serious condition when early trials show that the drug may be substantially better than current treatment. In February 2016, the FDA granted orphan drug designation for ATA129 for the treatment of patients with EBV-PTLD after HCT or SOT.

We are also pursuing marketing approval of ATA129 in the European Union, or EU. In March 2016, the EMA issued a positive opinion for orphan drug designation for ATA129 for the treatment of patients with EBV-PTLD. In October 2016, the EMA Committee for Medicinal Products for Human Use, or CHMP, and Committee for Advanced Therapies, or CAT, granted access to the EMA's newly established Priority Medicines, or PRIME, regulatory initiative for ATA129 for the treatment of patients with rituximab-refractory EBV-PTLD following HCT. PRIME provides early enhanced regulatory support to facilitate regulatory applications and accelerate the review of medicines that address a high unmet need. In January 2017, we announced that pursuant to parallel scientific advice from the EMA's Scientific Advice Working Group and several national Health Technology Assessment, or HTA, agencies in the EU, in 2018 we plan to submit an application for Conditional Marketing Authorization, or CMA, of ATA129 in the treatment of patients with rituximab-refractory EBV-PTLD following HCT. The CMA will be based on clinical data from Phase 1 and 2 trials conducted at MSK and supported by available data from our Phase 3 trials in rituximab-refractory EBV-PTLD after HCT and SOT, which will be ongoing at the time of filing.

ATA129 for Nasopharyngeal Carcinoma

In April 2017, we entered into an agreement where Merck (known as Merck Sharp & Dohme or MSD outside the United States and Canada) provides drug supply for a trial sponsored and conducted by Atara to evaluate ATA129 in combination with Merck's anti-PD-1 (programmed death receptor-1) therapy, KEYTRUDA® (pembrolizumab), in patients with platinum resistant or recurrent EBV-associated nasopharyngeal carcinoma. The Phase 1/2 trial will evaluate the safety, pharmacokinetics, pharmacodynamics, and preliminary efficacy of the combination and is planned for initiation in 2018.

Other T-Cell Programs

ATA188 for Multiple Sclerosis

Our second T-cell product candidate, ATA188 is in development for the treatment of multiple sclerosis, or MS. Allogeneic ATA188 is a third party derived EBV-CTL that selectively targets specific antigens of EBV that we believe are important for the treatment of MS. Studies suggest that EBV positive B-cells and plasma cells in the central nervous system, or CNS, have the potential to catalyze an autoimmune response and MS pathophysiology. Atara Bio believes that selectively targeting and eliminating EBV positive B-cells and plasma cells has the potential to benefit patients with MS. Based on FDA discussions, we are on track to initiate a Phase 1 trial utilizing allogeneic ATA188 in patients with MS in the second half of 2017.

In addition, QIMR Berghofer, is currently conducting a Phase 1 trial utilizing the autologous version of ATA188, or autologous ATA188, for the treatment of patients with either primary or secondary MS. We have an exclusive option to license this program from QIMR Berghofer. The Phase I trial is designed to enroll ten patients, including five with primary progressive MS, or PPMS, and five with secondary progressive MS, or SPMS. In this trial, patients receive four escalating doses of autologous ATA188 over six weeks and are followed for an additional twenty weeks after the last dose. The objectives of the trial are first, to assess the

safety and tolerability of autologous ATA188 in patients with progressive MS; second, to document preliminary evidence of efficacy through the evaluation of both clinically measured and patient reported changes in MS symptoms during and following treatment; and third, to generate autologous ATA188 at clinical scale from the blood of patients with progressive MS. Our collaborating investigators at QIMR Berghofer and the University of Queensland reported interim results from this trial at the 69th AAN Annual Meeting in Boston, Massachusetts in April 2017.

Dr. Michael Pender, M.D., an honorary senior principal research fellow at QIMR Berghofer, and his colleagues reported the following interim clinical results from the trial:

- Six patients were treated to date – four with SPMS, two with PPMS.
- Three of six patients, including two with SPMS and one with PPMS, experienced improvements in MS symptoms as measured by patient reported and objective clinical evaluations.
- All three patients with observed clinical improvement showed demonstrated improvement two to eight weeks after initiation of T-cell therapy, including reductions in fatigue and gains in quality of life, ability to perform activities of daily living, and manual dexterity.

We look forward to additional development with both the autologous and allogeneic versions of ATA188 to further evaluate the potential therapeutic utility of targeting EBV in the treatment of MS.

ATA520 for Hematologic Malignancies

Our third T-cell product candidate, ATA520, targets cancers expressing the antigen Wilms Tumor 1, or WT1, and is currently in Phase 1 clinical trials. WT1 is an intracellular protein that is overexpressed in a number of cancers, including multiple myeloma, or MM. MSK has two ongoing Phase 1 clinical trials evaluating ATA520. The first trial is a dose escalation trial of ATA520 for residual or relapsed leukemia after HCT. The second trial is a dose escalation trial of ATA520 following T-cell depleted HCT for patients with relapsed or refractory MM, including plasma cell leukemia, or PCL. Based on data from these trials, we intend to develop ATA520 in hematologic malignancies, including PCL. We expect to initiate a Phase 1/2 clinical trial in patients with hematologic malignancies in 2018.

ATA230 for CMV Viremia

Our fourth T-cell product candidate, ATA230, which is a third-party derived cytomegalovirus, or CMV, CTL, is in Phase 2 clinical trials for refractory CMV an infection that occurs in some patients who have received an HCT or SOT or are otherwise immunocompromised. We met with the FDA for an end of Phase 2 meeting to discuss late stage development of ATA230 for the treatment of anti-viral refractory or resistant CMV infection following either HCT or SOT. Given the opportunity to pursue a conditional marketing authorization in the EU for ATA129, we have decided to prioritize at this time our EBV related programs ahead of ATA230. Therefore, we intend to further evaluate ATA230 Phase 3 trial designs following the initiation of our ATA129 Phase 3 trials.

Financial Overview

We have a limited operating history. Since our inception in 2012, we have devoted substantially all of our resources to identify, acquire and develop our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations.

We have never generated revenues and have incurred losses since inception. We do not expect to receive any revenues from any product candidates that we develop until we obtain regulatory approval and commercialize our products or enter into collaborative agreements with third parties.

Our net loss was $25.7 million for the three months ended March 31, 2017, and as of March 31, 2017, we had an accumulated deficit of $202.8 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative expenses associated with our operations. As of March 31, 2017, our cash, cash equivalents and short-term investments totaled $230.6 million, which we intend to use to fund our operations.

Research and Development Expenses

The largest component of our total operating expenses since inception has been our investment in research and development activities, including the preclinical and clinical development of our product candidates. Research and development expenses consist primarily of compensation and benefits for research and development employees, including stock-based compensation; expenses incurred under agreements with contract research organizations and investigative sites that conduct clinical trials and preclinical studies; the costs of acquiring and manufacturing clinical trial materials and other supplies; payments under licensing and research and development agreements; other outside services and consulting costs; and an allocation of facilities, information technology and overhead expenses. Research and development costs are expensed as incurred.

We plan to increase our research and development expenses as we continue the development of our product candidates. Our current planned research and development activities include the following:

- initiating and enrolling patients in ATA129 Phase 3 clinical trials for the treatment of EBV-PTLD after HCT and SOT;
- process development, testing and manufacturing of drug supply to support clinical trials and IND-enabling studies;
- continuing development of autologous ATA188 and initiation of the Phase 1 trial of allogeneic ATA188 in MS;
- continuing development of ATA520 for the treatment of hematologic malignancies, including PCL;
- continuing to develop other product candidates; and
- leveraging our relationships and experience to in-license or acquire additional product candidates or technologies.

In addition, we believe it is important to invest in the development of new product candidates to continue to build the value of our product candidate pipeline and our business. We plan to continue to advance our most promising early product candidates into preclinical development with the objective to advance these early-stage programs to human clinical trials over the next several years.

Our expenditures on current and future preclinical and clinical development programs are subject to numerous uncertainties in timing and cost to completion. The duration, costs, and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the availability of qualified drug supply for use in our planned Phase 3 or other clinical trials;
- the scope, rate of progress, and expenses of our ongoing as well as any additional clinical trials and other research and development activities;
- future clinical trial results;
- uncertainties in clinical trial enrollment rates or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- significant and changing government regulation; and
- the timing and receipt of any regulatory approvals.

The process of conducting the necessary clinical research to obtain FDA approval is costly and time consuming and the successful development of our product candidates is highly uncertain. The risks and uncertainties associated with our research and development projects are discussed more fully in the section of this report titled "1A. Risk Factors." As a result of these risks and uncertainties, we are unable to determine with any degree of certainty the duration and completion costs of our research and development projects, or if, when, or to what extent we will generate revenues from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation and benefits for general and administrative employees, including stock-based compensation; outside professional service costs, including legal, patent, human resources, audit and accounting services; and allocated information technology and facilities costs. We anticipate that our general and administrative expenses will continue to increase in the future as we increase our headcount to support our continued research and development and potential commercialization of one or more of our product candidates.

Interest and Other Income, net

Interest and other income, net consists primarily of interest earned on our cash, cash equivalents and short-term investments.

Critical Accounting Policies and Significant Judgments and Estimates

There have been no significant changes during the three months ended March 31, 2017 to our critical accounting policies and significant judgments and estimates as disclosed in our management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2016.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the JOBS Act, and therefore we may take advantage of certain exemptions from various public company reporting requirements. As an "emerging growth company",

- we will avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;
- we will provide less extensive disclosure about our executive compensation arrangements; and
- we will not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

However, we are choosing to irrevocably opt out of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards. We will remain an "emerging growth company" for up to five years from the date of our initial public offering, although we will cease to be an "emerging growth company" upon the earliest of: (1) December 31, 2019; (2) the last day of the first fiscal year in which our annual gross revenues are $1 billion or more; (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (4) the date on which we are deemed to be a "large accelerated filer" as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Results of Operations

Comparison of the Three Months Ended March 31, 2017 and 2016

Research and development expenses

Research and development expenses consisted of the following costs, by program:

	Three months ended March 31,		Increase
	2017	2016	(Decrease)
	(in thousands)		
ATA129 (formerly EBV-CTL)	$ 3,794	$ 1,990	$ 1,804
ATA230 (formerly CMV-CTL)	908	15	893
T-cell manufacturing and other program-related	4,547	3,180	1,367
STM 434 and other molecular programs	103	370	(267)
Employee and overhead costs	8,189	5,692	2,497
Total research and development	$ 17,541	$ 11,247	$ 6,294

ATA129 costs were $3.8 million in the 2017 period as compared to $2.0 million in the 2016 period. The increase was primarily due to manufacturing and outside service costs related to the preparation for the two Phase 3 clinical trials of ATA129 in EBV-PTLD and ongoing costs for our Expanded Access Protocol ("EAP") clinical trial, which was initiated in mid-2016. We anticipate that ATA129 costs will increase in 2017 due to the initiation of the two Phase 3 clinical trials for this product candidate.

ATA230 costs were $0.9 million in the 2017 period as compared to $15,000 in the 2016 period. The increase was primarily related to manufacturing and outside services costs associated with the anticipated EAP clinical trial for this product candidate.

T-cell manufacturing and other program-related expenses were $4.5 million in the 2017 period as compared to $3.2 million in the 2016 period. The increase was primarily due to increased general manufacturing activity for our product candidate and costs associated with our collaboration with QIMR Berghofer. We anticipate that T-cell manufacturing and other program-related expenses will increase in 2017 due to an increase in manufacturing activity, the continued development of our manufacturing processes, and the development of products obtained from our collaboration with QIMR Berghofer.

STM434 and other molecular program costs were $0.1 million in the 2017 period as compared to $0.4 million in the 2016 period. The decrease was primarily due to a de-prioritization of the STM434 program following completion of the dose escalation portion of the Phase 1 clinical trial in 2016. We anticipate that STM434 and other molecular program costs will decrease further in 2017 as we prioritize the development of our T-cell product candidates.

Employee and overhead costs were $8.2 million in the 2017 period as compared to $5.7 million in the 2016 period. The increase was primarily a result of higher payroll and related costs of $1.3 million from increased headcount and an increase in allocated facilities, information technology and overhead expenses of $0.5 million in support of our continuing expansion of research and development activities. We anticipate that employee and overhead costs will continue to increase in future periods as we continue to expand our research and development activities.

General and administrative expenses

	Three months ended March 31,		Increase
	2017	2016	(Decrease)
	(in thousands)		
General and administrative	$ 8,620	$ 5,814	$ 2,806

General and administrative expenses increased to $8.6 million in the 2017 period as compared to $5.8 million in the 2016 period. The increase between the three-month periods was primarily due to a $0.9 million increase in payroll and related costs driven by increased headcount, a $0.7 million increase in stock-based compensation expense driven by new award grants, and to a lesser extent, higher consulting, outside services and legal costs. We expect that general and administrative costs will continue to increase in 2017 as we continue to expand our operations.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception in 2012, we have funded our operations primarily through the issuance of common and preferred stock. In October 2014, we completed our initial public offering and received net proceeds of $56.5 million. In February 2015, we completed a follow-on offering and received net proceeds of $69.5 million and in July 2015, we completed a follow-on offering and received net proceeds of $193.9 million.

We have incurred losses and negative cash flows from operations in each year since inception. As of March 31, 2017, we had an accumulated deficit of $202.8 million. It will be several years, if ever, before we have a product candidate ready for commercialization, and we anticipate that we will continue to incur losses for at least the next several years. We expect that our research and development and general and administrative expenses will continue to increase and, as a result, we will need additional capital to fund our operations, which we may raise through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements.

Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Currently, our cash, cash equivalents and short-term investments are held in bank and custodial accounts and consist of money market funds, U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities. For the remainder of 2017 and early 2018, we expect to spend approximately $50 million of cash to build-out our office, lab and cellular therapy manufacturing space in Thousand Oaks, California. Management expects that existing cash, cash equivalents and short-term investments as of March 31, 2017 will be sufficient to fund our planned operations into the first quarter of 2019.

Our cash, cash equivalents and short-term investments balances as of the dates indicated were as follows:

	March 31, 2017	December 31, 2016
	(in thousands)	
Cash and cash equivalents	$ 62,430	$ 47,968
Short-term investments	168,216	207,714
Total cash, cash equivalents and short-term investments	$ 230,646	$ 255,682

Cash Flows

Comparison of the Three Months Ended March 31, 2017 and 2016

The following table details the primary sources and uses of cash for each of the periods set forth below:

	Three months ended March 31,	
	2017	2016
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (22,034)	$ (12,491)
Investing activities	36,822	10,861
Financing activities	(326)	(18)
Effect of exchange rates on cash	-	(42)
Net increase (decrease) in cash and cash equivalents	$ 14,462	$ (1,690)

Operating activities

Net cash used in operating activities was $22.0 million in the 2017 period as compared to $12.5 million in the 2016 period. The increase of $9.5 million was primarily due to an $9.1 million increase in net loss, a $1.0 million decrease in the amortization of investment premiums and discounts, and a $0.2 million decrease in operating assets and liabilities, partially offset by a $0.6 million increase in stock-based compensation and a $0.2 million increase in depreciation expense.

Investing activities

Net cash provided by investing activities in the 2017 period consisted primarily of $63.8 million received from maturities and $27.5 million from sales of available-for-sale securities, partially offset by $52.0 million used to purchase available-for-sale securities,

$1.2 million in purchases of property and equipment and a $1.2 million investment in restricted cash. Net cash provided by investing activities during the 2016 period consisted primarily of $66.8 million received from maturities and $75.9 million from sales of available-for-sale securities, partially offset by $131.0 million used to purchase available-for-sale securities.

Financing activities

Net cash used in financing activities in the 2017 period consisted of $0.3 million of taxes paid related to the net share settlement of restricted stock units as compared to net cash used in the 2016 period of $18,000.

Operating Capital Requirements and Plan of Operations

To date, we have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of and seek regulatory approvals for our product candidates, and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need to raise substantial additional funding in connection with our continuing operations.

We expect that our existing cash, cash equivalents and short-term investments will be sufficient to fund our planned operations into the first quarter of 2019. In order to complete the process of obtaining regulatory approval for our lead product candidate and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our lead product candidate, if approved, we will require substantial additional funding.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the timing and costs of our planned clinical trials and preclinical studies for our product candidates;
- our success in establishing and scaling commercial manufacturing capabilities;
- the number and characteristics of product candidates that we pursue;
- the outcome, timing and costs of seeking regulatory approvals;
- subject to receipt of regulatory approval, costs associated with the commercialization of our product candidates and the amount of revenues received from commercial sales of our product candidates;
- the terms and timing of any future collaborations, licensing, consulting or other arrangements that we may establish;
- the amount and timing of any payments we may be required to make in connection with the licensing, filing, prosecution, maintenance, defense and enforcement of any patents or patent applications or other intellectual property rights;
- the extent to which we in-license or acquire other products and technologies; and
- the timing of capital expenditures.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Contractual Obligations and Commitments

Future minimum payments under our operating leases as of March 31, 2017 were $3.3 million.

In addition, in February 2017, we entered into a lease agreement for approximately 90,580 square feet of office, lab and cellular therapy manufacturing space in Thousand Oaks, California. The initial 15-year term of the lease commences after the end of the construction project when the landlord delivers possession of the property to us. The aggregate contractual obligations during the initial term are $16.4

million. We have the option to extend the lease for two additional periods of ten and nine years, respectively, after the initial term. We are accounting for this lease under build to suit accounting guidance.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

During the three months ended March 31, 2017, there were no material changes to our interest rate risk disclosures, market risk disclosures and foreign currency exchange rate risk disclosures reported in our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) of the Exchange Act as of March 31, 2017. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2017 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely discussion regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Inherent Limitations on Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer and Principal Accounting Officer, does not expect that our disclosure controls and procedures and our internal controls will prevent all error and all fraud. A control system, no matter how well designed and operated, can only provide reasonable assurances that the objectives of the control system are met. The design of a control system reflects resource constraints; the benefits of controls must be considered relative to their costs. Because there are inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or will be detected. As these inherent limitations are known features of the financial reporting process, it is possible to design into the process safeguards to reduce, though not eliminate, these risks. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns occur because of simple error or mistake. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events. While our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, there can be no assurance that any design will succeed in achieving its stated goals under all future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

We intend to review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis and to improve our controls and procedures over time and to correct any deficiencies that we may discover in the future. While our Chief Executive and Financial Officer and Principal Accounting Officer have concluded that, as of March 31, 2017, the design of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, was effective, future events affecting our business may cause us to significantly modify our disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended March 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider all of the risk factors and uncertainties described below, in addition to the other information contained in this Annual Report on Form 10-Q, including the section of this report titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated and combined financial statements and related notes, before investing in our common stock. If any of the following risks materialize, our business, financial condition and results of operations could be seriously harmed. In these circumstances, the market price of our common stock could decline, and you may lose all or a part of your investment. We have marked with an asterisk (*) those risk factors that reflect substantive changes from the risk factors included in our previously filed Annual Report on Form 10-K for the year ended December 31, 2016.

Risks Related to Our Financial Results and Capital Needs

We have incurred substantial losses since our inception and anticipate that we will continue to incur substantial and increasing losses for the foreseeable future.

We are a clinical-stage biopharmaceutical company. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to prove effective, gain regulatory approval or become commercially viable. We do not have any products approved by regulatory authorities and have not generated any revenues from product sales to date, and have incurred significant research, development and other expenses related to our ongoing operations and expect to continue to incur such expenses. As a result, we have not been profitable and have incurred significant operating losses in every reporting period since our inception. For the three months ended March 31, 2017, we reported a net loss of $25.7 million and we had an accumulated deficit of $202.8 million as of March 31, 2017.

We do not expect to generate revenues for many years, if at all. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate these losses to increase as we continue to research, develop and seek regulatory approvals for our product candidates and any additional product candidates we may acquire, and potentially begin to commercialize product candidates that may achieve regulatory approval. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues. If any of our product candidates fails in clinical trials or does not gain regulatory approval, or if approved, fails to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. We anticipate that our expenses will increase in the future as we continue to invest in research and development of our existing product candidates, investigate and potentially acquire new product candidates and expand our manufacturing and commercialization activities.

We have a limited operating history, which may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

Our company was formed in August 2012. Our operations to date have been limited to organizing and staffing our company, acquiring product and technology rights and conducting product development activities for our product candidates. We have not yet demonstrated our ability to successfully complete any Phase 2 or Phase 3 clinical trials, obtain regulatory approval, manufacture a commercial scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization for any of our product candidates. In addition, the adoptive immunotherapy technology underlying our T-cell product candidates is new and largely unproven. Any predictions about our future success, performance or viability, particularly in view of the rapidly evolving cancer immunotherapy field, may not be as accurate as they could be if we had a longer operating history or approved products on the market.

In addition, as a young business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition at some point from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition. We expect our financial condition and operating results to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, any of our quarterly or annual periods' results are not indicative of future operating performance.

We currently have no source of revenues. We may never generate revenues or achieve profitability.

To date, we have not generated any revenues from product sales or otherwise. Even if we are able to successfully achieve regulatory approval for our product candidates, we do not know when we will generate revenues or become profitable, if at all. Our ability to generate revenues from product sales and achieve profitability will depend on our ability to successfully commercialize products, including any of our current product candidates, and other product candidates that we may develop, in-license or acquire in the future. Our ability to generate revenues and achieve profitability also depends on a number of additional factors, including our ability to:

- successfully complete development activities, including the necessary clinical trials;
- complete and submit BLAs to the FDA and obtain U.S. regulatory approval for indications for which there is a commercial market;
- complete and submit applications to, and obtain regulatory approval from, foreign regulatory authorities in Europe, Asia and other jurisdictions;
- obtain coverage and adequate reimbursement from third parties, including government and private payors;
- set commercially viable prices for our products, if any;
- establish and maintain supply and manufacturing relationships with reliable third parties and/or build our own manufacturing facility and ensure adequate, legally globally compliant manufacturing of bulk drug substances and drug products to maintain that supply;
- develop manufacturing and distribution processes for our novel T-cell product candidates;
- develop commercial quantities of our products at acceptable cost levels;
- achieve market acceptance of our products, if any;
- attract, hire and retain qualified personnel;
- protect our rights in our intellectual property portfolio;
- develop a commercial organization capable of sales, marketing and distribution for any products we intend to sell ourselves in the markets in which we choose to commercialize on our own; and
- find suitable distribution partners to help us market, sell and distribute our approved products in other markets.

Our revenues for any product candidate for which regulatory approval is obtained will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the accepted price for the product, the ability to get reimbursement at any price, and whether we own the commercial rights for that territory. If the number of our addressable disease patients is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect, or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenues from sales of such products, even if approved. In addition, we anticipate incurring significant costs associated with commercializing any approved product candidate. As a result, even if we generate revenues, we may not become profitable and may need to obtain additional funding to continue operations. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and may be forced to reduce our operations.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

We expect to expend substantial resources for the foreseeable future to continue the clinical development and manufacturing of T-cell product candidates, and the advancement and expansion of our preclinical research pipeline. We also expect to continue to expend resources for the development and manufacturing of product candidates and the technology we have licensed from QIMR Berghofer. These expenditures will include costs associated with research and development, potentially acquiring new product candidates or technologies, conducting preclinical studies and clinical trials and potentially obtaining regulatory approvals and manufacturing products, as well as marketing and selling products approved for sale, if any. Under the terms of our license agreement with MSK and QIMR, we are obligated to make payments upon the achievement of certain development, regulatory and commercial milestones. In addition, other unanticipated costs may arise. Because the design and outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates if clinical trials are successful;
- the cost of commercialization activities for our product candidates, if any of these product candidates is approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing our product candidates for clinical trials in preparation for regulatory approval and in preparation for commercialization;
- our ability to establish and maintain strategic licensing or other arrangements and the financial terms of such agreements;
- the costs to in-license future product candidates or technologies;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any; and
- the emergence of competing technologies or other adverse market developments.

We believe that our existing cash, cash equivalents and short-term investments will be sufficient to fund our planned operations into the first quarter of 2019. As of March 31, 2017, we had total cash, cash equivalents and short-term investments of $230.6 million. However, our operating plan may change as a result of many factors currently unknown to us, and we may need additional funds sooner than planned. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. We do not have any committed external source of funds. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other development activities for one or more of our product candidates or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our product candidates on unfavorable terms to us.

We may seek additional capital through a variety of means, including through private and public equity offerings and debt financings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring additional debt, making capital expenditures, entering into licensing arrangements, or declaring dividends. If we raise additional funds from third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms that are not favorable to us. If we are unable to raise additional funds through equity or debt financing when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts for our product candidates, or grant to others the rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Risks Related to the Development of Our Product Candidates

We are very early in our development efforts and have only four product candidates in clinical development. All of our other product candidates are still in preclinical development. If we or our collaborators are unable to successfully develop and commercialize product candidates or experience significant delays in doing so, our business may be materially harmed.

We are very early in our development efforts. We have a number of product candidates in clinical development. All of our other product candidates are currently in preclinical development. We have invested substantially all of our efforts and financial resources in identifying and developing potential product candidates and conducting preclinical studies, clinical trials and manufacturing activities. Our ability to generate revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our product candidates. The success of our product candidates will depend on several factors, including the following:

- completion of preclinical studies and clinical trials with positive results;
- receipt of regulatory approvals from applicable authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- establishing or making arrangements with third-party manufacturers or building our own manufacturing facility for commercial manufacturing purposes;
- developing manufacturing and distribution processes for our novel T-cell product candidates;
- manufacturing our product candidates at an acceptable cost;
- launching commercial sales of our product candidates, if approved, whether alone or in collaboration with others;
- acceptance of the product candidates, if approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining coverage and adequate reimbursement by third-party payors, including government payors, for our product candidates;
- protecting our rights in our intellectual property portfolio;
- maintaining a continued acceptable safety profile of the products following approval; and
- maintaining and growing an organization of scientists and business people who can develop and commercialize our products and technology.

For example, in December 2015, we announced that our Phase 2 proof-of-concept trial of PINTA 745 did not meet its primary endpoint, and we suspended further development of PINTA 745 and ATA 842, a compound that is related to PINTA 745. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully develop and commercialize our product candidates, which could materially harm our business.

Our future success is dependent on the regulatory approval of our product candidates.

We do not have any products that have gained regulatory approval. Currently, our only clinical-stage product candidates are ATA129, which is moving to Phase 3 clinical trials, ATA230, which is in Phase 2 clinical trials, and ATA520, which is moving into Phase 1/2 clinical trials. Our business is substantially dependent on our ability to obtain regulatory approval for, and, if approved, to successfully commercialize our product candidates in a timely manner. We cannot commercialize product candidates in the United States without first obtaining regulatory approval for the product from the FDA; similarly, we cannot commercialize product candidates outside of the United States without obtaining regulatory approval from comparable foreign regulatory authorities. Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, we must demonstrate with substantial evidence gathered in preclinical studies and clinical trials, generally including two well-controlled Phase 3 trials, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate with respect to such product candidate.

The time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among

jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

Our product candidates could fail to receive regulatory approval from the FDA or a comparable foreign regulatory authority for many reasons, including:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of a BLA or other submission or to obtain regulatory approval;
- failure to obtain approval of our manufacturing processes or facilities of third-party manufacturers with whom we contract for clinical and commercial supplies or our own manufacturing facility; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

The FDA or a comparable foreign regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request (including failing to approve the most commercially promising indications), may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate.

Even if a product candidate were to successfully obtain approval from the FDA and comparable foreign regulatory authorities, any approval might contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements. If we are unable to obtain regulatory approval for one of our product candidates in one or more jurisdictions, or any approval contains significant limitations, we may not be able to obtain sufficient funding to continue the development of that product or generate revenues attributable to that product candidate. Also, any regulatory approval of our current or future product candidates, once obtained, may be withdrawn.

Our T-cell product candidates, ATA129, ATA188, ATA520 and ATA230, represent new therapeutic approaches that present significant challenges.

Our future success is dependent in part on the successful development of T-cell immunotherapies in general and our product candidates in particular. Because these programs represent a new approach to immunotherapy for the treatment of cancer and other diseases, developing and commercializing our product candidates subject us to a number of challenges, including:

- obtaining regulatory approval from the FDA and other regulatory authorities, which have very limited experience with the development and commercialization of T-cell therapies;
- developing and deploying consistent and reliable processes for procuring blood from consenting third-party donors, isolating T-cells from the blood of such donors, activating the isolated T-cells against a specific antigen, characterizing and storing the resulting activated T-cells for future therapeutic use, selecting and delivering an appropriate partially HLA matched cell line from among the available T-cell lines, and finally infusing these activated T-cells into patients;
- utilizing these product candidates in combination with other therapies, which may increase the risk of adverse side effects;
- educating medical personnel regarding the potential side effect profile of each of our product candidates;
- developing processes for the safe administration of these products, including long-term follow-up for all patients who receive these product candidates;
- sourcing clinical and, if approved, commercial supplies for the materials used to manufacture and process these product candidates;
- developing a manufacturing process and distribution network that can provide a stable supply with a cost of goods that allows for an attractive return on investment;

- establishing sales and marketing capabilities after obtaining any regulatory approval to gain market acceptance, and obtaining adequate coverage, reimbursement and pricing by third-party payors and government authorities; and
- developing therapies for types of diseases beyond those initially addressed by our current product candidates.

We cannot be sure that the manufacturing processes used in connection with our T-cell product candidates will yield satisfactory products that are safe and effective, comparable to those T-cells produced by MSK historically, scalable or profitable.

Moreover, public perception of safety issues, including adoption of new therapeutics or novel approaches to treatment, may adversely influence the willingness of subjects to participate in clinical trials, or if approved, of physicians to subscribe to the novel treatment mechanics. Physicians, hospitals and third-party payors often are slow to adopt new products, technologies and treatment practices that require additional upfront costs and training. Physicians may not be willing to undergo training to adopt this novel therapy, may decide the therapy is too complex to adopt without appropriate training and may choose not to administer the therapy. Based on these and other factors, hospitals and payors may decide that the benefits of this new therapy do not or will not outweigh its costs.

The results of preclinical studies or earlier clinical trials are not necessarily predictive of future results. Our existing product candidates in clinical trials, and any other product candidate we advance into clinical trials, may not have favorable results in later clinical trials or receive regulatory approval.

Success in preclinical studies and early clinical trials does not ensure that later clinical trials will generate adequate data to demonstrate the efficacy and safety of an investigational drug. A number of companies in the pharmaceutical and biotechnology industries, including those with greater resources and experience than us, have suffered significant setbacks in clinical trials, even after seeing promising results in earlier preclinical studies or clinical trials. For example, in December 2015, we announced that our Phase 2 proof-of-concept trial of PINTA 745 did not meet its primary endpoint even though earlier clinical trials and preclinical studies had indicated that it might be effective to treat protein energy wasting in patients with end stage renal disease. Despite the results reported in earlier preclinical studies or clinical trials for our product candidates, we do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market ATA129, ATA520, ATA188, ATA230 or any of our other product candidates in any particular jurisdiction. For example, ATA129 has only been evaluated in a single-center trial under investigator-sponsored INDs held by MSK, utilizing a different response criteria and endpoints from those we may utilize in later clinical trials. The findings may not be reproducible in multi-center trials we conduct. In addition, the Phase 2 clinical trials with ATA129 enrolled a heterogeneous group of patients with a variety of EBV-associated malignancies, including but not limited to EBV-PTLD after HCT and EBV-PTLD after SOT. These Phase 2 trials were not prospectively designed to evaluate the efficacy of ATA129 in the treatment of a single disease state for which we may later seek approval. Moreover, final trial results may not be consistent with interim trial results. Efficacy data from prospectively designed trials may differ significantly from those obtained from retrospective subgroup analyses. If later-stage clinical trials do not produce favorable results, our ability to achieve regulatory approval for any of our product candidates may be adversely impacted. Even if we believe that we have adequate data to support an application for regulatory approval to market any of our product candidates, the FDA or other regulatory authorities may not agree and may require that we conduct additional clinical trials.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical and clinical trials.

We may experience delays in our ongoing or future clinical trials and we do not know whether planned clinical trials will begin or enroll subjects on time, will need to be redesigned or will be completed on schedule, if at all. There can be no assurance that the FDA will not put clinical trials of any of our product candidates on clinical hold in the future. Clinical trials may be delayed, suspended or prematurely terminated for a variety of reasons, such as:

- delay or failure in reaching agreement with the FDA or a comparable foreign regulatory authority on a trial design that we are able to execute;
- delay or failure in obtaining authorization to commence a trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a trial;
- delay or failure in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

- delay or failure in obtaining institutional review board, or IRB, approval or the approval of other reviewing entities, including comparable foreign regulatory authorities, to conduct a clinical trial at each site;
- withdrawal of clinical trial sites from our clinical trials or the ineligibility of a site to participate in our clinical trials;
- delay or failure in recruiting and enrolling suitable subjects to participate in a trial;
- delay or failure in subjects completing a trial or returning for post-treatment follow-up;
- clinical sites and investigators deviating from trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial;
- inability to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same indication;
- failure of our third-party clinical trial managers to satisfy their contractual duties, meet expected deadlines or return trustworthy data;
- delay or failure in adding new trial sites;
- interim results or data that are ambiguous or negative or are inconsistent with earlier results or data;
- feedback from the FDA, the IRB, data safety monitoring boards or a comparable foreign regulatory authority, or results from earlier stage or concurrent preclinical studies and clinical trials, that might require modification to the protocol for a trial;
- a decision by the FDA, the IRB, a comparable foreign regulatory authority, or us, or a recommendation by a data safety monitoring board or comparable foreign regulatory authority, to suspend or terminate clinical trials at any time for safety issues or for any other reason;
- unacceptable risk-benefit profile, unforeseen safety issues or adverse side effects;
- failure to demonstrate a benefit from using a product candidate;
- difficulties in manufacturing or obtaining from third parties sufficient quantities of a product candidate to start or to use in clinical trials;
- lack of adequate funding to continue a trial, including the incurrence of unforeseen costs due to enrollment delays, requirements to conduct additional studies or increased expenses associated with the services of our CROs and other third parties; or
- changes in governmental regulations or administrative actions or lack of adequate funding to continue a clinical trial.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the severity of the disease under investigation, the proximity of subjects to clinical sites, the patient referral practices of physicians, the eligibility criteria for the trial, the design of the clinical trial, ability to obtain and maintain patient consents, risk that enrolled subjects will drop out or die before completion, competition for patients from other clinical trials, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages and risks of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. We may not be able to initiate or continue to support clinical trials of ATA129, ATA520, ATA230 or any future product candidates if we are unable to locate and enroll a sufficient number of eligible participants in these trials as required by the FDA or other regulatory authorities. Even if we are able to enroll a sufficient number of patients in our clinical trials, if the pace of enrollment is slower than we expect, the development costs for our product candidates may increase and the completion of our trials may be delayed or our trials could become too expensive to complete. We rely on CROs, other vendors and clinical trial sites to ensure the proper and timely conduct of our clinical trials, and while we have agreements governing their committed activities, we have limited influence over their actual performance.

If we experience delays in the completion or termination of any clinical trial of our product candidates, the approval and commercial prospects of such product candidate will be harmed, and our ability to generate product revenues from such product candidate will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any delays in completing our clinical trials for our product candidates may also decrease the period of commercial exclusivity. In addition, many of the factors that could cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Our product candidates, the methods used to deliver them or their dosage levels may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following any regulatory approval.

Undesirable side effects caused by our product candidates, their delivery methods or dosage levels could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authority. For example, hypoxia has been observed in some patients receiving ATA230 for the treatment of their CMV pneumonitis. As a result of safety or toxicity issues that we may experience in our clinical trials, we may not receive approval to market any product candidates, which could prevent us from ever generating revenues or achieving profitability. Results of our trials could reveal an unacceptably high severity and incidence of side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Any of these occurrences may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Additionally, if any of our product candidates receives regulatory approval, and we or others later identify undesirable side effects caused by such product, a number of potentially significant negative consequences could result, including that:

- we may be forced to suspend marketing of such product;
- regulatory authorities may withdraw their approvals of such product;
- regulatory authorities may require additional warnings on the label that could diminish the usage or otherwise limit the commercial success of such products;
- we may be required to conduct post-marketing studies;
- we may be required to change the way the product is administered;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved.

We may not be able to obtain orphan drug exclusivity for our product candidates.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. Both the FDA and the EMA have granted us orphan status for ATA129 for EBV-PTLD after HCT or SOT. Recently, the EMA also granted us orphan status for ATA230 for CMV infection in patients with impaired cell-mediated immunity.

Generally, if a product with an orphan drug designation subsequently receives the first regulatory approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug for that time period. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve a new drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

Failure to obtain regulatory approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In addition to regulations in the United States, to market and sell our products in the European Union, many Asian countries and other jurisdictions, we must obtain separate regulatory approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. Clinical trials accepted in one country may not be accepted by regulatory authorities in other countries. In addition, many countries outside the United States require that a product be approved for reimbursement before it can be approved for sale in that country. A product candidate that has been approved for sale in a particular country may not receive reimbursement approval in that country. We may not be able to obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any market. If we are unable to obtain approval of any of our product candidates by regulatory authorities in the European Union, Asia or elsewhere, the commercial prospects of that product candidate may be significantly diminished, our business prospects could decline and this could materially adversely affect our business, results of operations and financial condition.

Even if our product candidates receive regulatory approval, they may still face future development and regulatory difficulties.

Even if we obtain regulatory approval for a product candidate, it would be subject to ongoing requirements by the FDA and comparable foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, adverse event reporting, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-marketing information. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance by us and/or our contract manufacturing organizations, or CMOs, and CROs for any post-approval clinical trials that we conduct. The safety profile of any product will continue to be closely monitored by the FDA and comparable foreign regulatory authorities after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety information after approval of any of our product candidates, they may require labeling changes or establishment of a risk evaluation and mitigation strategy, impose significant restrictions on a product's indicated uses or marketing or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current good manufacturing practices, or cGMP, current Good Clinical Practices, or GCP, current good tissue practices, or cGTP, and other regulations. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. If we, our product candidates or the manufacturing facilities for our product candidates fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters or untitled letters;
- mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners;
- require us to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve pending applications or supplements to applications filed by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or require us to initiate a product recall.

The occurrence of any event or penalty described above may inhibit our ability to successfully commercialize our products and generate revenues.

Advertising and promotion of any product candidate that obtains approval in the United States will be heavily scrutinized by the FDA, the Department of Justice, or the DOJ, the Office of Inspector General of the Department of Health and Human Services, or HHS, state attorneys general, members of Congress and the public. Additionally, advertising and promotion of any product candidate that obtains approval outside of the United States will be heavily scrutinized by comparable foreign regulatory authorities. Violations, including actual or alleged promotion of our products for unapproved or off-label uses, are subject to enforcement letters, inquiries and investigations, and civil and criminal sanctions by the FDA. Any actual or alleged failure to comply with labeling and promotion requirements may have a negative impact on our business.

Regulations, guidelines and recommendations published by various government agencies and organizations may affect the use of our product candidates.

Although treatment with EBV specific T-cells is recognized as a recommended treatment for persistent or progressive EBV-PTLD as set forth in the 2017 National Comprehensive Cancer Network Guidelines, future guidelines from governmental agencies, professional societies, practice management groups, private health/science foundations and organizations involved in various diseases may relate to such matters as product usage, dosage, and route of administration and use of related or competing therapies. Changes to these recommendations or other guidelines advocating alternative therapies could result in decreased use of our product candidates, which may adversely affect our results of operations.

We may not successfully identify, acquire, develop or commercialize new potential product candidates.

Part of our business strategy is to expand our product candidate pipeline by identifying and validating new product candidates, which we may develop ourselves, in-license or otherwise acquire from others. In addition, in the event that our existing product candidates do not receive regulatory approval or are not successfully commercialized, then the success of our business will depend on our ability to expand our product pipeline through in-licensing or other acquisitions. We may be unable to identify relevant product candidates. If we do identify such product candidates, we may be unable to reach acceptable terms with any third party from which we desire to in-license or acquire them.

We may not realize the benefits of strategic alliances that we may form in the future.

We may form strategic alliances, create joint ventures or collaborations or enter into licensing arrangements with third parties that we believe will complement or augment our existing business. These relationships, or those like them, may require us to incur nonrecurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business. In addition, we face significant competition in seeking appropriate strategic alliances and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic alliance or other alternative arrangements for any future product candidates and programs because our research and development pipeline may be insufficient, our product candidates and programs may be deemed to be at too early a stage of development for collaborative effort and third parties may not view our product candidates and programs as having the requisite potential to demonstrate safety and efficacy. If we license products or acquire businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture. We cannot be certain that, following a strategic transaction or license, we will achieve the revenues or specific net income that justifies such transaction. Any delays in entering into new strategic alliances agreements related to our product candidates could also delay the development and commercialization of our product candidates and reduce their competitiveness even if they reach the market.

Risks Related to Manufacturing

We are subject to a multitude of manufacturing risks, any of which could substantially increase our costs and limit supply of our product candidates.

Concurrent with the license of our existing product candidates, we acquired manufacturing process know-how and certain intermediates, as well as certain supplies intended for clinical use, from MSK. To facilitate the manufacture of additional drug substance and drug product for our preclinical studies and clinical trials using this manufacturing testing and process know-how, we undertook the process of transferring this know-how to our CMO. We are in the final stages of the transfer of this know-how received from MSK to our CMO. Transferring manufacturing testing and processes and know-how is complex and involves review and incorporation of both documented and undocumented processes that may have evolved over time. In addition, transferring production to different facilities may require utilization of new or different processes to meet the specific requirements of a given facility. We and our CMOs will need to conduct significant development work to transfer these processes and manufacture each of our product candidates for studies, trials and commercial launch readiness. We cannot be certain that all relevant know-how has been adequately incorporated into the manufacturing process until the completion of studies (and the related evaluations) intended to demonstrate the

comparability of material previously produced by MSK with that generated by our CMO. The inability to manufacture comparable drug substance by us or at our CMOs could delay the continued development of our product candidates.

The processes by which our product candidates are manufactured were initially developed by MSK for clinical purposes. We intend to evolve these existing processes for more advanced clinical trials or commercialization. Developing commercially viable manufacturing processes is a difficult and uncertain task, and there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including cost overruns, potential problems with process scale-up, process reproducibility, stability issues, consistency and timely availability of reagents or raw materials. The manufacturing facilities in which our product candidates will be made could be adversely affected by earthquakes and other natural disasters, equipment failures, labor shortages, power failures, and numerous other factors.

Additionally, the process of manufacturing biologics and cellular therapies is complex, highly regulated and subject to several risks, including but not limited to:

- the process of manufacturing biologics and cellular therapies is extremely susceptible to product loss due to contamination, equipment failure or improper installation or operation of equipment, or vendor or operator error. Even minor deviations from normal manufacturing and distribution processes for any of our product candidates could result in reduced production yields, product defects, and other supply disruptions. Product defects can also occur unexpectedly. If microbial, viral, or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to allow us to investigate and remedy the contamination; and
- because T-cell product candidates are manufactured from the blood of third-party donors, the process of manufacturing is susceptible to the availability of the third-party donor material. The process of developing products that can be commercialized may be particularly challenging, even if they otherwise prove to be safe and effective. The manufacture of these product candidates involves complex processes. Some of these processes require specialized equipment and highly skilled and trained personnel. The process of manufacturing these product candidates will be susceptible to additional risks, given the need to maintain aseptic conditions throughout the manufacturing process. Contamination in the donor material or ingress of microbiological material at any point in the process may result in contaminated or unusable product. Such contaminations could result in delays in the manufacture of products which could result in delays in the development of our product candidates. Furthermore, the product ultimately consists of many individual cell lines, each with a different HLA profile. As a result, the selection and distribution of the appropriate cell line for therapeutic use in a patient will require close coordination between clinical and manufacturing personnel.

Any adverse developments affecting manufacturing operations for our product candidates may result in shipment delays, inventory shortages, lot failures, withdrawals or recalls or other interruptions in the supply of our drug substance and drug product which could delay the development of our product candidates. We may also have to write off inventory, incur other charges and expenses for supply of drug product that fails to meet specifications, undertake costly remediation efforts, or seek more costly manufacturing alternatives. Inability to meet the demand for our product candidates could damage our reputation and the reputation of our products among physicians, healthcare payors, patients or the medical community, and cancer treatment centers, which could adversely affect our ability to operate our business and our results of operations.

We intend to manufacture at least a portion of our product candidates ourselves. Delays in building, commissioning and receiving regulatory approvals for our manufacturing facility could delay our development plans and thereby limit our ability to generate revenues.

In February, 2017, we entered into a lease to build a manufacturing facility in Thousand Oaks, CA, which we intend to use to manufacture preclinical and clinical trial materials for our product candidates. This new manufacturing facility is expected to be completed in 2018. This project may result in unanticipated delays and cost more than expected due to a number of factors, including regulatory requirements. If construction or regulatory approval of our new facility is delayed, we may not be able to manufacture sufficient quantities of our drug candidates, which would limit our development activities and our opportunities for growth. Cost overruns associated with constructing our manufacturing facility could require us to raise additional funds from other sources.

In addition to the similar manufacturing risks described in "—Risks Related to Our Dependence on Third Parties," our manufacturing facility will be subject to ongoing, periodic inspection by the FDA, EMA or other comparable regulatory agencies to ensure compliance with cGMP and GTP. Our failure to follow and document our adherence to such cGMP regulations or other regulatory requirements may lead to significant delays in the availability of products for clinical or, in the future, commercial use, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for our drugs. We also may encounter problems with the following:

- achieving adequate or clinical-grade materials that meet FDA, EMA or other comparable regulatory agency standards or specifications with consistent and acceptable production yield and costs;
- shortages of qualified personnel, raw materials or key contractors; and
- ongoing compliance with cGMP regulations and other requirements of the FDA, EMA or other comparable regulatory agencies.

Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our drug candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates, operating restrictions and criminal prosecutions, any of which could harm our business.

Developing advanced manufacturing techniques and process controls is required to fully utilize our facility. Advances in manufacturing techniques may render our facility and equipment inadequate or obsolete, without further investment.

In order to produce our drugs in the quantities that we believe will be required to meet anticipated market demand of any of our drug candidates if approved, we will need to increase, or "scale up," the production process by a significant factor over the initial level of production. If we are unable to do so, are delayed, or if the cost of this scale up is not economically feasible for us or we cannot find a third-party supplier, we may not be able to produce our drugs in a sufficient quantity to meet future demand.

If our sole clinical manufacturing facility is damaged or destroyed or production at this facility is otherwise interrupted, our business and prospects would be negatively affected.

If our manufacturing facility or the equipment in it is damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of this facility or equipment, we may not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need FDA approval before selling any products manufactured at that facility. Such an event could delay our clinical trials or reduce our product sales.

Currently, we maintain insurance coverage against damage to our property and to cover business interruption and research and development restoration expenses. However, our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses or losses we may suffer. We may be unable to meet our requirements for our product candidates if there were a catastrophic event or failure of our current manufacturing facility or processes.

Risks Related to Our Dependence on Third Parties

We rely on third parties to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, or if we lose any of our CROs, we may not be able to obtain regulatory approval for or commercialize our product candidates on a timely basis, if at all.

We have relied upon and plan to continue to rely upon third-party CROs and contractors to monitor and manage data for our ongoing preclinical and clinical programs. For example, our collaborating investigators at MSK manage the conduct of the ongoing clinical trials for ATA520 as well as perform the analysis, publication and presentation of data and results related to this program and the ATA129 and ATA230 programs. Our collaborating investigators at QIMR manage the conduct of the ongoing clinical trials for autologous ATA188. We also rely on studies previously conducted by MSK. We are utilizing a CRO for our EAP trial of ATA129 and intend to utilize a CRO for our planned Phase 3 trials for EBV-PTLD after HCT and SOT. We rely on these parties for the execution of our preclinical studies and clinical trials, and we control only some aspects of their activities. Nevertheless, we are responsible for ensuring that each of our trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities. We also rely on third parties to assist in conducting our preclinical studies in accordance with Good Laboratory Practices, or GLP, and the Animal Welfare Act requirements. We and our CROs are required to comply with federal regulations, GCP, which are international standards meant to

protect the rights and health of patients that are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for all of our products in clinical development, and cGTP, which are standards designed to ensure that cell and tissue based products are manufactured in a manner designed to prevent the introduction, transmission and spread of communicable diseases. Regulatory authorities enforce GCP and cGTP through periodic inspections of trial sponsors, principal investigators and trial sites. If we, or any of our partners or CROs, fail to comply with applicable GCP or cGTP, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our regulatory applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP or cGTP requirements. In addition, our clinical trials must be conducted with product produced under cGMP and cGTP requirements. We are also required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, clinicaltrials.gov, within a specified timeframe. Failure to comply with these regulations may require us to repeat preclinical studies and clinical trials, which would delay the regulatory approval process and result in adverse publicity.

Our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources, including experienced staff, to our ongoing clinical, nonclinical and preclinical programs. They may also have relationships with other entities, some of which may be our competitors. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. CRO or contractor errors could cause our results of operations and the commercial prospects for our product candidates to be harmed, our costs to increase and our ability to generate revenues to be delayed.

Our internal capacity for clinical trial execution and management is limited and therefore we have relied on third parties. Outsourcing these functions involves risk that third parties may not perform to our standards, may not produce results or data in a timely manner or may fail to perform at all. Other data from studies or trials previously conducted by MSK may emerge in the future. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. We currently have a small number of employees, which limits the internal resources we have available to identify and monitor our third-party providers. To the extent we are unable to identify and successfully manage the performance of third-party service providers in the future, our business may be adversely affected. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

Our CROs have the right to terminate their agreements with us in the event of an uncured material breach. In addition, some of our CROs have an ability to terminate their respective agreements with us if it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated. Identifying, qualifying and managing performance of third-party service providers can be difficult, time consuming and cause delays in our development programs. In addition, there is a natural transition period when a new CRO commences work and the new CRO may not provide the same type or level of services as the original provider. If any of our relationships with our third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so timely or on commercially reasonable terms.

We have no experience manufacturing our product candidates on a clinical or commercial scale. We are, and expect to continue to be, dependent on third parties for the manufacturing of our product candidates and our supply chain, and if we experience problems with any of these third parties, the manufacturing of our product candidates could be delayed.

We do not currently operate our own facilities for the manufacturing of our product candidates. In the case of ATA129, we currently rely on our CMO and MSK for the production of this product candidate and the acquisition of materials incorporated in or used in the manufacturing or testing of these product candidates. In the case of ATA230, we currently rely on MSK for the production of this product candidate and acquisition of the materials incorporated in or used in the manufacturing or testing. In the case of ATA520, we currently rely on our CMO for the production of this product candidate. Our CMOs or partners are not our employees, and except for remedies available to us under our agreements with such CMOs or partners, we cannot control whether or not they devote sufficient time and resources, including experienced staff, to the manufacturing of supply for our ongoing clinical, nonclinical and preclinical programs. To meet our projected needs for clinical and commercial materials to support our activities through regulatory approval and commercial manufacturing of ATA129, ATA520 and ATA230, we will need to transition the manufacturing of such materials to a CMO and/or our own facility, and such CMOs or we will need to develop relationships with suppliers of critical starting or other materials, increase the scale of production and demonstrate comparability of the material produced at these facilities to the material that was previously produced by MSK. We are in the final stages of the transfer of the manufacturing process developed by and housed at MSK for ATA129 to our CMO. Transferring manufacturing processes and know-how is complex and

involves review and incorporation of both documented and undocumented processes that may have evolved over time. In addition, transferring production to different facilities may require utilization of new or different processes to meet the specific requirements of a given facility. We cannot be certain that all relevant know-how and data has been adequately incorporated into the manufacturing process until the completion of studies (and the related evaluations) intended to demonstrate the comparability of material previously produced by MSK with that generated by our CMO. For example, we generated and evaluated data from new material manufactured by our CMO and identified certain assays that need refinement prior to initiating the Phase 3 trials. We are refining these assays within our laboratories, manufacturing lots to further support comparability evaluations and the Phase 3 trials, and expect to review these data in ongoing discussions with the FDA.

If we are not able to successfully transfer this know-how and produce comparable product candidates our ability to further develop and manufacture our product candidates may be negatively impacted. We may need to identify additional CMOs for continued production of supply for all of our product candidates. In addition, given the manufacturing process for our T-cell product candidates, the number of CMOs who possess the requisite skill and capability to manufacture our T-cell product candidates is limited. We have not yet identified alternate suppliers in the event the current CMOs that we utilize are unable to scale production, or if we otherwise experience any problems with them. In February, 2017, we entered into a lease agreement to build our own cellular therapy manufacturing facility in Thousand Oaks, CA. At this facility, we intend to manufacture our product candidates for clinical or commercial use, if approved. Manufacturing cellular therapies is complicated and tightly regulated by the FDA and comparable regulatory authorities around the world, and although alternative third-party suppliers with the necessary manufacturing and regulatory expertise and facilities exist, it could be expensive and take a significant amount of time to arrange for alternative suppliers, transfer manufacturing procedures to these alternative suppliers, and demonstrate comparability of material produced by such new suppliers. New manufacturers of any product would be required to qualify under applicable regulatory requirements. These manufacturers may not be able to manufacture our compounds at costs, or in quantities, or in a timely manner necessary to complete development of our product candidates or make commercially successful products. If we are unable to arrange for alternative third-party manufacturing sources, or to do so on commercially reasonable terms or in a timely manner, we may not be able to complete development of our product candidates, or market or distribute them. In addition, should the FDA not agree with our product candidate specifications and comparability assessments for these materials, further clinical development of our product candidate could be substantially delayed and we would incur substantial additional expenses.

Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured product candidates ourselves, including reliance on the third party for regulatory compliance and quality assurance, the possibility that the third-party manufacturer does not maintain the financial resources to meet its obligations under the manufacturing agreement, the possibility of breach of the manufacturing agreement by the third party because of factors beyond our control, including a failure to synthesize and manufacture our product candidates or any products we may eventually commercialize in accordance with our specifications, misappropriation of our proprietary information, including our trade secrets and know-how, and the possibility of termination or nonrenewal of the agreement by the third party, based on its own business priorities, at a time that is costly or damaging to us. In addition, the FDA and other regulatory authorities require that our product candidates and any products that we may eventually commercialize be manufactured according to cGMP, cGTP and similar jurisdictional standards. These requirements include, among other things, quality control, quality assurance and the maintenance of records and documentation. The FDA or similar foreign regulatory agencies may also implement new standards at any time, or change their interpretations and enforcement of existing standards for manufacture, packaging or testing of products. We have little control over our manufacturers' compliance with these regulations and standards. Any failure by our third-party manufacturers to comply with cGMP or cGTP or failure to scale up manufacturing processes, including any failure to deliver sufficient quantities of product candidates in a timely manner, could lead to a delay in, or failure to obtain, regulatory approval of any of our product candidates. In addition, such failure could be the basis for the FDA to issue a warning letter, withdraw approvals for product candidates previously granted to us, or take other regulatory or legal action, including recall or seizure of outside supplies of the product candidate, total or partial suspension of production, suspension of ongoing clinical trials, refusal to approve pending applications or supplemental applications, detention or product, refusal to permit the import or export of products, injunction or imposing civil and criminal penalties.

Any significant disruption in our supplier relationships could harm our business. Any significant delay in the supply of a product candidate for an ongoing clinical trial could considerably delay initiation or completion of our clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase key materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates could be delayed or there could be a shortage in supply, which could impair our ability to generate revenues from the sale of our product candidates.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our ability to commercialize our product candidates successfully and to compete effectively may be adversely affected.

We rely upon a combination of patents, trade secrets and confidentiality agreements to protect the intellectual property related to our technology and product candidates. The T-cell product candidates and platform technology we have licensed from MSK are protected primarily as confidential know-how and trade secrets. If we do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. The patentability of inventions and the validity, enforceability and scope of patents in the biotechnology field is generally uncertain because it involves complex legal, scientific and factual considerations, and it has in recent years been the subject of significant litigation. Moreover, the standards applied by the U.S. Patent and Trademark Office, or USPTO, and non-US patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology patents.

Consequently, the patent applications that we own or in-license may fail to result in issued patents with claims that cover our product candidates in the United States or in other countries. There is no assurance that all potentially relevant prior art relating to our patents and patent applications is known to us or has been found in the instances where searching was done. We may be unaware of prior art that could be used to invalidate an issued patent or prevent a pending patent application from issuing as a patent. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim of one of our patents or patent applications, which may, nonetheless, ultimately be found to affect the validity or enforceability of such claim.

Even if patents have issued or do successfully issue from patent applications, and even if such patents cover our product candidates, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held to be unenforceable. No assurance can be given that if challenged, our patents would be declared by a court to be valid or enforceable. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates or prevent others from designing around our claims. In three of our pending patent applications exclusively licensed from MSK, directed to use of ATA230 to treat CMV retinitis in HIV-infected patients or SOT recipients, we do not have exclusive rights, due to one of the named inventors being an employee of an entity other than MSK and ensuing co-ownership of the applications with MSK of this other entity from which we do not presently have a license. There is no guarantee that we will be able to obtain a license from this other entity on commercially reasonable terms, or at all. If this entity licenses its rights elsewhere, our competitors might gain access to this intellectual property. Also, the possibility exists that others will develop products on an independent basis which have the same effect as our product candidates and which do not infringe our patents or other intellectual property rights, or that others will design around the claims of patents that we have had issued that cover our product candidates. If the breadth or strength of protection provided by the patents and patent applications we hold, license or pursue with respect to our product candidates is threatened, it could jeopardize our ability to commercialize our product candidates. In addition, the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Any of these outcomes could have an adverse impact on our business.

If patent applications that we hold or in-license with respect to our technology or product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for our product candidates, it could dissuade companies from collaborating with us. We have filed a number of patent applications covering our product candidates. We cannot offer any assurances about which, if any, patents will be issued with respect to these pending patent applications, the breadth of any such patents, whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful challenge to these patents or any other patents owned by or exclusively licensed to us could deprive us of rights necessary for the successful commercialization of any product candidate that we or our collaborators may develop. Because patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we were the first to file any patent application related to a product candidate. Furthermore, if third parties have filed such patent applications that have never had a claim with an effective filing date on or after March 16, 2013, an interference proceeding in the United States can be initiated by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications or patents. Similarly, we could become involved in derivation proceedings before the USPTO to determine inventorship with respect to our patent applications. We may become involved in *inter partes* review or post-grant review proceedings in the USPTO regarding our intellectual property rights. We may also become involved in opposition proceedings in the European Patent Office or counterpart offices in other jurisdictions regarding our intellectual property rights. In addition, patents have a limited lifespan. In the United States, the natural expiration of a patent generally occurs 20 years after it is filed. Although various extensions may be available if certain conditions are met, the life of a patent and the protection it affords is limited. If we encounter

delays in our clinical trials or in obtaining regulatory approvals, the period of time during which we could exclusively market any of our product candidates under patent protection, if approved, could be reduced. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be vulnerable to competition from biosimilar products. Any loss of patent protection could have a material adverse impact on our business. We may be unable to prevent competitors from entering the market with a product that is similar or identical to our product candidates, which could harm our business and ability to achieve profitability.

Furthermore, the research resulting in certain of our licensed patent rights and technology was funded by the U.S. government. As a result, the government has certain rights, such as march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to practice the invention for or on behalf of the United States. These rights may permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the government of such rights could harm our competitive position, business, results of operations, financial condition and future prospects.

If we are sued for infringing the intellectual property rights of third parties, such litigation could be costly and time-consuming and could prevent or delay our development and commercialization efforts.

Our commercial success depends, in part, on us and our collaborators not infringing the patents and proprietary rights of third parties. There is a substantial amount of litigation and other adversarial proceedings, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interference or derivation proceedings, oppositions, and *inter partes* and post-grant review proceedings before the USPTO and non-U.S. patent offices. Numerous U.S. and non-U.S. issued patents and pending patent applications owned by third parties exist in the fields in which we are developing and may develop our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of third parties' patent rights as it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform or predictable.

Third parties may assert infringement claims against us based on existing or future intellectual property rights, alleging that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacturing of our product candidates that we failed to identify. For example, applications filed before November 29, 2000, and certain applications filed on or after that date that will not be filed outside the United States, remain confidential until issued as patents. Except for the preceding exceptions, patent applications in the United States and elsewhere are generally published only after a waiting period of approximately 18 months after the earliest filing date. Therefore, patent applications covering our product candidates could have been filed by others without our knowledge. In addition, pending patent applications that have been published, including some of which we are aware, could be later amended in a manner that could cover our product candidates or their use or manufacture. We may analyze patents or patent applications of our competitors that we believe are relevant to our activities and believe that we are free to operate in relation to any of our product candidates, but our competitors may obtain issued claims, including in patents we consider to be unrelated, which may block our efforts or potentially result in any of our product candidates or our activities infringing such claims. If we are sued for patent infringement, we would need to demonstrate that our product candidates, products and methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and we may not be able to do this. Proving that a patent is invalid is difficult. For example, in the United States, proving invalidity in a district court proceeding requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents, and proving invalidity in an inter partes review proceeding in the USPTO requires a showing of a preponderance of the evidence. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted, which could have a material adverse effect on us. If any issued third-party patents were held by a court of competent jurisdiction to cover aspects of our materials, formulations, methods of manufacture or methods for treatment, we could be forced, including by court order, to cease developing, manufacturing or commercializing the relevant product candidate until such patent expired. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and to continue developing, manufacturing or marketing the infringing product candidate. However, we may not be able to obtain any required license on commercially reasonably terms, or at all. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property licensed to us. Ultimately, we could be prevented from commercializing a product candidate, or be forced to cease some aspect of our business operations, if, as a result of actual or

threatened patent infringement claims, we are unable to enter into licenses on acceptable terms. This could harm our business significantly.

Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defending against claims of patent infringement or misappropriation of trade secrets could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs. In addition, litigation or threatened litigation could result in significant demands on the time and attention of our management team, distracting them from the pursuit of other company business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent, or to redesign our infringing product candidates, which may be impossible or require substantial time and monetary expenditure. We may also elect to enter into license agreements in order to settle patent infringement claims prior to litigation, and any such license agreement may require us to pay royalties and other fees that could be significant.

We may face claims that we misappropriated the confidential information or trade secrets of a third party. If we are found to have misappropriated a third party's trade secrets, we may be prevented from further using such trade secrets, which could limit our ability to develop our product candidates. We are not aware of any material threatened or pending claims related to these matters, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. During the course of any patent or other intellectual property litigation, there could be public announcements of the results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors regard these announcements as negative, the perceived value of our product candidates, programs or intellectual property could be diminished. Accordingly, the market price of our common stock may decline.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, enforcing and defending patents on all of our product candidates in all countries throughout the world would be prohibitively expensive. Our or our licensors' intellectual property rights in certain countries outside the United States may be less extensive than those in the United States. In addition, the laws of certain foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we and our licensors may not be able to prevent third parties from practicing our and our licensors' inventions in countries outside the United States, or from selling or importing infringing products made using our and our licensors' inventions in and into the United States or other jurisdictions. Competitors may use our and our licensors' technologies in jurisdictions where we have not obtained patent protection or where we do not have exclusive rights under the relevant patent(s) to develop their own products and, further, may export otherwise infringing products to territories where we and our licensors have patent protection but where enforcement is not as strong as that in the United States. These infringing products may compete with our product candidates in jurisdictions where we or our licensors have no issued patents or where we do not have exclusive rights under the relevant patent(s), or our patent claims and other intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us and our licensors to stop the infringement of our and our licensors' patents or marketing of competing products in violation of our and our licensors' proprietary rights generally. Proceedings to enforce our and our licensors' patent rights in foreign jurisdictions could result in substantial costs and divert our attention from other aspects of our business, could put our and our licensors' patents at risk of being invalidated or interpreted narrowly, could put our and our licensors' patent applications at risk of not issuing, and could provoke third parties to assert claims against us or our licensors. We or our licensors may not prevail in any lawsuits that we or our licensors initiate, and even if we or our licensors are successful the damages or other remedies awarded, if any, may not be commercially meaningful.

We have in-licensed a significant portion of our intellectual property from MSK. If we breach any of our license agreements with MSK, we could lose the ability to continue the development and potential commercialization of one or more of our product candidates.

We hold rights under license agreements with MSK that are important to our business. Our discovery and development platform is built, in part, around patent rights exclusively in-licensed from MSK. The MSK agreement generally grants us an exclusive license to research, develop, make, use, offer for sale, sell and import, ATA129, ATA520 and ATA230. Three pending applications licensed to us by MSK that are all directed to methods of treating CMV retinitis in HIV-infected patients or SOT recipients, are co-owned by MSK and another entity, and thus our exclusive license from MSK does not convey exclusive rights under those applications. Under our existing MSK license agreement, we are subject to various obligations, including diligence obligations with respect to

development and commercialization activities, payment obligations upon achievement of certain milestones and royalties on product sales, as well as other material obligations. If there is any conflict, dispute, disagreement or issue of nonperformance between us and MSK regarding our rights or obligations under the license agreements, including any such conflict, dispute or disagreement arising from our failure to satisfy diligence or payment obligations under any such agreement, we may be liable to pay damages and MSK may have a right to terminate the affected license. The loss our license agreement with MSK could materially adversely affect our ability to proceed to utilize the affected intellectual property in our drug discovery and development efforts, our ability to enter into future collaboration, licensing and/or marketing agreements for one or more affected product candidates and our ability to commercialize the affected product candidates. The risks described elsewhere pertaining to our patents and other intellectual property rights also apply to the intellectual property rights that we license, and any failure by us or our licensors to obtain, maintain and enforce these rights could have a material adverse effect on our business.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a material adverse effect on the success of our business and on our stock price.

Third parties may infringe our patents, the patents of our licensors, or misappropriate or otherwise violate our or our licensor's intellectual property rights. Our and our licensor's patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology. In the future, we or our licensors may elect to initiate legal proceedings to enforce or defend our or our licensors' intellectual property rights, to protect our or our licensor's trade secrets or to determine the validity or scope of intellectual property rights we own or control. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights or that our intellectual property rights are invalid. In addition, third parties may initiate legal proceedings against us or our licensors to challenge the validity or scope of intellectual property rights we own or control. The proceedings can be expensive and time-consuming. Many of our or our licensor's adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors can. Accordingly, despite our or our licensors' efforts, we or our licensors may not be able to prevent third parties from infringing upon or misappropriating intellectual property rights we own or control, particularly in countries where the laws may not protect our rights as fully as in the United States. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by or licensed to us is invalid or unenforceable, in whole or in part, or may refuse to stop the other party from using the technology at issue on the grounds that our or our licensors' patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our or our licensors' patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Interference or derivation proceedings provoked by third parties, brought by us or our licensors or collaborators, or brought by the USPTO or any non-US patent authority may be necessary to determine the priority of inventions or matters of inventorship with respect to our patents or patent applications. We may also become involved in other proceedings, such as reexamination or opposition proceedings, *inter partes* review, post-grant review or other preissuance or post-grant proceedings in the USPTO or its foreign counterparts relating to our intellectual property or the intellectual property of others. An unfavorable outcome in any such proceeding could require us or our licensors to cease using the related technology and commercializing our product candidates, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our licensors a license on commercially reasonable terms if any license is offered at all. Even if we or our licensors obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors. In addition, if the breadth or strength of protection provided by our or our licensor's patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Even if we successfully defend such litigation or proceeding, we may incur substantial costs and it may distract our management and other employees. We could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of shares of our common stock.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming, and inherently uncertain. The Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain

circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on future decisions by the U.S. Congress, the federal courts and/or the USPTO, the laws and regulations governing patents could change in unpredictable ways that may weaken our and our licensors' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future.

Patent reform legislation that has occurred could increase the uncertainties and costs surrounding the prosecution of our and our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to US patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents, all of which could have a material adverse effect on our business and financial condition.

If we are unable to protect the confidentiality of our trade secrets and other proprietary information, the value of our technology could be materially adversely affected and our business could be harmed.

In addition to seeking the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce, and other elements of our technology, discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. The T-cell product candidates and platform technology we have licensed from MSK are protected primarily as confidential know-how and trade secrets. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, including by enabling them to develop and commercialize products substantially similar to or competitive with our product candidates, thus eroding our competitive position in the market. Trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements and invention assignment agreements with our employees, consultants, and outside scientific advisors, contractors and collaborators. These agreements are designed to protect our proprietary information. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, or outside scientific advisors might intentionally or inadvertently disclose our trade secrets or confidential, proprietary information to competitors. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. If any of our confidential proprietary information were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, the laws of certain foreign countries do not protect proprietary rights such as trade secrets to the same extent or in the same manner as the laws of the United States. Misappropriation or unauthorized disclosure of our trade secrets to third parties could impair our competitive advantage in the market and could materially adversely affect our business, results of operations and financial condition.

Risks Related to Commercialization of Our Product Candidates

Our commercial success depends upon attaining significant market acceptance of our product candidates, if approved, among physicians, patients, healthcare payors and cancer treatment centers.

Even if we obtain regulatory approval for any of our product candidates that we may develop or acquire in the future, the product may not gain market acceptance among physicians, healthcare payors, patients or the medical community, including cancer treatment centers. Market acceptance of any of our product candidates for which we receive approval depends on a number of factors, including:

- the efficacy and safety of such product candidates as demonstrated in clinical trials;
- the clinical indications and patient populations for which the product candidate is approved;
- acceptance by physicians, major cancer treatment centers and patients of the drug as a safe and effective treatment;
- the adoption of novel cellular therapies by physicians, hospitals and third-party payors;

- the potential and perceived advantages of product candidates over alternative treatments;
- the safety of product candidates seen in a broader patient group, including its use outside the approved indications;
- any restrictions on use together with other medications;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of the FDA or other regulatory authorities;
- the timing of market introduction of our products as well as competitive products;
- the development of manufacturing and distribution processes for our novel T-cell product candidates;
- the cost of treatment in relation to alternative treatments;
- the availability of coverage and adequate reimbursement and pricing by third-party payors and government authorities;
- relative convenience and ease of administration; and
- the effectiveness of our sales and marketing efforts and those of our collaborators.

If any of our product candidates are approved but fail to achieve market acceptance among physicians, patients, healthcare payors or cancer treatment centers, we will not be able to generate significant revenues, which would compromise our ability to become profitable.

Even if we are able to commercialize our product candidates, the products may not receive coverage and adequate reimbursement from third-party payors in the United States and in other countries in which we seek to commercialize our products, which could harm our business.

Our ability to commercialize any product successfully will depend, in part, on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, determine which medications they will cover and establish reimbursement levels. A primary trend in the healthcare industry is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Third-party payors may also seek additional clinical evidence, beyond the data required to obtain regulatory approval, demonstrating clinical benefits and value in specific patient populations before covering our products for those patients. We cannot be sure that coverage and adequate reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain regulatory approval. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize any product candidate for which we obtain regulatory approval.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may only be temporary. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors in the United States often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

Recently enacted and future legislation, including potentially unfavorable pricing regulations or other healthcare reform initiatives, may increase the difficulty and cost for us to obtain regulatory approval of and commercialize our product candidates and affect the prices we may obtain.

The regulations that govern, among other things, regulatory approvals, coverage, pricing and reimbursement for new drug products vary widely from country to country. In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to successfully sell any product candidates for which we obtain regulatory approval. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our product candidates, if any, may be.

In the United States, the European Union and other potentially significant markets for our product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies, which has resulted in lower average selling prices. Furthermore, the increased emphasis on managed healthcare in the United States and on country and regional pricing and reimbursement controls in the European Union will put additional pressure on product pricing, reimbursement and usage, which may adversely affect our future product sales and results of operations. These pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and healthcare reform, pharmaceutical reimbursement policies and pricing in general.

Price controls may be imposed in foreign markets, which may adversely affect our future profitability.

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of regulatory approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we, or our collaborators, may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be adversely affected.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

We face competition from numerous pharmaceutical and biotechnology enterprises, as well as from academic institutions, government agencies and private and public research institutions for our current product candidates. Our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any products that we may develop. Competition could result in reduced sales and pricing pressure on our product candidates, if approved, which in turn would reduce our ability to generate meaningful revenues and have a negative impact on our results of operations. In addition, significant delays in the development of our product candidates could allow our competitors to bring products to market before us and impair any ability to commercialize our product candidates.

There are currently no FDA or EMA approved products for the treatment of EBV-PTLD. However, some approved products and therapies are used off-label in the treatment of EBV-PTLD, such as rituximab and combination chemotherapy regimens. In addition, a number of companies and academic institutions are developing drug candidates for EBV-PTLD and other EBV associated diseases including: Cell Medica Ltd., which is conducting Phase 1 clinical trials for baltaleucel-T, an autologous EBV specific T-cell therapy in post-transplant lymphoproliferative disorder.

Drug therapies approved or commonly used for CMV infection include antiviral compounds such as ganciclovir, valganciclovir, cidofovir and foscarnet. In addition, a number of companies and academic institutions are developing drug candidates for CMV infection and other CMV-associated diseases. These companies and academic institutions are in various stages of development with their product candidates with Merck & Co, Inc. completing Phase 3 clinical trials of letermovir, a CMV terminase inhibitor; Shire Plc, which has initiated Phase 3 clinical trials of Maribavir, a UL97 protein kinase inhibitor and Vical Inc. conducting Phase 3 clinical

trials in patients undergoing an allogeneic stem cell transplant for evaluating ASP0113, a therapeutics bivalent plasma DNA CMV vaccine.

Several products are approved for the treatment of relapsed or refractory multiple myeloma, including Kyprolis (marketed by Amgen Inc.), Revlimid and Pomalyst (marketed by Celgene Corporation), Velcade (marketed by Millennium Pharmaceuticals, Inc.) and Darzalex (marketed by Janssen Research & Development, LLC). In addition, a number of companies and academic institutions are in various stages of development for their drug candidates for relapsed or refractory multiple myeloma including AB Science SA, which is conducting a Phase 3 clinical trial for masitinib.

Many of the approved or commonly used drugs and therapies for EBV-PTLD, CMV and relapsed or refractory multiple myeloma are well-established and are widely accepted by physicians, patients and third-party payors. Some of these drugs are branded and subject to patent protection, and other drugs and nutritional supplements are available on a generic basis. Insurers and other third-party payors may encourage the use of generic products or specific branded products. We expect that, if any of these product candidates is approved, it will be priced at a significant premium over competitive generic products. This pricing premium may make it difficult for us to differentiate these products from currently approved or commonly used therapies and impede adoption of our product, which may adversely impact our business. In addition, many companies are developing new therapeutics, and we cannot predict what the standard of care will become as our products continue in clinical development.

Many of our competitors or potential competitors have significantly greater established presence in the market, financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do, and as a result may have a competitive advantage over us. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

As a result of these factors, these competitors may obtain regulatory approval of their products before we are able to obtain patent protection or other intellectual property rights, which will limit our ability to develop or commercialize our product candidates. Our competitors may also develop drugs that are safer, more effective, more widely used and cheaper than ours, and may also be more successful than us in manufacturing and marketing their products. These appreciable advantages could render our product candidates obsolete or noncompetitive before we can recover the expenses of development and commercialization.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any revenue.

We do not currently have an organization for the sale, marketing and distribution of pharmaceutical products and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so. In order to market any products that may be approved by the FDA and comparable foreign regulatory authorities, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. There are significant risks involved in building and managing a sales organization, including our ability to hire, retain and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, we may not be able to generate product revenues and may not become profitable. We will be competing with many companies that currently have extensive and well-funded sales and marketing operations. Without an internal commercial organization or the support of a third party to perform sales and marketing functions, we may be unable to compete successfully against these more established companies. If we are not successful in commercializing our current or future product candidates either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we would incur significant additional losses.

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of April 30, 2017, we had 113 employees. We need to grow the size of our organization in order to support our continued development and potential commercialization of our product candidates. In particular, we will need to add substantial numbers of additional personnel and other resources to support our development and potential commercialization of our product candidates. As our development and commercialization plans and strategies continue to develop, or as a result of any future acquisitions, our need for additional managerial, operational, manufacturing, sales, marketing, financial and other resources will increase. Our management, personnel and systems currently in place may not be adequate to support this future growth. Future growth would impose significant added responsibilities on members of management, including:

- managing our preclinical studies and clinical trials effectively;
- identifying, recruiting, maintaining, motivating and integrating additional employees;
- managing our internal development efforts effectively while complying with our contractual obligations to licensors, licensees, contractors and other third parties;
- improving our managerial, development, operational, information technology, and finance systems; and
- expanding our facilities.

As our operations expand, we will also need to manage additional relationships with various strategic partners, suppliers and other third parties. Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we must be able to manage our development efforts and preclinical studies and clinical trials effectively and hire, train and integrate additional management, research and development, manufacturing, administrative and sales and marketing personnel. Our failure to accomplish any of these tasks could prevent us from successfully growing our company.

Our future success depends on our ability to retain our executive officers and to attract, retain and motivate qualified personnel.

We are highly dependent upon our personnel, including Isaac E. Ciechanover, M.D., our President, Chief Executive Officer and founder, and Christopher Haqq, Ph.D., M.D., our EVP, Chief Scientific Officer. Our employment agreements with Drs. Ciechanover and Haqq are at-will and do not prevent them from terminating their employment with us at any time. The loss of the services of either of them could impede the achievement of our research, development and commercialization objectives.

Our future growth and success depend on our ability to recruit, retain, manage and motivate our employees. The loss of any member of our senior management team or the inability to hire or retain experienced management personnel could compromise our ability to execute our business plan and harm our operating results. Because of the specialized scientific and managerial nature of our business, we rely heavily on our ability to attract and retain qualified scientific, technical and managerial personnel. The competition for qualified personnel in the pharmaceutical field is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain regulatory approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we would market, sell and distribute our products. As a pharmaceutical company, even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third-party payors, federal and state healthcare laws and regulations pertaining to fraud and abuse and patients' rights are and will be applicable to our business. Restrictions under applicable federal and state healthcare laws and regulations that may affect our ability to operate include the following:

- the federal healthcare Anti-Kickback Statute will constrain our marketing practices, educational programs, pricing policies, and relationships with healthcare providers or other entities, by prohibiting, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;

- federal civil and criminal false claims laws and civil monetary penalty laws impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment or approval that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also created federal criminal laws that prohibit knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statements in connection with the delivery of or payment for healthcare benefits, items or services;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal physician sunshine requirements under the Affordable Care Act requires manufacturers of drugs, devices, biologics and medical supplies to report annually to HHS information related to payments and other transfers of value to physicians, other healthcare providers, and teaching hospitals, and ownership and investment interests held by physicians and other healthcare providers and their immediate family members and applicable group purchasing organizations;
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers; and
- marketing expenditures; and state and foreign laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any physicians or other healthcare providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could cause significant liability for us and harm our reputation.

We are exposed to the risk of employee fraud or other misconduct, including intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards we have established, comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately or disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. Product liability claims may be brought against us by subjects enrolled in our clinical trials, patients, healthcare providers or others using, administering or selling our products.

If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;
- loss of revenue;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any products that we may develop.

We currently hold product liability insurance coverage at a level that we believe is customary for similarly situated companies and adequate to provide us with insurance coverage for foreseeable risks, but which may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain regulatory approval for our product candidates in development, but we may be unable to obtain commercially reasonable product liability insurance for any products that receive regulatory approval. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business.

If we and our third-party manufacturers fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We and our third-party manufacturers are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our or our third-party manufacturers' use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials with a policy limit that we believe is customary for similarly situated companies and adequate to provide us with insurance coverage for foreseeable risks, this insurance may not provide adequate cover age against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological or hazardous materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions, which could adversely affect our business, financial condition, results of operations and prospects.

Our business and operations would suffer in the event of computer system failures or security breaches.

Our internal computer systems, and those of MSK, our CROs, our CMOs, and other business vendors on which we rely, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, fire, terrorism, war and telecommunication and electrical failures. We exercise little or no control over these third parties, which increases our vulnerability to problems with their systems. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or

proprietary information, we could incur liability, the further development of our product candidates could be delayed and our business could be otherwise adversely affected.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

Our ability to use federal and state net operating loss, or NOL, carryforwards to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income before the expiration dates of the NOL carryforwards, and we cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all or a portion of our NOL carryforwards. As of December 31, 2016, we had federal and state NOL carryforwards for tax return purposes of $100.0 million and $130.1 million, respectively, which, if not utilized, begin to expire in various amounts beginning in the year 2032. Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if over a rolling three-year period, the cumulative change in our ownership exceeds 50% (as determined under applicable Treasury regulations), our ability to utilize our U.S. NOL carryforwards and other pre-change tax attributes (such as research tax credits) to offset future taxable income or taxes may be limited. We completed a Section 382 study of transactions in our stock through December 31, 2016 and concluded that we have experienced at least one ownership change since inception and our utilization of NOL carryforwards will therefore be subject to annual limitation. Our ability to utilize our NOL carryforwards may be further limited as a result of subsequent ownership changes. Similar rules may apply under state tax laws. Further, other provisions of the Code may limit our ability to utilize NOLs incurred before our recapitalization to offset income or gain realized after the recapitalization, unless such income or gain is realized by the same entity that originally incurred such NOLs. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited. Such limitations could result in the expiration of our NOL carryforwards before they can be utilized and, if we are profitable, our future cash flows could be adversely affected due to our increased tax liability.

Business disruptions could seriously harm our future revenues and financial condition and increase our costs and expenses.

Our operations could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or manmade disasters or business interruptions, for which we are predominantly self-insured. Two of our corporate locations are located in California, an area prone to earthquakes. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We rely on third-party manufacturers to produce our product candidates. Our ability to obtain clinical supplies of product candidates could be disrupted, if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption. The ultimate impact on us, our significant suppliers and our general infrastructure is unknown, but our operations and financial condition could suffer in the event of a major earthquake, fire or other natural disaster.

Risks Related to Ownership of Our Common Stock

Our stock price has been and will likely continue to be volatile and may decline regardless of our operating performance.

Our stock price has fluctuated in the past and can be expected to be volatile in the future. From October 16, 2014, the first date of trading of our common stock, through March 31, 2017, the reported sale price of our common stock has fluctuated between $9.66 and $65.56 per share. The stock market in general and the market for biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may experience losses on their investment in our common stock. The market price of our common stock may be influenced by many factors, including the following:

- the success of competitive products or technologies;
- regulatory actions with respect to our product candidates or products or our competitors' product candidates or products;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- results of clinical trials of our product candidates or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or clinical development programs;

- the results of our efforts to in-license or acquire additional product candidates or products;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or our other stockholders;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other risks described in this "Risk Factors" section.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock has been volatile, and in the past companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Our executive officers, directors and stockholders own a significant portion of our outstanding voting stock. These stockholders may be able to determine the outcome of all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. Moreover, certain holders of shares of our common stock will have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We have registered and intend to continue to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates.

We are an "emerging growth company" and are taking advantage of reduced disclosure and governance requirements applicable to emerging growth companies, which could result in our common stock being less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we are taking advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer

an emerging growth company, which in certain circumstances could be for up to five years from the date of our initial public offering. We will cease to be an "emerging growth company" upon the earliest of: (1) December 31, 2019; (2) the last day of the first fiscal year in which our annual gross revenues are $1 billion or more; (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (4) the date on which we are deemed to be a "large accelerated filer" as defined in the Exchange Act.

Our status as an "emerging growth company" under the JOBS Act may make it more difficult to raise capital as and when we need it.

Because of the exemptions from various reporting requirements provided to us as an "emerging growth company" we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

We have incurred and will continue to incur increased costs as a result of being a public company and our management expects to devote substantial time to public company compliance programs.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses. We are subject to the reporting requirements of the Exchange Act, which require, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Stock Market to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted and will adopt additional rules and regulations, such as mandatory "say on pay" voting requirements, that will apply to us when we cease to be an emerging growth company. Stockholder activism, the current political environment and the potential for future regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

The rules and regulations applicable to public companies have substantially increased our legal and financial compliance costs and make some activities more time-consuming and costly. To the extent these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of potential gain.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We expect that significant additional capital will be needed in the future to continue our planned operations. To raise capital, we may sell substantial amounts of common stock or securities convertible into or exchangeable for common stock. These future issuances of common stock or common stock-related securities, together with the exercise of outstanding options and any additional shares issued in connection with acquisitions or in-licenses, if any, may result in material dilution to our investors. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences and privileges senior to those of holders of our common stock.

Pursuant to our equity incentive plans, our compensation committee is authorized to grant equity-based incentive awards to our employees, non-employee directors and consultants. Future grants of RSUs, options and other equity awards and issuances of common stock under our equity incentive plans will result in dilution and may have an adverse effect on the market price of our common stock.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation, or certificate of incorporation, and amended and restated bylaws, or bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, or remove our current management. These include provisions that will:

- permit our board of directors to issue up to 20,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate;
- provide that all vacancies on our board of directors, including as a result of newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- not provide for cumulative voting rights, thereby allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election; and
- provide that special meetings of our stockholders may be called only by the board of directors or by such person or persons requested by a majority of the board of directors to call such meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, who are responsible for appointing the members of our management. For example, our board is divided into three classes. Each class has a three-year term. These classes make it more difficult to replace a majority of our directors in a short period of time. Because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may discourage, delay or prevent someone from acquiring us or merging with us whether or not it is desired by or beneficial to our stockholders. Under Delaware law, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. In the event securities or industry analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Atara Biotherapeutics, Inc.	S-1	333-196936	3.2	6/20/2014	
3.2	Amended and Restated Bylaws of Atara Biotherapeutics, Inc.	S-1	333-196936	3.4	6/20/2014	
4.1	Form of Atara Biotherapeutics, Inc. Common Stock Certificate.	S-1/A	333-196936	4.1	7/10/2014	
4.2	Investor Rights Agreement of Atara Biotherapeutics, Inc., dated March 31, 2014.	S-1	333-196936	4.2	6/20/2014	
10.1	Standard Industrial Lease by and between Thousand Oaks Industrial Portfolio, LLC and Atara Biotherapeutics, Inc., dated February 6, 2017.					X
31.1	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1(1)	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Schema Document					X
101.CAL	XBRL Calculation Linkbase Document					X
101.LAB	XBRL Labels Linkbase Document					X
101.PRE	XBRL Presentation Linkbase Document					X
101.DEF	XBRL Definition Linkbase Document.					X
(1)	The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.					

SIGNATURES

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

ATARA BIOTHERAPEUTICS, INC.

Date: May 4, 2017

By: /s/ Isaac Ciechanover
Isaac Ciechanover
President and Chief Executive Officer
(Duly Authorized Officer and Principal Executive Officer)

By: /s/ John F. McGrath, Jr.
John F. McGrath, Jr.
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Index to Exhibits

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EXHIBIT 10.1

STANDARD INDUSTRIAL LEASE
(NET)

1. BASIC LEASE TERMS.

(a) DATE OF LEASE EXECUTION: February 6, 2017

(b) TENANT: ATARA BIOTHERAPEUTICS, INC.,
a Delaware corporation

Trade Name: Atara Biotherapeutics

Address (Premises): [To Be Determined]

Address for Notices: Atara Biotherapeutics, Inc.
611 Gateway, Suite 900
South San Francisco, CA 94080
Attn: General Counsel

with a copy to:

Atara Biotherapeutics, Inc.
611 Gateway, Suite 900
South San Francisco, CA 94080
Attn: Chief Financial Officer

(c) LANDLORD: THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC,
a Delaware limited liability company

Address for Rent: c/o SARES•REGIS Group
18802 Bardeen Avenue
Irvine, CA 92612
Attn: Property Manager, Commercial Property Services Division

Address for Notices: c/o SARES•REGIS Group
18802 Bardeen Avenue
Irvine, CA 92612
Attn: Property Manager, Commercial Property Services Division

with a copy to:

c/o J.P. Morgan Asset Management
2029 Century Park East, Suite 4150
Los Angeles, CA 90067
Attn: Asset Manager

(d) TENANT'S PERMITTED USE OF PREMISES: Research, development and production of pharmaceuticals (including commercialization of products and manufacture, storage and distribution of commercial products), and general office uses incidental thereto, subject to the provisions set forth in this Lease and as permitted by law.

(e) PREMISES; BUILDING; PROJECT: Approximately 90,580 square feet of floor area (the "Premises") comprising the entire building commonly known as Building #7, as shown on **Exhibit A** attached hereto (the "Building"). The foregoing square footage is exclusive of the "Shell Modifications" being constructed in accordance with the Landlord's Work Letter attached hereto as **Exhibit C** (it being acknowledged and agreed that for purposes of calculating Basic Rent and/or the Building's Share of the Project, the square footage of the Shell Modifications shall not be included). The Building shall be constructed as part of the "Building Improvements" in accordance with the Landlord's Work Letter attached hereto as **Exhibit C**. The Building is part of the project commonly known as Conejo Spectrum (the "Project").

TENANT'S SHARE OF THE BUILDING: 100%, which is the ratio that the square footage of the Premises bears to the square footage of the Building.

BUILDING'S SHARE OF THE PROJECT: The ratio that the square footage of the Building bears to the square footage of the Project as constructed from time to time based upon the total square footage of buildings in the Project that are substantially complete at such time. Notwithstanding anything herein to the contrary, in the event the entirety of the Project has not yet been constructed, then for purposes of determining the Building's Share of the Project Expenses (as defined in Subparagraph 13(c) below), the "Project" shall be defined as only those parcels that have been developed and fully constructed such that a certificate of occupancy can be issued (i.e., it is the intent of the parties that in no event shall any Project Expenses attributable to undeveloped parcels within the Project be included in the Project Expenses allocable to the Building). In no event shall the Project

Expenses allocable to the Building and payable by Tenant be higher than the Project Expenses allocable to the Building had the entirety of the Project been fully developed and constructed.

(f) PREMISES LAND: Approximately 225,502 square feet of land on which the Building is located as shown on **Exhibit A** attached hereto.

(g) TERM; COMMENCEMENT DATE; RENT COMMENCEMENT DATE; EXPIRATION DATE:

Term: Commencing on the Commencement Date (as defined below) and continuing for approximately 180 months from the Rent Commencement Date (as defined below), subject to extension as set forth in **Rider 1** attached hereto.

Commencement Date: Determined in accordance with the Landlord's Work Letter attached hereto as **Exhibit C**.

Rent Commencement Date: The date that is 60 days after the Commencement Date; provided, however, such sixty (60) day period shall be extended on a day for day basis for any Landlord Delay occurring on or after the Commencement Date. As used herein, the term "Landlord Delay" shall mean the following occurring on or after the Commencement Date to the extent actually causing delays in the completion of the Tenant's Work (as defined in Subparagraph 14(d) below): (i) failure of Landlord to timely approve or disapprove any plans for Tenant's Work within the time periods set forth herein; (ii) material and unreasonable interference by Landlord, its agents, contractors, property manager or employees with the completion of the initial Tenant Work; (iii) delays due to any latent defects in the "Landlord's Work" (as defined in **Exhibit C** attached hereto) or otherwise arising from the breach of Landlord's warranty set forth in Subparagraph 4(d) below; and (iv) the discovery by Tenant of Hazardous Materials (as defined in **Exhibit H** attached hereto) in the Premises that were pre-existing at the Premises prior to the date of this Lease or brought into the Premises by Landlord, its agents, contractors, property manager or employees. If Tenant contends that a Landlord Delay has occurred, Tenant shall notify Landlord in writing (the "Landlord Delay Notice") of the event which constitutes such Landlord Delay. In connection with any Landlord Delay, if such actions, inaction or circumstance described in the Landlord Delay Notice are not cured by Landlord within two (2) business days of Landlord's receipt of the Landlord Delay Notice and if such action, inaction or circumstance otherwise qualify as a Landlord Delay, then a Landlord Delay shall be deemed to have occurred commencing as of the date that is three (3) business days following Landlord's receipt of the Landlord Delay Notice and ending as of the date such Landlord Delay ends.

Expiration Date: The last day of the 180th full calendar month immediately following the Rent Commencement Date.

(h) BASIC RENT:

Months	Basic Rent Per Month
1* – 12**	$74,422.00**
13 – 24	$76,654.66
25 – 36	$78,954.30
37 – 48	$81,322.93
49 – 60	$83,762.62
61 – 72	$86,275.50
73 – 84	$88,863.76
85 – 96	$91,529.67
97 – 108	$94,275.56
109 – 120	$97,103.83
121 – 132	$100,016.94
133 – 144	$103,017.45
145 – 156	$106,107.98
157 – 168	$109,291.22
169 – 180	$112,569.95

*Commencing on the Rent Commencement Date, and including any partial month in which the Rent Commencement Date occurs, which partial month shall be prorated in accordance with Subparagraph 5(a) below.

**Tenant's obligation to pay Basic Rent shall be conditionally abated for the 2nd through the 4th full calendar months of the Term, inclusive (i.e., for a period of 3 full calendar months) (the "Basic Rent Abatement Period"), as set forth in Subparagraph 5(d) below.

(i) PREPAID RENT (Basic Rent for first month of Term, and estimated additional rent for first month of Term): $90,726.40.

(j) SECURITY DEPOSIT: None.

(k) BROKER(S): Colliers International, representing Landlord and Tenant.

(l) GUARANTOR(S): None.

(m) TENANT IMPROVEMENTS: All tenant improvements installed or to be installed by Landlord pursuant to the terms of the Landlord's Work Letter attached hereto as **Exhibit C**.

(n) LETTER OF CREDIT: $1,200,000.00, subject to increase as set forth in Paragraph 14 below and/or reduction as set forth in **Rider 2** attached hereto.

(o) RIDERS: **Riders 1**, **2** and **3** are attached hereto and made a part hereof.

(p) EXHIBITS: **Exhibits A**, **C**, **D**, **E**, **F**, **G**, **H**, **I-1**, **I-2**, **J**, **K**, **L**, **N** and **O**, are attached hereto and made a part hereof.

This Paragraph 1 represents a summary of the basic terms of this Lease. In the event of any inconsistency between the terms contained in this Paragraph 1 and any specific provision of this Lease, the terms of the more specific provision shall prevail.

2. PREMISES.

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Premises referenced in Paragraph 1 and outlined on the Depiction of Premises attached hereto as **Exhibit A** and incorporated herein by this reference. The Premises consists of that certain Building located at the address designated in Subparagraph 1(b), if available as of the date of this Lease, and the parcel or parcels of real property described on the Description of Premises Land attached hereto as **Exhibit B** and incorporated herein by this reference which is for the exclusive use of Tenant.

(b) The parties agree that the letting and hiring of the Premises is upon and subject to the terms, covenants and conditions herein set forth and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance.

3. LEASE TERM.

The Term of this Lease shall be for the period designated in Subparagraph 1(g) commencing on the Commencement Date, and ending on the Expiration Date, unless the term hereby demised shall be sooner terminated as herein provided (the "Term"). Notwithstanding the foregoing, if the Rent Commencement Date falls on any day other than the first day of a calendar month then the Expiration Date shall be measured from the first day of the month following the month in which the Rent Commencement Date occurs. Landlord and Tenant shall execute **Exhibit D** to confirm the Commencement Date, the Rent Commencement Date and the Expiration Date and other matters.

4. POSSESSION.

(a) Delivery of Possession. Subject to Subparagraph 4(c) below, Landlord agrees to deliver possession of the Premises to Tenant upon the "substantial completion" of "Landlord's Work" in accordance with the terms of the Landlord's Work Letter attached hereto as **Exhibit C**. Notwithstanding the foregoing, Landlord shall not be obligated to deliver possession of any portion of the Premises to Tenant (including, without limitation, pursuant to Subparagraph 4(c) below) until Landlord has received from Tenant all of the following: (i) the Prepaid Rent; (ii) the Initial Shell Modification Payment (as defined in **Exhibit C** attached hereto) and all Shell Modification Costs (as defined in **Exhibit C** attached hereto) payable to date in accordance with **Exhibit C** attached hereto; (iii) the L-C (as defined in **Rider 2** attached hereto); (iv) executed copies of policies of insurance or certificates thereof as required under Paragraph 16 of this Lease; (v) copies of all governmental permits and authorizations required for Tenant to commence Tenant's Work; and (vi) an executed original of the Hazardous Materials Questionnaire in the form attached hereto as **Exhibit I-1** (which Landlord acknowledges Landlord has received, a copy of which is attached hereto as **Exhibit I-2**).

(b) Condition of Premises. Subject to the terms of this Lease and the Work Letter attached hereto as **Exhibit C**, by taking possession of the Premises, Tenant will be deemed to have accepted such portion of the Premises in its "AS-IS," "WHERE-IS," with all faults condition on the date of delivery of possession and to have

acknowledged that there are no items needing work or repair. Subject to the terms of this Lease and the Work Letter attached hereto as **Exhibit C**, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or any portions thereof or with respect to the suitability of same for the conduct of Tenant's business or any other business.

(c) Early Entry. Notwithstanding the fact that the Term has not commenced, Landlord agrees to permit Tenant to enter the Premises upon "substantial completion" (as defined below) of those items of Landlord's Work set forth in **Exhibit K** attached hereto ("Landlord's Early Entry Work") in order to commence construction of Tenant's Work; provided, however, that Landlord may permit Tenant to enter the Premises prior to the substantial completion of all Landlord's Early Entry Work to perform limited portions of Tenant's Work, as determined by Landlord in its sole and absolute discretion. Landlord's Early Entry Work shall be deemed to be "substantially completed" when Landlord has substantially completed Landlord's Early Entry Work in accordance with the applicable "Plans" (as defined in **Exhibit C** attached hereto), other than decoration and minor "punch-list" type items and adjustments which do not materially interfere with Tenant's ability to perform Tenant's Work. Such entry shall be subject to all of the conditions set forth in this Subparagraph 4(c) below. Such early entry is conditioned upon Tenant and its contractors, employees, agents and invitees working in harmony and not interfering with Landlord and its contractors. Landlord may immediately terminate such early entry in the event of any such interference or in the event that such early entry would increase the cost of Landlord's Work. Tenant agrees that any such early entry is subject to all of the terms and conditions of this Lease, except for those relating to the payment of rent and other recurring monetary obligations which have a specific commencement time, which provisions will become applicable in accordance with the terms of this Lease. Without limiting the generality of the foregoing, such early entry shall be conditioned upon Tenant first delivering to Landlord the items described in Subparagraph 4(a) of this Lease and Tenant shall be specifically bound by the terms of Paragraphs 8 (Use of Premises and Project Facilities), 15 (Release and Indemnity) and 16 (Insurance) of this Lease during such early entry period. The parties estimate that substantial completion of Landlord's Early Entry Work will occur on or around the date that is one hundred forty (140) days after the date that is the later of (i) the date that Landlord receives the permits necessary to commence Landlord's Work, and (ii) the date that Landlord receives the Initial Shell Modification Payment (such estimated date being the "Anticipated Early Entry Date"). Landlord shall use its commercially reasonable efforts to cause Landlord's Early Entry Work to be substantially completed on or before the Anticipated Early Entry Date, subject to "Tenant Delays" and "Force Majeure Delays" (as such terms are defined in **Exhibit C** attached hereto). Tenant agrees that if Landlord's Early Entry Work is not substantially completed on or prior to the Anticipated Early Entry Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, except as expressly set forth below. Notwithstanding the foregoing, if Landlord's Early Entry Work is not substantially completed on or before the date that is one hundred seventy (170) days after the date that is the later of (y) the date that Landlord receives the permits necessary to commence Landlord's Work, and (z) the date that Landlord receives the Initial Shell Modification Payment (as such outside date shall be extended for any Tenant Delays and Force Majeure Delays, the "Outside Early Entry Date"), then as Tenant's sole and exclusive remedy therefor, Tenant shall receive one (1) day worth of Basic Rent credit for each day beyond the Outside Early Entry Date until Landlord's Early Entry Work is substantially completed (as such date of substantial completion shall be deemed to be accelerated for any Tenant Delays and Force Majeure Delays occurring from and after the Outside Early Entry Date). For the avoidance of doubt, nothing herein shall limit the rights of Tenant set forth in **Exhibit C** attached hereto in the event that the Landlord's Work is not substantially completed on or before the "Outside Substantial Completion Date" (as defined in **Exhibit C** attached hereto).

(d) Compliance. Landlord hereby represents and warrants to Tenant that on the date that Landlord's Work is fully complete (including all punch-list items), Landlord's Work shall be in substantial compliance with all Applicable Laws (as defined in Subparagraph 8(b) below); provided, however, except as set forth in this Subparagraph 4(d), that Landlord shall have no liability hereunder for any breach of the above warranty resulting from Tenant's specific use of the Premises, the performance of Tenant's Work or any other work performed by or on behalf of Tenant (excluding Landlord's Work), or by the acts or omissions of Tenant or any of its agents, contractors, sublessees, employees or invitees; and provided further that as Tenant's sole remedy for Landlord's breach of the above warranty, Tenant shall have the right to cause Landlord to cure such non-compliant condition to the extent required by such Applicable Laws (subject to the limitations set forth herein). In the event Landlord breaches the above warranty and as a result thereof Tenant is unable to use (and does not use) all or a portion of the Premises for the conduct of its business the permitted use set forth in Subparagraph 1(d), then Tenant shall be entitled to receive an abatement of Basic Rent and the additional rent provided for in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), with respect to the area that is unusable (and not used by Tenant), until such date as Landlord cures the breach of the warranty, or such date as Tenant resumes using such area, if earlier.

5. RENT.

(a) Basic Rent. Tenant agrees to pay Landlord Basic Rent for the Premises at the Basic Rent rate designated in Subparagraph 1(h) in twelve (12) equal monthly installments, each in advance of the first day of each and every calendar month during the Term commencing on the Rent Commencement Date, except that the Prepaid Rent set forth in Subparagraph 1(i) shall be paid upon the execution of this Lease and applied to the first full calendar month occurring during the Term. If the Term of this Lease commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the rent (as defined below) for such periods shall be prorated in the proportion that the number of days this Lease is in effect during such periods bears to thirty (30), and such rent shall be paid at the commencement of such period. In addition to the Basic Rent, Tenant agrees to pay additional rent as provided in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), the amount of all rental adjustments as and when hereinafter provided in this Lease, and a management fee of two and one-half percent (2.5%) of the rent (i.e., Basic Rent and additional rent) payable by Tenant pursuant to the terms of this Lease to cover Landlord's management, overhead and administrative expenses

related to the operation of the Building, whether performed by Landlord's personnel or delegated by Landlord to a professional property manager. The Basic Rent, any additional rent payable pursuant to the provisions of this Lease, and any rental adjustments shall be paid to Landlord, without any prior demand therefor, and without any deduction or offset whatsoever in lawful money of the United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in Subparagraph 1(c) or to such other person or at such other place as Landlord may from time to time designate in writing. Further, all charges to be paid by Tenant hereunder, including, without limitation, payments for real property taxes, insurance, repairs, and parking, if any, shall be considered "additional rent" for the purposes of this Lease, and the word "rent" in this Lease shall include such additional rent unless the context specifically or clearly implies that only the Basic Rent is referenced. Basic Rent shall be adjusted as provided in Subparagraph 1(h).

(b) Late Payment. Tenant acknowledges that late payment by Tenant to Landlord of any rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by the Premises. Therefore, if any recurring rent or other sum due from Tenant is not received within five (5) calendar days when due, or if any non-recurring rent or other sum due from Tenant is not received within five (5) calendar days following receipt of written notice that Tenant failed to timely pay such sum, Tenant shall pay to Landlord an additional sum equal to ten percent (10%) of such overdue payment for each month such payment remains overdue. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment. Additionally, all such delinquent rents or other sums, shall bear interest at the lesser of (i) twelve percent (12%) per annum or (ii) the maximum legal interest rate (as applicable, the "Interest Rate"). Any payments of any kind returned for insufficient funds will be subject to an additional handling charge of $25.00.

(c) Triple Net Lease. Landlord and Tenant acknowledge that, except as otherwise expressly provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "TRIPLE NET" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project (as applicable), and Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as additional rent hereunder.

(d) Abatement of Basic Rent.

i) Provided Tenant is not in default under this Lease (beyond any applicable notice and cure periods), Landlord hereby agrees to abate Tenant's obligation to pay Basic Rent during the Basic Rent Abatement Period (such total amount of abated Basic Rent being hereinafter referred to as the "Abated Basic Rent"). During the Basic Rent Abatement Period, Tenant will still be responsible for the payment of all other monetary obligations under this Lease. Tenant acknowledges that any default under this Lease (beyond any applicable notice and cure periods) will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the Term of this Lease be in default under this Lease (beyond any applicable notice and cure periods), then the total unamortized sum of such Abated Basic Rent (amortized on a straight line basis over the last one hundred seventy-five (175) full calendar months of the initial Term) so conditionally excused shall become immediately due and payable by Tenant to Landlord and any remaining Abated Basic Rent shall no longer be available to Tenant as a rent credit from the date of such default. Tenant acknowledges and agrees that nothing in this Subparagraph 5(d) is intended to limit any other remedies available to Landlord at law or in equity under Applicable Laws (as defined in Subparagraph 8(b) below) (including, without limitation, the remedies under California Civil Code Sections 1951.2 and/or 1951.4 and any successor statutes or similar laws) in the event of a default under this Lease (beyond any applicable notice and cure periods).

ii) Landlord shall have the option to make a cash payment (the "Buyout Payment") to Tenant in the amount of the remaining Abated Basic Rent due under Subparagraph 5(d)(i) above, discounted at the rate of ten percent (10%) per annum from the last day of the Basic Rent Abatement Period to the first day of the month during which the Buyout Payment is made. Upon Landlord's tender of such Buyout Payment, Tenant shall no longer be entitled to the Abated Basic Rent pursuant to this Lease. Landlord shall exercise its option to buy out the Abated Basic Rent by delivering at least ten (10) days' prior written notice thereof to Tenant, and shall make the Buyout Payment to Tenant on or about the date set forth in such notice. The amount of Buyout Payment shall be calculated as follows: Landlord, acting reasonably and in good faith, shall estimate the total amount of the remaining Abated Basic Rent, which estimate shall be based on the actual remaining Basic Rent abated pursuant to Subparagraph 5(d)(i) above.

6. PREPAID RENT.

Upon execution of this Lease, Tenant shall pay to Landlord the Prepaid Rent set forth in Subparagraph 1(i), and if Tenant is not in default of any provisions of this Lease, the Basic Rent component of such Prepaid Rent shall be applied during the first (1st) full calendar month during the Term, and the estimated additional rent component of such Prepaid Rent shall be applied during the first (1st) full calendar month during the Term. Landlord's obligations with respect to the Prepaid Rent are those of a debtor and not of a trustee, and Landlord can commingle the Prepaid Rent with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the Prepaid Rent.

Landlord shall be entitled to immediately endorse and cash Tenant's Prepaid Rent; however, such endorsement and cashing shall not constitute Landlord's acceptance of this Lease. In the event Landlord does not accept this Lease, Landlord shall return said Prepaid Rent. If Landlord sells the Premises and deposits with the purchaser the Prepaid Rent, Landlord shall be discharged from any further liability with respect to the Prepaid Rent.

7. INTENTIONALLY DELETED.

8. USE OF PREMISES AND PROJECT FACILITIES.

(a) Tenant's Use of the Premises. Tenant shall use the Premises for the use or uses set forth in Subparagraph 1(d) above, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord makes no representations or warranties that said use of the Premises or any other use of the Premises is permitted by any duly constituted public authority having jurisdiction over the Premises or the conduct of Tenant's business.

(b) Compliance. At Tenant's sole cost and expense, Tenant shall procure, maintain and hold available for Landlord's inspection, all governmental licenses and permits required for Tenant's use of the Premises and the proper and lawful conduct of Tenant's business from the Premises. Tenant shall at all times during the Term of this Lease, at its sole cost and expense, observe and comply with the certificate of occupancy issued for the Building and all laws, statutes, zoning restrictions, ordinances, rules, regulations and requirements of any duly constituted public authority having jurisdiction over the Premises now or hereafter in force relating to or affecting the use, occupancy, alteration or improvement of the Premises including, without limitation, the provisions of Title III of the Americans with Disabilities Act of 1990, as amended (collectively, "Applicable Laws"), except to the extent compliance with Applicable Laws is Landlord's responsibility pursuant to Subparagraph 13(b) below. Tenant shall not use or occupy the Premises in violation of any of the foregoing. Tenant shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental and/or quasi-governmental authority having jurisdiction over the Premises to be a violation of law or of said certificate of occupancy. Tenant shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters or any other insurance authority having jurisdiction over the Premises or any present or future insurer relating to the Premises. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for any existing insurance policy or endorsement required by reason of Tenant's failure to comply with the provisions of this Paragraph 8. Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all restrictive covenants and obligations now or hereafter recorded against the Premises Land and/or created by private contracts which affect the use and operation of the Premises, including, without limitation, the Rules and Regulations referred to in Paragraph 32 and attached hereto as **Exhibit F**; provided, however, that Tenant shall not have an obligation to comply with any such items which are *hereafter* recorded or created to the extent such items materially and adversely affect Tenant's ability to use the Premises for the permitted use set forth in Subparagraph 1(d), except to the extent required by Applicable Laws. Tenant shall not commit or suffer to be committed any waste in or upon the Premises and shall keep the Premises in first-class repair and appearance, ordinary wear and tear excepted. Further, Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant as to eliminate or minimize such vibration or noise. Tenant shall be responsible for all structural engineering required to determine structural load, as well as the expense thereof.

(c) Hazardous Materials. Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released into the environment or disposed of in, on, under or about the Premises by Tenant, its agents, employees, contractors or invitees, in violation of the terms of **Exhibit H** attached hereto.

(d) Parking. Landlord grants to Tenant and Tenant's customers, suppliers, employees and invitees, an exclusive license to use the vehicle parking spaces located on the Premises Land for the use of motor vehicles during the Term of this Lease. The initial lay-out of the vehicle parking spaces located on the Premises Land is depicted on **Exhibit A** attached hereto. **Exhibit A** depicts the total number of parking spaces to be delivered by Landlord as part of Landlord's Work. Landlord reserves the right at any time to promulgate rules and regulations relating to the use of such parking areas, including reasonable restrictions thereon. Overnight parking is prohibited and any vehicle violating this or any other vehicle regulation adopted by Landlord is subject to removal at the owner's expense.

(e) California Accessibility Disclosure. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises has not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code: "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." In furtherance of and in connection with such notice: (i) Tenant, having read such notice and understanding Tenant's right to request and obtain a CASp inspection and with advice of counsel, hereby elects not to obtain such CASp inspection and forever waives its rights to obtain a CASp inspection with respect to the Premises, Building and/or Project to the extent permitted by Applicable Laws now or hereafter in effect; and (ii) if the waiver set forth in clause (i) hereinabove is not enforceable pursuant to Applicable Laws now or hereafter in effect, then Landlord and Tenant hereby agree as follows (which constitute the mutual agreement of the parties as to the matters described in the last sentence of the

foregoing notice): (A) Tenant shall have the one-time right to request for and obtain a CASp inspection, which request must be made, if at all, in a written notice delivered by Tenant to Landlord on or before the Commencement Date; (B) any CASp inspection timely requested by Tenant shall be conducted (1) between the hours of 9:00 a.m. and 5:00 p.m. on any business day, (2) only after ten (10) days' prior written notice to Landlord of the date of such CASp inspection, (3) in a professional manner by a CASp designated by Landlord and without any testing that would damage the Premises, Building or Project in any way, and (4) at Tenant's sole cost and expense, including, without limitation, Tenant's payment of the fee for such CASp inspection, the fee for any reports prepared by the CASp in connection with such CASp inspection (collectively, the "CASp Reports") and all other costs and expenses in connection therewith; (C) Tenant shall deliver a copy of any CASp Reports to Landlord within two (2) business days after Tenant's receipt thereof; (D) Tenant, at its sole cost and expense, shall be responsible for making any improvements, alterations, modifications and/or repairs to or within the Premises to correct violations of construction-related accessibility standards including, without limitation, any violations disclosed by such CASp inspection; and (E) if such CASp inspection identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building and Project located outside the Premises that are Landlord's obligation to repair as set forth in this Lease, then Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by Applicable Laws to correct such violations, and Tenant shall reimburse Landlord for the cost of such improvements, alterations, modifications and/or repairs within ten (10) business days after Tenant's receipt of an invoice therefor from Landlord.

(f) Survival. The provisions of this Paragraph 8 shall survive any termination of this Lease.

9. SURRENDER OF PREMISES; RESTORATION; HOLDING OVER.

Upon the expiration of the Term of this Lease including any extension periods, Tenant shall surrender to Landlord the Premises in good condition, except for ordinary wear and tear, subject to Tenant's payment obligations for the Restoration Work (as defined below) as set forth below. Further, upon the expiration of the Term of this Lease including any extension periods, Tenant shall remove all personal property, including, without limitation, all wallpaper, paneling and other decorative improvements or fixtures and shall perform all restoration made necessary by the removal of Tenant's personal property before the expiration of the Term, including, for example, restoring all wall surfaces to their condition prior to the commencement of this Lease. Landlord may elect to retain or dispose of in any manner Tenant's personal property not removed from the Premises by Tenant prior to the expiration of the Term. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storage, removal or disposal of Tenant's personal property.

Notwithstanding the foregoing, Landlord may, within sixty (60) days before or sixty (60) days after expiration of the Term (as such date after the expiration of the Term shall be extended due to Tenant Delays and Force Majeure Delays, the "Outside Restoration Bid Date"), require Tenant to pay to Landlord the estimated costs to remove any and all improvements within the Premises (including, without limitation, Landlord's Work, Tenant's Work and any other alterations made by or on behalf of Tenant) and restore the Premises, so as to return the Premises to a shell condition (as determined in Landlord's reasonable discretion) (collectively, the "Restoration Work"), as more particularly set forth below. If Landlord so elects, Landlord shall competitively bid the Restoration Work with at least two (2) contractors selected by Landlord and approved by Tenant (in Tenant's commercially reasonable discretion). The restoration payment due and payable by Tenant (the "Restoration Payment") shall be equal to the amount of the lowest bid received by Landlord after conducting such competitive bidding process (such bids being collectively referred to herein as the “Restoration Bids”). Landlord shall promptly provide copies of all of the Restoration Bids to Tenant as a condition precedent to Tenant being required to pay the Restoration Payment to Landlord. Within thirty (30) days after Tenant's receipt of the Restoration Bids, Tenant shall pay to Landlord the Restoration Payment. Notwithstanding anything herein to the contrary, in no event shall Tenant have any obligation to perform such Restoration Work and Tenant’s sole obligation with respect thereto is to pay to Landlord the Restoration Payment in accordance with this Paragraph 9. In the event Landlord fails to deliver to Tenant the Restoration Bids by the Outside Restoration Bid Date, then Tenant’s obligation to make any Restoration Payment shall be deemed waived by Landlord.

If Tenant, with Landlord's consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on written thirty (30) day notice at any time, by either party. All provisions of this Lease, except those pertaining to Term and rent, shall apply to the month-to-month tenancy. During the initial month of such month-to-month tenancy, Tenant shall pay monthly rent in an amount equal to 125% of Basic Rent for the last full calendar month during the immediately preceding Term plus 100% of additional rent as provided in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), subject to increase as provided therein, and after such initial month, Tenant shall pay monthly rent in an amount equal to 150% of Basic Rent for the last full calendar month during the immediately preceding Term plus 100% of additional rent as provided in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), subject to increase as provided therein. Any such holdover rent shall be paid on a per month basis without reduction for partial months during the holdover. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute consent to a hold over hereunder or result in an extension of this Lease. This paragraph shall not be construed to create any express or implied right to holdover beyond the expiration of the Term or any extension thereof. If Tenant fails to surrender the Premises after the later to occur of (i) thirty (30) days following the expiration or termination of the Term or (ii) the date that is thirty (30) days after Tenant receives written notice from Landlord that Landlord intends to lease the Premises (or a portion thereof) to a succeeding tenant, then Tenant shall indemnify, defend and hold harmless Landlord from all loss or liability (including actual attorneys' fees and costs), including, without limitation, any loss or liability resulting from any claim against

Landlord made by any succeeding tenant founded on or resulting from Tenant's failure to surrender and losses to Landlord due to lost opportunities to lease any portion of the Premises to succeeding tenants.

Tenant's obligations under this Paragraph 9 shall survive the expiration or earlier termination of this Lease.

10. SIGNAGE.

Subject to the terms and conditions of this Paragraph 10, and subject to approval by the City of Thousand Oaks, Tenant shall have the right to install Tenant identification signs in those locations on the north elevation of the Building identified as "Signage" as shown on **Exhibit L** attached hereto. Landlord on behalf of Tenant and at the expense of Tenant, shall install and maintain Tenant's identification sign(s) in such designated locations in accordance with this Paragraph 10. Tenant shall have no right to install or maintain Tenant identification signs in any other location in, on or about the Premises and shall not display or erect any other signs, displays or other advertising materials that are visible from the exterior of the Building. The size, design, color and other physical aspects of permitted sign(s) shall be subject to: (i) Landlord's written approval prior to installation, which approval may be withheld in Landlord's discretion, (ii) any covenants, conditions or restrictions encumbering the Premises, and (iii) any applicable municipal or governmental permits and approvals (including, without limitation, the approval of the City of Thousand Oaks). The cost of the sign(s), including the installation, maintenance and removal thereof, shall be at Tenant's sole cost and expense. If Tenant fails to install or maintain its sign(s), or if Tenant fails to remove same upon termination of this Lease and repair any damage caused by such removal, including, without limitation, repainting the Building (if required by Landlord, in Landlord's sole but reasonable judgment), Landlord may do so at Tenant's expense. Tenant shall reimburse Landlord for all costs incurred by Landlord to effect such installation, maintenance or removal, which amount shall be deemed additional rent, and shall include, without limitation, all sums disbursed, incurred or deposited by Landlord, including Landlord's costs, expenses and actual attorneys' fees with interest thereon at the Interest Rate from the date of Landlord's demand until payment. Any sign rights granted to Tenant under this Lease are personal to Tenant and may not be assigned, transferred or otherwise conveyed to any assignee or subtenant of Tenant without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

11. TAXES.

(a) Personal Property Taxes. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations as well as upon all trade fixtures, leasehold improvements, merchandise and other personal property in or about the Premises.

(b) Real Property Taxes. Tenant shall pay, as additional rent, Tenant's Share of all Real Property Taxes (as defined below), including all taxes, assessments (general and special) and other impositions or charges which may be taxed, charged, levied, assessed or imposed with respect to any calendar year or part thereof included within that portion of the Term commencing on the Rent Commencement Date upon all or any portion of or in relation to the Premises or any portion thereof, any leasehold estate in the Premises or measured by rent from the Premises, including any increase caused by the transfer, sale or encumbrance of the Premises or any portion thereof, except as expressly set forth in Subparagraph 11(c) below; provided, however, that if any Real Property Taxes attributable to the Shell Modifications or Tenant's Work are taxed, charged, levied, assessed or imposed with respect to any period prior to the Rent Commencement Date, then Tenant shall pay, as additional rent, all such Real Property Taxes attributable to the Shell Modifications or Tenant's Work. Landlord hereby represents and warrants to Tenant that the Premises Land is a separately assessed tax parcel (or tax parcels) and that, notwithstanding anything herein to the contrary, in no event shall Tenant’s Share of Real Property Taxes include any Real Property Taxes allocable or attributable to any parcel or land other than the Premises Land or allocable or attributable to any improvements other than those improvements located on the Premises Land. "Real Property Taxes" shall also include any form of assessment, levy, penalty, charge or tax (other than estate, inheritance, net income or franchise taxes) imposed by any authority having a direct or indirect power to tax or charge, including, without limitation, any city, county, state, federal or any improvement or other district, whether such tax is: (1) determined by the area of the Premises or the rent or other sums payable under this Lease; (2) upon or with respect to any legal or equitable interest of Landlord in the Premises or any part thereof; (3) upon this transaction or any document to which Tenant is a party creating a transfer in any interest in the Premises; (4) in lieu of or as a direct substitute in whole or in part of or in addition to any real property taxes on the Premises; (5) based on any parking spaces or parking facilities provided at the Premises; or (6) in consideration for services, such as police protection, fire protection, street, sidewalk and roadway maintenance, refuse removal or other services that may be provided by any governmental or quasi-governmental agency from time to time which were formerly provided without charge or with less charge to property owners or occupants. Tenant shall pay Real Property Taxes on the date any taxes or installments of taxes are due and payable as determined by the taxing authority, evidenced by the tax bill. Landlord shall determine and notify Tenant of the amount of Real Property Taxes not less than ten (10) days in advance of the date such tax or installment of taxes is due and payable. In the event Landlord fails to deliver such timely determination and notice to Tenant, then Tenant shall have ten (10) days from receipt of such notice to remit payment of Real Property Taxes to Landlord. The foregoing notwithstanding, upon notice from Landlord, Tenant shall pay, as additional rent, Real Property Taxes to Landlord in advance monthly installments equal to one twelfth (1/12) of Landlord's reasonable estimate of the Real Property Taxes payable under this Lease, together with monthly installments of Basic Rent, and Landlord shall hold such payments in a non-interest bearing account. Landlord shall determine and notify Tenant of any deficiency in the impound account. Tenant shall pay any deficiency of funds in the impound account not less than thirty (30) days in advance of the date such tax or installment of taxes is due and payable. In the event Landlord fails to deliver such timely deficiency determination and notice to Tenant, then Tenant shall have ten (10) days from receipt of such notice to remit payment of such deficiency to Landlord. If Landlord determines that Tenant's impound account has accrued an amount in excess of the Real Property Taxes due and payable, then such excess shall be credited to Tenant within thirty (30) days from receipt of said notice from Landlord.

(c) Proposition 13 Protection. If during the period from the date of this Lease through the initial sixty (60) months of the Term (the "Proposition 13 Protection Term") there is any increase of Real Property Taxes resulting solely from any sale, transfer or other change in ownership of the Premises ("Ownership Change") pursuant to "Proposition 13", meaning Article XIIIA of the California Constitution (as implemented by California Revenue and Taxation Code Sections 50 et seq.), which Ownership Change becomes effective during the Proposition 13 Protection Term, then during the Proposition 13 Protection Term only, Tenant shall be liable for zero percent (0%) of any such increase to the extent attributable to such Ownership Change; provided, however, that in no event shall such limitation apply after the expiration of such Proposition 13 Protection Term, whether resulting from an Ownership Change occurring before, during or after the Proposition 13 Protection Term. Without limiting the foregoing, nothing herein shall limit Tenant's liability for any reassessment of Real Property Taxes resulting from (i) an Ownership Change which became effective prior to the Proposition 13 Protection Term, even though the reassessment of Real Property Taxes may not occur until the after the commencement of the Proposition 13 Protection Term, or (ii) any cause other than an Ownership Change (including, without limitation, any statutorily permitted annual reassessment of real property taxes). In the event that Proposition 13 is amended or revoked with respect to the Premises such that real property taxes shall not be limited based on the "full cash value" of the Premises as set forth in Proposition 13 (e.g., passage of a "split roll"), this Subparagraph 11(c) shall be deemed to be null and void.

(d) Contests. During that portion of the Term commencing on the Rent Commencement Date, Tenant shall have the right, at its sole cost and expense, to contest the validity or amount of Real Property Taxes for the tax parcel(s) on which the Premises is located as are permitted by law, either in its own name or in the name of the Landlord, in either case with Landlord's reasonable cooperation, at no cost to Landlord. In conjunction with any such contest, Landlord shall make reasonably available to Tenant such information in Landlord's files as Tenant may reasonably request with respect to Real Property Taxes. Tenant shall indemnify and hold Landlord harmless from all cost, loss, damage and expense incurred in the prosecution of any such contest by Tenant. Notwithstanding the foregoing, Tenant shall continue to pay, prior to the date such taxes or installments of taxes would become delinquent as determined by the taxing authority, any and all Real Property Taxes during the period in which such Real Property Taxes is being contested.

12. UTILITIES.

Tenant shall pay directly to the utility companies providing such services, the cost of all water, gas, heat, light, power, sewer, electricity, telephone or other service metered, chargeable or provided to the Premises. Tenant agrees that upon request from Landlord, Tenant shall provide Landlord with any energy usage data for the Premises, including, without limitation, copies of utility bills for the Premises. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility or other service furnished to the Premises. No such failure or interruption shall entitle Tenant to terminate this Lease or abate rent in any manner and Tenant hereby waives the provisions of any applicable existing or future law, ordinance or regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any services (including, without limitation, the provisions of California Civil Code Section 1932(1)). Notwithstanding anything herein to the contrary, Landlord shall be responsible for all hook-up fees, tap fees, impact fees or any other similar type of fee in connection with the performance of Landlord's Work; provided, however, that Tenant shall be responsible for all hook-up fees, tap fees, impact fees or any other similar type of fee in connection with the Shell Modifications and Tenant's Work.

Notwithstanding anything to the contrary contained in this Lease, if Tenant's use of all or any material portion of the Premises is impaired due to an interruption of utility or mechanical services or any other essential services provided to the Premises that is caused by Landlord's negligence or willful misconduct, and such interruption materially interferes with the conduct of Tenant's business in the Premises for three (3) consecutive business days (the "Eligibility Period"), then Tenant shall be entitled to an equitable abatement of monthly Basic Rent and additional rent under this Lease based upon the portion of the Premises affected thereby (provided that if the operation of Tenant's business from the remainder of the Premises not affected thereby is not reasonably practicable under the circumstances and Tenant in fact does not operate for business from the remainder of the Premises, all monthly Basic Rent and additional rent under this Lease shall be subject to such abatement) from the commencement of the Eligibility Period until the interruption is cured; provided, however, that if Landlord is diligently pursuing the repair of such interruption and, if applicable to the nature of such interruption, Landlord provides substitute services reasonably suitable for Tenant's purposes and Tenant is thereafter able to conduct its business in the Premises, such as for example, bringing in portable air-conditioning equipment, then there shall not be any abatement of monthly Basic Rent or additional rent pursuant to this Paragraph 12. The provisions of this Paragraph 12 shall not, however, apply in the event of damage or destruction, in which event the provisions of Paragraph 17 below shall control.

13. MAINTENANCE.

(a) Performed by Tenant. Except as provided below, Tenant shall maintain, repair and replace (as necessary) the Premises in good condition, including, without limitation, maintaining, repairing and replacing (as necessary) of all of the following: walls; floors; ceilings; telephone equipment and wiring; doors; exterior and interior windows and fixtures; the heating, ventilating and air conditioning system servicing the Premises; the electrical, plumbing and sewerage systems within the Premises from the point of connection to the Building; all signs installed by Tenant (including, without limitation, those lying outside the Premises); as well as damage caused by Tenant, its agents, contractors, employees or invitees (the costs thereof being the "Tenant Damage Costs"). Tenant shall comply with the provisions of California Health and Safety Code Sections 26142 and 26145. Tenant shall, at its own expense, provide, install and maintain in good condition all of its personal property required in the conduct of its business on the Premises. If Tenant refuses or neglects to repair, replace and maintain the Premises as required hereunder and to the reasonable satisfaction of Landlord, Landlord may at any time following ten (10) days

from the date on which Landlord shall make a written demand on Tenant to effect such repair, replacement and maintenance (emergencies excepted in which case no such demand shall be required), enter upon the Premises and make such repairs, replacements and/or maintenance without liability to Tenant for any loss or damage which might occur to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord, Landlord's costs for making such repairs plus four percent (4%) for overhead, upon presentation of a bill therefor. Said bill shall include interest at the Interest Rate on said costs from the date of completion of the maintenance and repairs by Landlord.

(b) Performed by Landlord. Subject to reimbursement by Tenant as hereinafter provided (and subject to any limitations hereinafter provided), Landlord shall be responsible to maintain, in good condition, the structural parts of the Premises (including, without limitation, the structural portion of the Shell Modifications), which shall include only the foundations, bearing and exterior walls (including painting), and subflooring; the roof system and skylights; the electrical, plumbing and sewerage systems lying outside the Building up to the point of connection to the Building; the paved and hardscaped parking and driveway areas (including resurfacing and restriping); window frames, gutters and downspouts on the Building; the outside areas of the Premises and every part thereof, including, without limitation, the soil, landscaping (including replacement thereof), sprinkler system, walkways, parking areas (including periodic sweeping), site lighting and pest control. Further, subject to reimbursement by Tenant as hereinafter provided (and subject to any limitations hereinafter provided), Landlord shall be responsible for making all alterations to the foregoing items to the extent required by Applicable Laws; provided, however, that Tenant shall pay to Landlord, Landlord's costs for making such alterations plus four percent (4%) for overhead, upon presentation of a bill therefor, with respect to any such alterations resulting from Tenant's specific use of the Premises, the performance of Tenant's Work or any other work performed by or on behalf of Tenant (excluding Landlord's Work), or by the acts or omissions of Tenant or any of its agents, contractors, sublessees, employees or invitees (such costs to be paid by Tenant being the "Tenant Compliance Costs"). Notwithstanding anything herein to the contrary, Landlord shall be responsible, at its sole cost and expense, for making all structural repairs, alterations or improvements to the Premises, including, without limitation, all structural alterations or improvements to extent required by Applicable Laws, except for any Tenant Damage Costs and any Tenant Compliance Costs. Landlord shall not be liable for any failure to make any such repairs or any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Notwithstanding the foregoing, Landlord agrees, at its sole cost and expense, and not subject to reimbursement by Tenant, to repair (if necessary, in Landlord's reasonable discretion) latent defects in Landlord's Work discovered by Tenant and reported to Landlord by the date that is eleven (11) months after substantial completion of Landlord's Work.

(c) Reimbursement by Tenant. Prior to the commencement of each calendar year, Landlord shall give Tenant a written estimate of the expenses Landlord anticipates will be incurred for the ensuing calendar year with respect to the maintenance and repair to be performed by Landlord as described in Subparagraph 13(b) above (the "Maintenance Expenses"). Tenant shall pay, as additional rent, such estimated expenses in equal monthly installments in advance on or before the first day of each month concurrent with its payment of Basic Rent. Within ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant a statement showing in reasonable detail the actual expenses incurred for the period in question (an "Expense Statement") and the parties shall within thirty (30) days thereafter make payment or allowance as necessary to adjust Tenant's estimated payments to the actual expenses as shown by applicable periodic statements submitted by Landlord. If Landlord shall determine at any time that the estimate of expenses for the current calendar year is or will become inadequate to meet all such expenses for any reason, Landlord shall immediately determine the appropriate amount of such inadequacy and issue a supplemental estimate as to such expenses, and Tenant shall pay any increase in the estimated expenses as reflected by such supplemental estimate within ten (10) days following receipt of written request from Landlord. Tenant's failure to timely pay any of the charges in connection with the performance of its maintenance and repair obligations to be paid under this Paragraph 13 shall constitute a material default under this Lease.

Landlord shall keep or cause to be kept separate and complete books of account covering costs and expenses incurred in connection with its maintenance and repair obligations as described in Subparagraph 13(b) above, which costs and expenses shall include, without limitation, but subject to the limitations on and exclusions from Maintenance Expenses set forth in the following paragraph: the actual costs and expenses incurred in connection with labor and material utilized in performance of the maintenance and repair obligations hereinafter described, public liability, property damage and other forms of insurance which Landlord may, or is required to, maintain, equipment and supplies, assessments which may be levied against the Premises under any recorded covenants, conditions and restrictions, and any other items reasonable necessary from time to time to properly repair, replace and maintain the outside areas and any interest paid in connection therewith. Landlord may elect to delegate its duties hereunder to a professional property manager. Certain Maintenance Expenses may be incurred on a Project-wide basis (the "Project Expenses") (including, without limitation, landscaping, driveway maintenance, repair and replacement, insurance, pest control, security and parking lot lighting) and allocated to the Premises based on the Building’s Share of the Project, provided that the Project Expenses shall be subject to the same limitations on Maintenance Expenses as set forth herein, and in no event shall the Project Expenses allocable to the Premises include any capital improvements, repairs or replacements to any building within the Project (other than the Building).

Notwithstanding the foregoing, Maintenance Expenses attributable to capital improvements, repairs, or replacements as determined under industry standard accounting principles shall not be subject to reimbursement by Tenant except to the extent such costs are amortized over the useful life (as determined in accordance with industry standard accounting principles) of such capital improvements, repairs or replacements, together with interest on the unamortized costs at the Interest Rate; provided, however, in no event shall Maintenance Expenses include costs of the replacement of the roof of the Building during the initial Term and thereafter not more often than once every

fifteen (15) years, or the re-slurry of the parking lot more than once every three (3) years. Further, to the extent that the deductible portion of Landlord's earthquake property insurance (if any) exceeds $100,000.00, such excess shall be amortized over the useful life (as determined in accordance with industry standard accounting principles) of the insured property to be repaired or replaced, together with interest on the unamortized costs at the Interest Rate, provided that for purposes of calculating the excess as set forth in this sentence, the deductible portion of Landlord's earthquake property insurance shall not exceed five percent (5%) of the replacement value of the structural improvements on the Premises Land installed by Landlord as part of Landlord's Work. Further, notwithstanding anything herein to the contrary, the Maintenance Expenses shall not include the following:

1. costs of any items to the extent (a) Landlord receives reimbursement from insurance or condemnation proceeds, (b) Landlord receives reimbursement from a contractor, manufacturer, supplier or any other third party pursuant to any warranty or otherwise, or (c) Landlord would have been reimbursed if Landlord had carried the insurance Landlord is required to carry pursuant to this Lease;

2. costs of capital improvements, repairs, or replacements, except as expressly allowed pursuant to the terms of this Lease;

3. rentals and other related expenses for systems and equipment (except when needed in connection with normal repairs and maintenance and/or to an ameliorate an emergency condition) which if purchased, rather than rented, would constitute a capital improvement not includable in Maintenance Expenses pursuant to this Lease;

4. costs and overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services to the extent the same exceeds typical costs and overhead and profit increment of such goods and/or services rendered by qualified unaffiliated third parties on a competitive basis;

5. depreciation;

6. amortization, except as expressly provided in this Lease, and except on materials, tools, supplies and vendor type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, and when amortization is permitted or required, the item shall be amortized over its useful life in the manner described in this Lease, together with interest on the unamortized costs at the Interest Rate;

7. costs incurred to comply with Applicable Laws with respect to cleanup, removal, investigation, monitoring and/or remediation of any Hazardous Materials (as defined in **Exhibit H** attached hereto) in, on or under the Building and Premises Land in existence as of the date of this Lease or caused by Landlord or otherwise being a Non-Tenant Caused Hazardous Material (as defined in **Exhibit H** attached hereto);

8. costs incurred in connection with the original construction and development of the Building or Premises Land;

9. any wages and benefits of any employee who is involved in the operation and management of the Building or Premises Land, including, without limitation, any payment or provision for unemployment insurance, worker's compensation insurance and other employee costs, and the cost of bookkeeping and accounting services;

10. wages and benefits of any employee of Landlord;

11. 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 operation of the Building and/or the Premises Land;

12. interest, penalties, late charges, liquidated damages or other costs arising out of Landlord's failure to make timely payment of any of its obligations (except if Landlord's late payment is due to Tenant not timely paying any sums as required under this Lease);

13. reserves of any kind, including replacement reserves for bad debt loss or lost rent;

14. costs arising from the negligence or willful misconduct of Landlord;

15. interest or principal payments of any mortgage debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Premises Land;

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

17. legal and other expenses incurred in the negotiation or enforcement of leases;

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

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

20. costs of Landlord’s charitable or political contributions, or of fine art maintained at the Project;

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

22. costs incurred in the sale or refinancing of the Building; and

23. any costs, fees, dues, contributions or similar expenses for political, charitable, industry association or similar organizations, as well as the cost of any newspaper, magazine, trade or other subscriptions.

In the event of any dispute as to the amount of Maintenance Expenses, Tenant or an accounting firm selected by Tenant and reasonably satisfactory to Landlord (billing hourly and not on a contingency fee basis) will have the right, by prior written notice ("Audit Notice") given within ninety (90) days ("Audit Period") following receipt of an Expense Statement and at reasonable times during normal business hours, to audit Landlord's accounting records with respect to Maintenance Expenses relative to the year to which such Expense Statement relates at the offices of Landlord's property manager. Landlord’s accounting records shall provide commercially reasonable detail (i.e., consistent with the accounting records of other institutional owners of real estate) in order for Tenant to be permitted to audit the same. In no event will Landlord or its property manager be required to (i) photocopy any accounting records or other items or contracts, (ii) create any ledgers or schedules not already in existence, (iii) incur any costs or expenses relative to such inspection, or (iv) perform any other tasks other than making available such accounting records as aforesaid. Neither Tenant nor its auditor may leave the offices of Landlord's property manager with copies of any materials supplied by Landlord. Tenant must pay Maintenance Expenses when due pursuant to the terms of this Lease and may not withhold payment of Maintenance Expenses or any other rent pending results of the audit or during a dispute regarding Maintenance Expenses. The audit must be completed within thirty (30) days of the date of Tenant's Audit Notice (so long as Landlord provides Tenant with access to the relevant accounting records as described above within such thirty (30) day period)) and the results of such audit shall be delivered to Landlord within forty-five (45) days of the date of Tenant's Audit Notice. If Tenant does not comply with any of the aforementioned time frames, then such Expense Statement will be conclusively binding on Tenant. If such audit or review correctly reveals that Landlord has overcharged Tenant, then within thirty (30) days after the results of such audit are made available to Landlord, Landlord agrees to reimburse Tenant the amount of such overcharge. If the audit reveals that Tenant was undercharged, then within thirty (30) days after the results of the audit are made available to Tenant, Tenant agrees to reimburse Landlord the amount of such undercharge. Tenant agrees to pay the cost of such audit, provided that if the audit reveals that Landlord's determination of the total Maintenance Expenses as set forth in the relevant Expense Statement was in error in Landlord's favor by more than six percent (6%) of the total amount of such Maintenance Expenses pursuant to such Expense Statement, then Landlord agrees to pay the reasonable out-of-pocket cost of such audit incurred by Tenant. To the extent Landlord must pay the cost of such audit, such cost shall not exceed a reasonable hourly charge for a reasonable amount of hours spent by in connection with the audit, and in no event will exceed the amount of the error. Tenant agrees to keep the results of the audit confidential and will cause its agents, employees and contractors to keep such results confidential. To that end, Landlord may require Tenant and its auditor to execute a commercially reasonable confidentiality agreement provided by Landlord. Notwithstanding the foregoing, in no event may Tenant audit Landlord's accounting records with respect to any particular year more than once.

Except as provided in Paragraphs 12 and 17 hereof, 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 Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code or any similar law, statute or ordinance now or hereafter in effect and under the provisions of California Health and Safety Code Section 26143 with respect to those maintenance obligations which are Tenant's responsibility under the terms of this Lease.

(d) Tenant's Right to Make Certain Repairs. Notwithstanding the provisions of Subparagraph 13(b) above, if Tenant provides written notice to Landlord of an event or circumstance which requires the action of Landlord (i.e., which is Landlord's responsibility under this Lease), and Landlord fails to take such action within a reasonable period of time given the circumstances after the receipt of such written notice, then Tenant may proceed to take the required action upon delivery of an additional five (5) business days' prior written notice to Landlord specifying that Tenant is taking such required action, and if such action was required under the terms of this Lease to be taken by Landlord and was not commenced within such five (5) business day period and thereafter diligently pursued to completion, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's actual and reasonable costs and expenses in taking such action. In the event Tenant takes such action, Tenant shall use only qualified contractors which normally and regularly perform similar work in comparable buildings. Promptly following completion of any work taken by Tenant pursuant to the terms of this Subparagraph 13(d), Tenant shall deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. If Landlord does not deliver a detailed written objection to Tenant within thirty (30) days after receipt of an invoice from Tenant, then Tenant shall have the right to deduct the amount set forth in such invoice from Basic Rent payable by Tenant under this Lease (not to exceed fifty percent (50%) of the Basic Rent due Landlord in any applicable month, but to be deducted each month until the amount in the invoice from Tenant is fully reimbursed to Tenant), which right shall be Tenant's sole remedy in such instance. If, however, Landlord delivers to Tenant, within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to the terms of this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not then be entitled to such deduction from Basic Rent, but rather, as

Tenant's sole remedy, Tenant may proceed to claim a default by Landlord under this Lease; provided, however, under no circumstances shall Tenant be allowed to terminate this Lease based upon such default by Landlord.

14. ALTERATIONS.

(a) Alterations. Tenant shall not make any alterations to the Premises, including any changes to the existing landscaping, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Landlord may withhold its consent, in its sole and absolute discretion, with respect to any alteration which would materially adversely affect any portion of the Premises which is Landlord's responsibility to maintain pursuant to Subparagraph 13(b) above or would otherwise be visible from the exterior of the Building (each, a "Material Alteration"). With respect to any alteration that is not a Material Alteration, Landlord shall only be permitted to withhold its consent if such proposed alteration fails to comply with all Applicable Laws. Landlord shall respond to Tenant's request for consent for a proposed alteration within ten (10) business days and Landlord's failure to either timely provide its approval or reasonably detailed reasons for its disapproval within such ten (10) business day period shall be deemed to constitute Landlord's disapproval of the proposed alteration. Notwithstanding the foregoing, Landlord's consent shall not be required for any alteration to the interior of the Building that is of a cosmetic nature that satisfies all of the following conditions (each, a "Pre-Approved Alteration"): (i) such alteration does not affect any portion of the Premises which is Landlord's responsibility to maintain pursuant to Subparagraph 13(b) above and is not otherwise be visible from the exterior of the Building; (ii) Tenant delivers to Landlord final plans, specifications, working drawings, permits and approvals (to the extent required by Applicable Laws) for such alteration at least twenty (20) days prior to commencement of the work thereof; (iii) Tenant and such alteration otherwise satisfy all other conditions set forth in this Paragraph 14; and (iv) the making of such alteration will not otherwise cause a default by Tenant under any provision of this Lease. Any alterations shall be subject to the terms and conditions of Paragraph 9 above. Notwithstanding anything in this Lease to the contrary, if Landlord reasonably determines that any proposed alteration (including, without limitation, a Material Alteration, a Pre-Approved Alteration or any other alteration) would increase the cost of returning the Premises to the condition required pursuant to Paragraph 9 above upon the expiration or earlier termination of the Term, then Landlord may require, as a condition precedent to Tenant's performance of such alteration, that the L-C Amount (as defined in **Rider 2** attached hereto) be increased by the Additional Restoration Cost (as defined below). If Landlord so elects, Landlord shall competitively bid the applicable restoration work with at least two (2) contractors selected by Landlord and approved by Tenant (in Tenant's commercially reasonable discretion). The "Additional Restoration Cost" shall be equal to the amount of the lowest bid received by Landlord after conducting such competitive bidding process. Landlord shall promptly provide copies of all of such bids to Tenant as a condition precedent to the L-C Amount being increased.

(b) Standard of Work. Should Landlord consent in writing to Tenant's alteration of the Premises or in the event of any Pre-Approved Alteration, Tenant shall contract with a contractor approved by Landlord for the construction of such alterations, shall secure all appropriate governmental approvals and permits, and shall complete such alterations with due diligence, in a first-class manner, in compliance with plans and specifications approved by Landlord (except with respect to any Pre-Approved Alteration), and in compliance with all Applicable Laws. Tenant shall pay all costs for such construction and shall keep the Premises free and clear of all mechanics' liens which may result from construction by Tenant. Tenant shall reimburse Landlord upon demand for any reasonable out-of-pocket costs and expenses incurred by Landlord in connection with any alteration (including, without limitation, professional fees for the review of working drawings, plans and specifications, and any construction oversight fee charged by Landlord's property manager), provided that such reimbursement shall not exceed $20,000.00 per alteration. Landlord shall have the right, but not the obligation, to inspect periodically the work on the Premises and Landlord may require changes in the method or quality of the work.

(c) Liens. Tenant shall pay all costs for such construction and shall keep the Premises free and clear of all mechanics' and materialmens' liens which may result from construction by Tenant. Tenant shall provide at least ten (10) days prior written notice to Landlord before any labor is performed, supplies furnished or services rendered on or at the Premises and Landlord shall have the right to post on the Premises notices of non-responsibility.

(d) Allowance. Commencing on the Commencement Date, or Tenant's earlier occupancy of the Premises pursuant to Subparagraph 4(c) above, Tenant may install tenant improvements within the Premises in accordance with the plans attached hereto as **Exhibit N**, subject to the terms and conditions of Subparagraph 4(c) above and this Paragraph 14 ("Tenant's Work"). Landlord shall be deemed to have approved Tenant's Work as shown on the plans attached hereto as **Exhibit N**, provided that any changes to such plans shall remain subject to Landlord's consent to the extent required pursuant to this Paragraph 14. Tenant's Work shall be deemed to be an "alteration" for all purposes of this Lease. Landlord hereby approves those contractors listed in **Exhibit O** both for completion of the Tenant's Work and for any future alteration that Tenant may perform during the Term (unless prior to the date that Tenant commences such work, Landlord has notified Tenant that any such contractor is no longer preapproved, provided that Landlord shall not be permitted to withdraw its approval of DPR Construction with respect to Tenant's Work). Notwithstanding anything in this Lease to the contrary, Tenant shall be entitled to a one-time tenant improvement allowance in the amount of $250,000.00 (the "Allowance") toward the actual out-of-pocket costs of Tenant's Work, which shall be performed using Building standard materials and finishes selected by Landlord. The Allowance shall only be used by Tenant to pay for the hard costs of Tenant's Work, the architectural, engineering and permitting costs related to Tenant's Work, and the construction management fee described in Subparagraph 14(b) above. In no event shall the Allowance be used to pay for any costs in connection with Tenant's moving expenses, for any furniture, fixtures, equipment or any other items of personal property, or for any items of the Shell Modifications. Provided Tenant is not in default under the terms of this Lease (beyond any applicable notice and cure periods), Landlord shall reimburse Tenant for the allowable costs of Tenant's Work (up to the Allowance) within forty-five (45) days following (i) completion of Tenant's Work, as evidenced by a certification of

completion from the project engineer or architect, (ii) Landlord's receipt of Tenant's invoice of the costs related thereto, together with invoices, receipts and bills substantiating such costs and evidence of payment by Tenant for all such costs by Tenant, (iii) Landlord's receipt of final unconditional lien waivers in a form acceptable to Landlord from all contractors and subcontractors who did work on Tenant's Work, and (iv) Landlord's receipt of a copy of the final permits approved by the applicable governing authority to the extent required for Tenant's Work. Landlord shall be under no obligation to pay for any of Tenant's Work in excess of the Allowance, and Tenant shall not be entitled any unused portion of the Allowance upon completion of Tenant's Work. The Allowance shall only be available for Tenant's use from the Commencement Date through the date that is six (6) months after the Commencement Date (the "Allowance Deadline"), and Tenant waives any and all rights to any unused portion of the Allowance if Tenant has not completed Tenant's Work and satisfied all other conditions to payment by the Allowance Deadline.

15. RELEASE AND INDEMNITY.

As material consideration to Landlord, Tenant agrees that Landlord, its agents, successors-in-interest with respect to the Premises and their respective directors, officers, partners, members, employees, shareholders, agents and representatives and the directors, officers, partners, members, employees, shareholders, agents and representatives of the partners or members of Landlord (collectively, the "Landlord Indemnified Parties") shall not be liable to Tenant, its agents, employees, invitees, licensees and other persons claiming under Tenant for: (i) any damage to any property entrusted to employees of the Premises, Landlord or the Landlord Indemnified Parties, (ii) loss or damage to any property by theft or otherwise, (iii) consequential damages arising out of any loss of the use of the Premises or any equipment or facilities therein, or (iv) any injury or damage to person or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or from pipes, appliances or plumbing work therein or from the roof, street, sub-surface or from any other place or resulting from dampness or any other causes whatsoever; provided, however, that with respect to any injury or damage to person described in clause (iv) above, nothing herein shall limit Landlord's or Landlord Indemnified Parties' liability for their respective negligence or willful misconduct, but only if such injury or damage to person is not covered by the insurance maintained by Tenant or required to by maintained by Tenant under this Lease (whichever provides greater coverage). Landlord and/or the Landlord Indemnified Parties shall not be liable for interference with light or other incorporeal hereditaments, nor shall Landlord or the Landlord Indemnified Parties be liable for any latent defects in the Premises. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises and of defects therein or in the fixtures or equipment located therein.

To the fullest extent permitted by law, Tenant agrees to indemnify, defend (with counsel satisfactory to Landlord) and hold harmless Landlord from (i) all claims, actions liabilities, and proceedings arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Tenant, its agents, contractors, sublessees, employees or invitees, in or about the Premises and any breach or default in the performance of any obligation to be performed by Tenant under the terms of this Lease, or arising from any negligent act, fault or omission of Tenant, or of its agents, contractors, employee or invitees, and (ii) any and all costs, attorneys' fees, expenses and liabilities incurred with respect to any such claims, actions, liabilities, or proceedings, and in the event any actions or proceedings shall be brought against Landlord by reason of such claims, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably approved in writing by Landlord. Tenant hereby assumes all risk of damage to property or injury to person in, upon or about the Premises from any cause whatsoever, and Tenant hereby waives all its claims in respect thereof against Landlord.

To the fullest extent permitted by law, Landlord agrees to indemnify, defend (with counsel reasonably satisfactory to Tenant) and hold harmless Tenant from (i) all claims, actions, liabilities, and proceedings arising from any breach or default in the performance of any obligation to be performed by Landlord under the terms of this Lease, or arising from any negligent act, fault or omission of Landlord or any of the Landlord Indemnified Parties, and (ii) any and all reasonable costs, attorneys' fees, expenses and liabilities incurred with respect to any such claims, actions, liabilities, or proceedings, and in the event any actions or proceedings shall be brought against Tenant by reason of such claims, Landlord, upon written notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably approved in writing by Tenant.

As used herein, the term "liabilities" shall include all suits, actions, claims and demands and all expenses (including attorneys' fees and costs of defense) incurred in or about any such liability and any action or proceeding brought thereon. If any claim shall be made or any action or proceeding brought against Landlord on the basis of any liability described in this Paragraph 15, Tenant shall, upon notice from Landlord, defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. It is understood that payment shall not be a condition precedent to recovery upon the foregoing indemnity.

16. INSURANCE.

(a) Effective as of the earlier of (1) the date Tenant enters or occupies the Premises or (2) the Commencement Date, and continuing throughout the Term, Tenant shall maintain the following insurance policies:

i) Commercial General Liability Insurance. Commercial general liability insurance (including property damage, bodily injury and personal injury coverage) in amounts of $1,000,000.00 per occurrence and $2,000,000.00 in the annual aggregate on a per policy basis in primary coverage, with an additional $5,000,000.00 per occurrence and $5,000,000.00 annual aggregate on a per policy basis in umbrella/excess liability coverage or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require so long as Landlord's requirements are consistent with the standards of other comparable landlords of comparable class buildings in the proximity of the Project (and naming as additional insureds Landlord, Landlord’s property

management company, Landlord's asset management company, J.P. Morgan Investment Management, Inc., and, if requested in writing by Landlord, Landlord's Mortgagee), against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's off-Premises equipment (i.e., any equipment located outside of the Building). Such policy or policies shall cover the Premises only, and shall not be applicable to any other location other than the Premises. If the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy (e.g., the sale, service or consumption of alcoholic beverages), Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter (including liquor liability, if applicable) in such amounts as Landlord may reasonably require. To the extent permitted by Applicable Law, Tenant will require its insurer(s) issuing the insurance described in this clause (i) to waive its right of recovery and subrogation against Landlord, but only to the extent of liabilities falling within Tenant's indemnity obligations under this Lease;

ii) Commercial Property Insurance. (1) Cause of loss-special risk form (formerly "all-risk") or its equivalent insurance (including, but not limited to, sprinkler leakage, ordinance and law, sewer back-up, earthquake (except as set forth below), windstorm and collapse coverage) covering the full value of all alterations and improvements and betterments in the Premises (including, without limitation, the Shell Modifications and Tenant's Work), naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear, and (2) cause of loss-special risk form (formerly "all-risk") or its equivalent insurance covering the full value of all furniture, trade fixtures, equipment and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Project by or on behalf of a Tenant Party (including Tenant's Off-Premises Equipment (i.e., any equipment located outside of the Building)). Tenant will also ensure this policy contains a waiver of subrogation in favor of the additional insureds. Notwithstanding the foregoing, if Tenant elects not to or otherwise fails to maintain earthquake coverage as set forth above, (A) Tenant shall give Landlord prompt written notice thereof, and (B) Tenant shall be deemed to have self-insured such earthquake coverage in accordance with the terms of this Lease, with full waiver of subrogation;

iii) Contractual Liability Insurance. Contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy and umbrella/excess liability insurance policy);

iv) Commercial Auto Liability Insurance. Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000.00 combined single limit for each accident, insuring Tenant (and naming as additional insureds Landlord, Landlord's property management company, Landlord's asset management company and, if requested in writing by Landlord, Landlord's Mortgagee) and scheduled to the umbrella/excess liability insurance policy. To the extent permitted by Applicable Law, Tenant will require its insurer(s) issuing the insurance described in this clause (iv) to waive its right of recovery and subrogation against Landlord, but only to the extent of liabilities falling within Tenant's indemnity obligations under this Lease;

v) Worker's Compensation Insurance; Employer's Liability Insurance. Worker's compensation insurance of $1,000,000 (or such larger amount if required by local statute) and employer's liability insurance of $1,000,000; and

vi) Business Interruption Insurance. Business interruption insurance in an amount reasonably acceptable to Landlord.

(b) Tenant's Insurance Primary. Tenant's Commercial General Liability, Commercial Auto Liability and Umbrella Liability insurance shall be primary and non-contributory when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy(ies).

(c) Tenant's Vendors/Contractors. Tenant shall require any vendors or contractors that it shall hire to perform work/services on Premises to procure similar insurance, as required by Landlord of Tenant in this contract including naming as additional insureds Landlord, Landlord's property management company, Landlord's asset management company, J.P. Morgan Investment Management, Inc. and, if requested in writing by Landlord, Landlord's Mortgagee.

(d) Certificates of Insurance; Form of Insurance. Tenant shall furnish to Landlord certificates of such insurance and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises (in any event, within ten (10) days of the effective date of coverage), and within a reasonable time after renewal. If there is a cancellation or a material change of any such insurance policies, notice thereof will be delivered in accordance with the provisions of such policies; provided, however, (i) Tenant shall give Landlord prompt written notice of any such cancellation or material change, and (ii) Tenant shall be deemed to have self-insured any and all coverages under such policies in accordance with the terms of this Lease during any period of time that Tenant fails to maintain the insurance required of Tenant under this Lease, with full waiver of right of recovery and subrogation, as applicable. All such insurance policies shall be in form reasonably satisfactory to Landlord and issued by companies with an A.M. Best rating of not less than A-:VIII or better. However, no review

or approval of any insurance certificate or policy by Landlord shall derogate from or diminish Landlord's rights or Tenant's obligations hereunder.

(e) Default. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of five percent (5%) of such cost.

Subject to being reimbursed by Tenant, Landlord shall insure the Building and the Premises Land (excluding all property which Tenant is obligated to insure) by obtaining and maintaining property insurance for any and all reasonable risks (including earthquake and flood insurance) in an amount equal to the full replacement value and commercial general liability insurance, all in such amounts and with such deductibles as Landlord considers appropriate (in its reasonable discretion), provided that such amounts and deductibles are consistent with the standards of other comparable landlords of comparable class buildings in the proximity of the Project. Tenant shall pay, as additional rent, Tenant's Share of the cost of any insurance maintained by Landlord hereunder and any other insurance Landlord may elect to obtain for the Building and/or the Premises Land from time to time during the Term (including, without limitation, earthquake and/or flood insurance). Tenant shall pay Tenant's Share of the cost of insurance policy premiums to Landlord at least five (5) days prior to the date any premiums or installments of premiums are due and payable. Landlord shall determine and notify Tenant of the amount of insurance premiums not less than thirty (30) days in advance of the date such premium or installment of premiums is due and payable. In the event Landlord fails to deliver such timely determination and notice to Tenant, then Tenant shall have thirty (30) days from receipt of such notice to remit payment of insurance premiums to Landlord. The foregoing notwithstanding, upon notice from Landlord, Tenant shall pay, as additional rent, insurance premiums to Landlord in advance monthly installments equal to one twelfth (1/12) of Landlord's reasonable estimate of the insurance premiums payable under this Lease, together with monthly installments of Basic Rent, and Landlord shall hold such payments in a non-interest bearing account. Upon determination of the actual insurance premium due and payable, Landlord shall determine and notify Tenant of any deficiency in the impound account Tenant shall pay any deficiency of funds in the impound account not less than thirty (30) days in advance of the date such insurance premium or installment of premiums is due and payable. In the event Landlord fails to deliver such timely deficiency determination and notice to Tenant, then Tenant shall have thirty (30) days from receipt of such notice to remit payment of such deficiency to Landlord. If Landlord determines that Tenant's impound account has accrued an amount in excess of the insurance premiums due and payable, then such excess shall be credited to Tenant within 30-days following the date of said notice from Landlord. Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided herein, Tenant acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord. Tenant's audit rights with respect to Maintenance Expenses set forth in Subparagraph 13(c) above shall be applicable to Tenant's reimbursement of Landlord's insurance expenses pursuant to this paragraph.

17. DESTRUCTION.

(a) Casualty. If during the Term of this Lease, any portion of the Premises, access to the Premises or any part of the Building which is essential to the use of the Premises is damaged or destroyed, then, within sixty (60) days of the date of such casualty (as such period shall be extended due to Tenant Delays and Force Majeure Delays), Landlord shall obtain an estimate from a reputable third-party contractor (in Landlord's reasonable discretion) (the "Restoration Estimate") for the time period required in order to restore the Premises and/or Building to the condition immediately preceding the occurrence of such damage or destruction (the "Estimated Restoration Period"). In the event such Restoration Estimate provides that the Premises and/or Building cannot be restored within fifteen (15) months from the date of such damage or destruction, then either Landlord or Tenant shall be permitted to terminate this Lease by providing written notice to the other party within thirty (30) days after receipt of such Restoration Estimate. In the event the Restoration Estimate provides that the Premises and/or Building can be restored within fifteen (15) months from the date of such damage or destruction, and Landlord receives insurance proceeds sufficient to restore such damage (provided, however, to the extent Landlord failed to carry the insurance required hereunder then Landlord shall not be permitted to avoid its restoration obligations hereunder due to failure to receive adequate insurance proceeds), then this Lease shall remain in full force and effect and Landlord shall promptly commence to repair and restore the damage or destruction to substantially the same condition as existed prior to such damage and shall complete such repair and restoration with due diligence in compliance with all then existing Applicable Laws. In the event this Lease is not terminated as set forth above and Landlord fails to substantially complete the restoration work within sixty (60) days beyond the Estimated Restoration Period (subject to extension for Tenant Delays and Force Majeure Delays), then Tenant shall have the option to terminate this Lease upon at least thirty (30) days prior written notice to Landlord, by providing such written notice to Landlord following the expiration of such sixty (60) day period (as the same may be extended as set forth above) but prior to the date that Landlord actually substantially completes such restoration work; provided, however, that if Landlord substantially completes the restoration work prior to the effective date of such termination, then Tenant's election to terminate this Lease shall be deemed to be null and void and this Lease shall continue in full force and effect. Notwithstanding the foregoing, if (1) any Mortgagee of the Building will not allow the application of insurance proceeds for repair and restoration; or (2) the damage or destruction is not covered in full by Landlord's Insurance required by Paragraph 16 (or would have been covered in full had Landlord carried the insurance required under Paragraph 16), subject to the deductible, or (3) the damage or destruction occurs within the last twelve (12) months of the Term of this Lease or any extension hereof, then Landlord may, in its sole discretion, terminate this Lease by delivery of notice to Tenant within 30 days of the date Landlord learns of the damage. In the event the damage or destruction to the Premises occurs during the last twelve (12) months of the Term of this Lease, and provided that such damage or destruction shall have damaged the Premises or a portion thereof necessary to Tenant's occupancy for the uses permitted under this Lease and as a result of such damage the Premises are unfit for occupancy, then Tenant shall be permitted to

terminate this Lease by delivering notice to Landlord within 30 days after the date of such damage or destruction. Notwithstanding anything herein to the contrary, in the event of a termination of the this Lease due to a casualty, then Tenant shall be entitled to keep and retain all of the insurance proceeds relating to Tenant's Work, the Shell Modifications and all other alterations that Tenant installs in the Premises or Building at Tenant's sole cost and expense. In addition, in the event this Lease terminates due to a casualty, in no event shall Tenant be responsible for any insurance deductible of Landlord and Tenant shall have no repair or restoration obligations with respect to the Premises or the Building pursuant to this Paragraph 17, provided that the foregoing shall not limit any of Tenant's obligations otherwise set forth in this Lease. In the event of a termination, Landlord shall promptly refund to Tenant any insurance deductibles with respect to such damage or destruction that may have been paid by Tenant to Landlord and all other amounts that Tenant may have paid to Landlord with respect to such damage or destruction (including the endorsement of any of Tenant's insurance proceeds).

(b) Rent Abatement. In the event of repair, reconstruction and restoration by Landlord as herein provided, the rent payable under this Lease shall be abated proportionately to the extent to which there is substantial interference with Tenant's use of the Premises from the date of such substantial inference until the date such repair, reconstruction or restoration is substantially completed (i.e., inclusive of both any repair/restoration work being performed by Landlord and a reasonable period of time (as determined in Landlord's reasonable discretion) for such repair/restoration work to be performed by Tenant pursuant to Subparagraph 17(c) below); provided that there shall be no abatement of rent if such damage is the result of Tenant's negligence or intentional wrongdoing, unless Landlord actually receives rental abatement insurance proceeds attributable to such period. Tenant shall not be entitled to any compensation or damages from Landlord for loss in the use of the whole or any part of the Premises, damage to Tenant's personal property and/or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration; provided, however, to the extent Tenant is utilizing a portion of the Premises during such reconstruction or restoration work by Landlord, Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of the Premises.

(c) Repair or Restoration. If Landlord is obligated to or elects to repair or restore as herein provided, Landlord shall be obligated to make repair or restoration only to the Building Improvements (specifically excluding the Shell Modifications, Tenant's Work and any alterations installed by or on behalf of Tenant), and the repair and restoration of all other items shall be the obligation of Tenant. Landlord and Tenant agree to coordinate the restoration and repair of those items each is required to restore or repair with each other and in accordance with a work schedule mutually agreeable to Landlord and Tenant and their respective contractors. Further, Tenant's work shall be performed in accordance with the terms, standards and conditions contained in Paragraph 14 above.

(d) Waiver. The provisions of California Civil Code Section 1932, Subsection 2, and Section 1933, Subsection 4, and any other similarly enacted statute or court decision relating to the abatement or termination of a lease upon destruction of the leased premises, are hereby waived by Tenant; and the provisions of this Paragraph 17 shall govern in case of such destruction.

18. CONDEMNATION.

(a) Definitions. The following definitions shall apply: (1) "Condemnation" and/or "Taking" means (a) the exercise of any governmental power of eminent domain, whether by legal proceedings or otherwise by condemnor, or (b) the voluntary sale or transfer by Landlord to any condemnor either under threat of condemnation or while legal proceedings for condemnation are proceeding; (2) "Date of Taking" means the date the condemnor has the right to possession of the property being condemned; (3) "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation; and (4) "Condemnor" means any public or quasi-public authority, or private corporation or individual, having a power of condemnation.

(b) Obligations to be Governed by Lease. If during the Term of this Lease there is any Taking of all or any part of the Premises, the rights and obligations of the parties shall be determined pursuant to this Lease.

(c) Total or Partial Taking. If the Premises is taken in its entirety by condemnation, this Lease shall terminate on the date of Taking. If any portion of the Premises is taken by condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after receipt of notice of the Taking from Landlord. If Tenant elects to terminate this Lease, Tenant shall also notify Landlord of the date of termination, which date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the date of Taking if the date of Taking falls on a date before the date of termination as designated by Tenant. If any portion of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the rent shall be reduced by an amount in the same ratio as the total number of square feet in the portion of the Premises taken bears to the total number of square feet in the Premises immediately before the Date of Taking. In the case where a portion of the Premises is taken and the Lease remains in full force and effect, Landlord shall, at its own cost and expense, to the extent of condemnation proceeds, make all alterations or repairs to the Building so as to make the portion of the Building not taken a complete architectural unit. Such work shall not, however, exceed the scope of work done by Landlord in originally constructing the Building. If severance damages from the condemnor are not available to Landlord in sufficient amounts to permit such restoration, Landlord may terminate this Lease upon written notice to Tenant; provided, however, if such insufficiency is less than $100,000, then Tenant shall have the option of funding such insufficiency in order to avoid the termination of this Lease. Rent due and payable hereunder shall be temporarily abated during such restoration period in proportion to the extent to which there is substantial interference with Tenant's use of the Premises, as reasonably determined by Landlord or Landlord's architect. Each party hereby waives the provisions of

Section 1265.130 of the California Code of Civil Procedure and any present or future law allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Building or Premises.

If the Premises are totally or partially taken by condemnation, Tenant shall not assert any claim against Landlord for any compensation because of such Taking, and Landlord shall be entitled to receive the entire amount of the award without any deduction for any estate or interest of Tenant; provided, however, that Tenant shall be permitted to assert an award from such condemning authority for any portion of the Premises or improvements therein being taken that were paid for by Tenant, including, without limitation, the Shell Modifications and any portion of the Tenant's Work (in excess of the Allowance), and for any relocation costs incurred by Tenant due to such condemnation.

19. ASSIGNMENT OR SUBLEASE.

Tenant shall not assign or encumber its interest in this Lease or any portion of the Premises or sublease all or any part of the Premises or allow any other person or entity (except Tenant's authorized representatives, employees, invitees, or guests) to occupy or use all or any part of the Premises without first obtaining Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. In addition to any other reasonable grounds upon which Landlord may withhold its consent, Landlord shall be deemed reasonable in withholding its consent if it determines in its reasonable discretion that: (i) the financial net worth of the proposed assignee or sublessee is not equal to or greater than Tenant's financial net worth as of the date of this Lease as increased by the increase in the Consumer Price Index – Urban Wage Earners and Clerical Workers (Los Angeles-Anaheim-Riverside) all items, (base years 1982 – 1984 = 100), if any, between the date of this Lease and the date of the assignment or sublease; (ii) intentionally deleted; (iii) the intended uses of the Premises by the proposed assignee or sublessee will constitute a violation of this Lease or any governmental law, rule, ordinance or regulation governing the Premises; (iv) intentionally deleted; or (v) the proposed assignee or sublessee is a tenant of Landlord in the Project or has negotiated to be a tenant of Landlord in the Project any time in the four (4) months just preceding Tenant's request for Landlord's consent, and, in either such case, Landlord then has comparable space available for lease in the Project. Any assignment, encumbrance or sublease without Landlord's written consent shall be voidable and at Landlord's election, shall constitute a default hereunder. Landlord's waiver or consent to any assignment or subletting shall not relieve Tenant or any assignee or sublessee from any obligation under this Lease whether or not accrued. Notwithstanding the foregoing, in the event that the original Tenant named herein assigns its entire interest in this Lease to a third party unaffiliated with such original Tenant (a "Third Party Assignment"), then the original Tenant named herein shall not have any liability for the terms of any amendment or modification to this Lease entered into by Landlord and such assignee after the effective date of such Third Party Assignment (provided that nothing herein shall limit such original Tenant's liability with respect to this Lease on the terms and conditions existing as of the effective date of such Third Party Assignment, including, without limitation, with respect to any then-existing options or rights that may be exercised in the future by such assignee or any subsequent transferee).

Subject to the last grammatical paragraph of this Paragraph 19: (i)if Tenant is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of any partner, or the dissolution of the partnership, shall be deemed a voluntary assignment; (ii) if Tenant is a limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law of any member, or the dissolution of the limited liability company, shall be deemed a voluntary assignment; or (iii) if Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least 50% of the value of the assets of Tenant shall be deemed a voluntary assignment. The phrase "controlling percentage" means ownership of and right to vote stock possessing at least 50% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for election of directors. The preceding sentences of this paragraph that relate to corporations shall not apply to corporations the stock of which is traded through a public exchange. If Landlord shall consent to any assignment or sublease of this Lease, 50% of all sums and other consideration payable to or for the benefit of the Tenant from its assignees or subtenants in excess of the rent payable by Tenant to Landlord under this Lease shall be paid to Landlord following Tenant's receipt of the same, provided that Tenant may deduct the amortized portion of the reasonable expenses incurred in connection with such sublease or assignment (amortized on a straight-line basis over the remaining Term of this Lease (in the case of an assignment) or the term of the sublease) for: (a) any alterations to the Premises in connection with the assignment or sublease; and (b) any market rate, third party brokerage commissions incurred in connection with the assignment or sublease.

If Tenant requests Landlord's consent to an assignment or sublease, Tenant shall submit to Landlord, in writing, the name of the proposed assignee or subtenant and the nature and character of the business of the proposed assignee or subtenant, the term, use, rental rate and all other material terms and conditions of the proposed assignment or sublease, including, without limitation, evidence satisfactory to Landlord that the proposed assignee or subtenant satisfies the financial criteria set forth in the first paragraph of this Paragraph 19, thirty (30) days prior to the proposed effective date of such assignment or sublease. Tenant shall also submit to Landlord a processing fee of Two Thousand Dollars ($2,000.00) as a condition to Landlord reviewing Tenant's proposed assignment or subletting materials, which fee shall be compensation for costs incurred by Landlord in connection with processing Tenant's request for consent (including any attorneys' fees that may be incurred by Landlord). Landlord shall within ten (10) business days after Landlord's receipt of such written request and information either (i) consent to or refuse to consent to (with reasonably detailed reasons for such refusal) such assignment or sublease in writing (but no such consent to an assignment or sublease shall relieve Tenant or any guarantor of Tenant's obligations under this Lease of any liability hereunder), (ii) in the event of a proposed assignment of this Lease or a proposed sublease of the entire Premises for the entire remaining Term of this Lease (excluding any Permitted Transfer (as defined below)), terminate this Lease effective the first to occur of ninety (90) days following written notice of such termination or the date that the proposed assignment or proposed sublease would have come into effect. If Landlord should fail to

notify Tenant in writing of its decision within such ten (10) business day period after the later of the date Landlord is notified in writing of the proposed assignment or sublease or the date Landlord has received all required information concerning the proposed assignee or subtenant and the proposed assignment or sublease, Landlord shall be deemed to have refused to consent to such assignment or sublease, and to have elected to keep this Lease in full force and effect. If Tenant requests Landlord's consent to any such assignment or sublease, the assignment shall be on a form approved by Landlord.

No interest of Tenant in this Lease shall be assignable by involuntary assignment through operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment: (a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes proceedings under the Bankruptcy Act in which Tenant is the bankrupt; or if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; or (b) If a writ of attachment or execution is levied on this Lease; or (c) If in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises. An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

No assignment or subletting, occupancy or collection of rent from any proposed assignee or sublessee shall be deemed a waiver on the part of Landlord, or the acceptance of the applicable assignee or sublessee, as applicable, as Tenant, and no such assignment or subletting shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay rent and to perform all other obligations to be performed by Tenant hereunder. If Tenant defaults under this Lease and such default continues past applicable notice and cure periods, then Landlord may require that any sublessee remit directly to Landlord on a monthly basis, all monies due Tenant by said sublessee, and each sublease shall provide that if Landlord gives said sublessee written notice that Tenant is in default under this Lease, said sublessee will thereafter make all payments due under the sublease directly to or as directed by Landlord, which payments will be credited against any payments due under this Lease. Tenant hereby irrevocably and unconditionally assigns to Landlord all rents and other sums payable under any sublease of the Premises; provided, however, that Landlord hereby grants Tenant a license to collect all such rents and other sums so long as Tenant is not in default under this Lease past applicable notice and cure periods. Consent by Landlord to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee or sublessee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or sublessee or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease (subject to the provisions of this Paragraph 14 with respect to a Third Party Assignment). Tenant hereby waives (for itself and all persons claiming under Tenant) the provisions of Civil Code Section 1995.310.

Notwithstanding anything contained in this Paragraph 19 to the contrary, Tenant may, at any time, assign its interest in this Lease or sublet the whole or any part of the Premises without any consent from Landlord to (i) any business organization affiliated with Tenant, (ii) any business organization resulting from the consolidation or merger, conversion or corporate reorganization of Tenant with any other business organization or organizations, or (iii) any business organization which shall acquire all or substantially all of Tenant's assets, stock or other ownership interests, whether by stock sale, merger, operation of law or otherwise, including any acquisition of stock affecting actual voting control of Tenant (any assignee pursuant to the clause (i), (ii) or (iii) above shall be referred to herein as a "Permitted Assignee"). For the purposes hereof, an “affiliated” business organization is any entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with Tenant. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a business organization, whether through the ownership of voting securities, by contract or otherwise. Further, notwithstanding anything contained in this Paragraph 19 to the contrary, Tenant may from time to time enter into license agreements or sublease agreements (each, a “Shared Space Arrangement”) with respect to up to ten percent (10%) of the Premises in the aggregate with any business organization affiliated with Tenant and/or institutions and companies collaborating with Tenant in furtherance of the uses permitted pursuant to Subparagraph 1(d) above to use portions of the Premises as “Shared Space Area” and such license agreements or sublease agreements shall not require Landlord’s consent. Tenant shall be responsible for the conduct of such companies, and Tenant’s indemnification obligations set forth in the Lease shall apply with respect to the conduct of such parties. Any transfer permitted pursuant to this paragraph shall be referred to herein as a “Permitted Transfer” and shall be expressly conditioned upon (A) Tenant delivering to Landlord, substantially concurrently with the effective date of such Permitted Transfer, written notice of same, provided that if prior or contemporaneous notice cannot be provided due to confidentiality restrictions or Applicable Laws, then Tenant shall provide written notice promptly following such Permitted Transfer, (B) the assignee assumes in full the obligations of Tenant under this Lease arising after effective date of the Permitted Transfer, and (C) Tenant remains fully liable under this Lease to the extent Tenant remains in existence following such Permitted Transfer (and Tenant agrees to provide Landlord with a written acknowledgement of their continuing liability). For the avoidance of doubt, in no event may Tenant enter into any Shared Space Arrangements for more than ten percent (10%) of the Premises in the aggregate at any time.

20. DEFAULT.

The occurrence of any of the following shall constitute a default by Tenant under this Lease: (a) A failure to pay recurring rent or any other charge within five (5) calendar days of when due, or a failure to pay non-recurring recurring rent or any other charge within five (5) calendar days following receipt of written notice that Tenant failed to timely pay such sum; (b) Abandonment of the Premises (failure to occupy and operate the Premises for thirty (30)

consecutive days without paying rent shall be deemed an abandonment); (c) The making by Tenant or any guarantor of this Lease ("Guarantor") of any general assignment for the benefit of creditors; the filing by or against Tenant or any Guarantor of a petition to have Tenant or such Guarantor adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant or a Guarantor, the same is dismissed within thirty (30) days; 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, or of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, or of substantially all of Guarantor's assets, where possession is not restored to Tenant or such Guarantor, as the case may be, within thirty (30) days; the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within (30) days; or if this Lease shall, by operation of law or otherwise, pass to any person or persons other than Tenant except as provided in Paragraph 19 herein; (d) The failure of Tenant to timely comply with the provisions of Paragraph 24 or Paragraph 31 of this Lease regarding, respectively, Subordination and Estoppel Certificates; or (e) The failure of Tenant to perform any other provision of this Lease within twenty (20) days following receipt of written request from Landlord; provided, however, that with respect to clause (e) above, if such performance cannot be completed within such twenty (20) day period, then Tenant shall not be in default of this Lease so long as Tenant commenced to cure such default within such twenty (20) day period and thereafter diligently pursued such cure to completion.

21. LANDLORD'S REMEDIES.

Landlord shall have the remedies described in this Paragraph 21 if Tenant is in default hereunder. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law (including, without limitation, to the extent the Premises are located in California, the remedies of Civil Code Section 1951.4 and any successor statute or similar law, which provides that Landlord may continue this Lease in effect following Tenant's breach and abandonment and collect rent as it falls due, if Tenant has the right to sublet or assign, subject to reasonable limitations).

Upon any default by Tenant, Landlord may:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon conditions, and for such a term, and to do all acts necessary to maintain or preserve the Premises, as Landlord deems reasonable and necessary, without being deemed to have elected to terminate this Lease, including re-entering the Premises to make repairs or to maintain or modify the Premises, and removing all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. Releting may be for a period shorter or longer than the remaining Term of this Lease, and for more or less rent, but Landlord shall have no obligation to relet at less than prevailing market rental rates. If releting occurs, this Lease shall terminate automatically when the new tenant takes possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time thereafter may elect to terminate the Lease by virtue of any previous uncured default by Tenant. In the event of any such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, as well as all costs of releting, including, without limitation, brokerage commissions and/or finder's fees, attorneys' fees, and restoration or remodeling costs.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, without limitation thereto, the following: (i) the worth, at the time of award, of any unpaid rent which had been earned at the time of such termination; plus (ii) the worth, at the time of award, of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth, at the time of award, of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount, and court costs, necessary to compensate Landlord for all the detriment proximately caused by Tenant's default or which in the ordinary course of things would be likely to result there from (including, without limiting the generality of the foregoing, the amount of any brokerage commissions and/or finder's fees for a replacement tenant, maintaining the Premises after such default, and preparing the Premises for releting); plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. As used in (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest at the Interest Rate. As used in (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). Tenant hereby waives for Tenant and all those claiming under Tenant all rights now or hereafter existing, including, without limitation, any rights under California Code of Civil Procedure Sections 1174 and 1179 and Civil Code Section 1950.7 to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

(c) Collect sublease rents (or appoint a receiver to collect such rents) and otherwise perform Tenant's obligations at the Premises, it being agreed, however, that neither the filing of a petition for the appointment of a receiver for Tenant nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

(d) Proceed to cure the default at Tenant's sole cost and expense. If at any time Landlord pays any sum or incurs any expense as a result of or in connection with curing any default of Tenant, the amount thereof shall be deemed additional rent hereunder and shall be immediately due and payable by Tenant to Landlord upon demand.

(e) Landlord hereby waives any security interest or lien that it may have with respect to Tenant's merchandise, fixtures, furniture, equipment, improvements, alterations and other personal property and all proceeds of the sale or other disposition of such property (collectively, the "Collateral"). Landlord hereby acknowledges and agrees that Tenant may remove from the Premises, from time to time, without the consent of Landlord all or any portion of the Collateral. Notwithstanding the foregoing, Landlord hereby agrees, upon the written request of Tenant, to confirm the foregoing waiver to Tenant's lender taking a security interest in such Collateral. Such confirmation shall be on a form approved by Landlord, and Tenant shall submit to Landlord a processing fee of Two Thousand Dollars ($2,000.00) as a condition to Landlord reviewing such confirmation of waiver document, which fee shall be compensation for costs incurred by Landlord in connection with processing Tenant's request for such confirmation (including any attorneys' fees that may be incurred by Landlord).

(f) Pursue any and all other legal or equitable remedies as may be available to Landlord by reason of such default by Tenant.

The remedies of Landlord, as hereinabove provided, are cumulative and in addition to and not exclusive of any other remedy of Landlord herein given or which may be permitted by law. The remedies of Landlord, as hereinabove provided, are subject to the other provisions herein. Nothing contained in this Paragraph 21 shall constitute a waiver of Landlord's right to recover damages by reason of Landlord's efforts to mitigate the damage to it caused by Tenant's default; nor shall anything herein adversely affect Landlord's right, as in this Lease elsewhere provided, to indemnification against liability for injury or damage to persons or property occurring prior to the termination of this Lease. Notwithstanding anything herein to the contrary, except for any damage or loss incurred by Landlord as a result of (i) Tenant's failure to timely surrender the Premises at the expiration or earlier termination of this Lease, or (ii) Tenant's failure to comply with **Exhibit H** attached hereto, Tenant shall not be liable hereunder to Landlord for any consequential damages or for loss of business, revenue, income or profits and Landlord hereby waives any and all claims for any such damages.

22. DEFAULT BY LANDLORD.

Landlord shall not be in default hereunder unless Landlord fails to perform the obligations required of Landlord within forty-five (45) days after written notice by Tenant to Landlord and to any Mortgagee or Ground Lessor (as defined in Subparagraph 34(m) below) in writing specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than forty-five (45) days is required for performance, then Landlord shall not be in default if Landlord commences performance within such forty-five (45)-day period and thereafter diligently prosecutes the same to completion. Upon the occurrence of any default by Landlord under this Lease (beyond all applicable notice and cure periods), Tenant shall be entitled to all remedies available at law or in equity, except as otherwise set forth in this Lease; provided, however, notwithstanding anything herein to the contrary, under no circumstances shall Landlord be liable hereunder to Tenant for any consequential damages or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Nothing herein contained shall be interpreted to mean that Tenant is excused from paying rent due hereunder as a result of any default by Landlord.

23. ENTRY OF PREMISES AND PERFORMANCE BY TENANT.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times upon at least two (2) business days prior notice to Tenant (with telephonic or email notice being sufficient for such purposes), except in the event of an emergency (in which case no prior notice shall be required), for any of the following purposes without abatement of rent or liability to Tenant: (a) To determine whether the Premises is in good condition and whether Tenant is complying with its obligations under this Lease; (b) To do any necessary maintenance and to make any restoration to the Premises or the Building that Landlord has the right or obligation to perform; (c) To post "for sale" signs at any time during the Term, to post "for rent" or "for lease" signs during the last twelve (12) months of the Term, or during any period while Tenant is in default; (d) To show the Premises to prospective brokers, agents, buyers, tenants or persons interested in an exchange, at any time during the Term; (e) To repair, maintain or improve the Premises and to erect scaffolding and protective barricades around and about the Premises but not so as to prevent entry to the Premises and to do any other act or thing necessary for the safety or preservation of the Premises; or (f) To discharge Tenant's obligations hereunder when Tenant has failed to do so in accordance with the terms of this Lease. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising of out Landlord's entry onto the Premises as provided in this Paragraph 23. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises any rights reserved in this Paragraph 23. Landlord shall reasonably attempt to conduct its activities on the Premises as provided herein in a manner that will reasonably minimize the inconvenience, annoyance or disturbance to Tenant. For each of these purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes. Tenant shall not alter any lock or install a new or additional lock or bolt on any door of the Premises without the prior written consent of Landlord. If Landlord gives its consent, Tenant shall furnish Landlord with a key for any such lock. Tenant, at its option, shall have the opportunity to have its authorized representative escort and supervise any entry by Landlord into the Premises pursuant to this Paragraph 23; provided, however, that no such escorting or supervision shall delay Landlord's entry into the Premises.

Notwithstanding anything to the contrary set forth in this Paragraph 23, Tenant may, upon written notice to Landlord, designate certain areas of the Premises as "Secured Areas" should Tenant require such areas for the purpose of securing certain valuable property or confidential information or otherwise for its business purposes, which Secure Area shall be no larger than reasonably necessary for the intended purpose. Tenant shall clearly and conspicuously identify any Secure Area within the Premises. In connection with the foregoing, Landlord shall not enter such Secured Areas except in the event of an emergency. If access to such Secure Area is reasonably required

in order for Landlord to perform any of its obligations under this Lease, and if after request by Landlord, Landlord is not timely provided with access to such Secure Area, then Landlord shall have no liability to Tenant for Landlord's failure to perform such obligations as a result thereof, and Tenant hereby waives all claims against Landlord at law or in equity as a result of such failure by Landlord. Additionally, notwithstanding anything in this Lease to the contrary, if access to such Secure Area is reasonably required in order for Landlord to perform any of its obligations under this Lease, and if any damage accrues during the period of time from the time of Landlord's request for access to such Secure Area to the time such access is granted by Tenant, then Landlord shall have no liability to Tenant for any damage accrued during any such period, and Tenant hereby waives all claims against Landlord at law or in equity as a result thereof.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense without any abatement of rent. If Tenant shall fail to pay any sum of money to any third party which Tenant is obligated to pay under this Lease or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for ten (10) days after notice thereof by Landlord (or such other period as specifically provided herein), Landlord may, without waiving or releasing Tenant from any obligations of Tenant, but shall not be obligated to, make any such payment or perform any such other act on Tenant's part to be made or performed in this Lease, without liability to Tenant for any loss or damage which might occur to Tenant’s merchandise, fixtures or other property or to Tenant’s business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord all sums so paid by Landlord and all necessary incidental costs for making such repairs plus twenty percent (20%) for overhead, upon presentation of a bill therefor. Said bill shall include interest on all sums so paid by Landlord and all necessary incidental costs for making such repairs at the Interest Rate, from the date of such payment by Landlord. Tenant covenants to pay any such sums to Landlord upon demand, and Landlord shall have (in addition to all other rights or remedies of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of rent.

24. SUBORDINATION.

Unless otherwise elected by Landlord or any Mortgagee (defined below) with a lien on the Premises or any Ground Lessor (defined below) with respect to the Premises (or any part thereof), this Lease shall be subject and subordinate at all times to (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Premises, or the land upon which the Premises is situated, or both, and (b) the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which the Premises, ground leases or underlying leases, or Landlord's interest or estate in any of said items is specified as security; provided, however, that a condition precedent to such subordination shall be that Landlord obtains from such lessor or lienholder a commercially reasonable non-disturbance agreement on such party's standard form in favor of Tenant with commercially reasonable changes. Notwithstanding the foregoing, Tenant acknowledges that Landlord shall have the right to subordinate or cause to be subordinated this Lease to any such ground leases or underlying leases or any such liens. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the tenant of the successor in interest to Landlord, at the option to such successor in interest. Tenant covenants and agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord any additional documents evidencing the priority or subordination of this Lease with respect to any such ground lease or underlying leases or the lien of any such mortgage or deed of trust. Tenant hereby irrevocably appoints Landlord as attorney-in-fact of Tenant to execute, deliver and record any such document in the name and on behalf of Tenant. Tenant shall pay upon demand Landlord's actual attorneys' fees and costs incurred in connection with any negotiation or modification of Landlord's lender's standard subordination agreement form.

25. NOTICE.

Any notice, demand, request, consent, approval or communication desired by either party or required to be given, shall be in writing and served personally or sent prepaid by commercial overnight courier or prepaid certified first class mail (return receipt requested), addressed as set forth in Subparagraphs 1(b) and 1(c). Either party may change its address by notification to the other party. Notice shall be deemed to be communicated seventy-two (72) hours from the time of mailing (if sent via first class mail), or at the time of service if sent by other than first class mail as provided in this Paragraph 25.

26. WAIVER.

No delay or omission in the exercise of any right or remedy by Landlord shall impair such right or remedy or be construed as a waiver. No act or conduct of Landlord, including, without limitation, acceptance of the keys to the Premises, shall constitute acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish termination of this Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

27. LIMITATION OF LIABILITY.

In consideration of the benefits accruing hereunder, Tenant and all successors and assigns of Tenant covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord or otherwise pertaining to any obligation of Landlord with respect to the Building:

(a) The liability of Landlord and/or any Landlord Indemnified Parties shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building (including sales and insurance proceeds received therefrom);

(b) No member, partner, officer, director, owner, shareholder or advisor of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction of the entity in question);

(c) No service of process shall be made against any member, partner, officer, director, owner, shareholder or advisor of Landlord (except as may be necessary to secure jurisdiction of the entity in question);

(d) No member, partner, officer, director, owner, shareholder or advisor of Landlord shall be required to answer or otherwise plead to any service of process;

(e) No judgment may be taken against any member, partner, officer, director, owner, shareholder or advisor of Landlord;

(f) Any judgment taken against any member, partner, officer, director, owner, shareholder or advisor of Landlord may be vacated and set aside at any time after the fact;

(g) No writ of execution will ever be levied against the assets of any member, partner, officer, director, owner, shareholder or advisor of Landlord;

(h) The obligations under this Lease do not constitute personal obligations of any individual member, partner, officer, director, owner, shareholder or advisor of Landlord, and Tenant shall not seek recourse against any such persons or entities of Landlord or any of their personal assets for satisfaction of any liability in respect to this Lease; and

(i) These covenants and agreements are enforceable both by Landlord and also by any member, partner, officer, director, owner, shareholder or advisor of Landlord.

Tenant agrees that each of the foregoing provisions shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by statute or at common law.

28. FORCE MAJEURE.

Neither party shall have any liability whatsoever to the other party on account of (a) the inability or delay of either party in fulfilling any of such party's obligations under this Lease by reason of strike, other labor trouble, terrorism, governmental action, inaction or moratorium, governmental controls in connection with a national or other public emergency, or shortages of fuel, supplies or labor resulting there from or any other cause, whether similar or dissimilar to the above, beyond such party's reasonable control; or (b) any failure or defect in the supply, quantity or character of electricity or water furnished to the Premises, by reason of any requirement, act or omission of the public utility or others furnishing the Premises with electricity or water, or for any reason, whether similar or dissimilar to the above, beyond such party's reasonable control. If this Lease specifies a time period for performance of an obligation of Landlord or Tenant, that time period shall be extended by the period of any delay in such party's performance caused by any of the events of force majeure described above; provided, however, that in no event shall any event of force majeure extend the Rent Commencement Date or the time for Tenant's payment of rent or any other monetary obligation under this Lease. Neither party may assert a delay arising from an event of force majeure until such party shall have given the other party written notice of such force majeure event.

29. PROFESSIONAL FEES.

(a) In the event of any legal action or proceeding brought by either party against the other arising out of this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs (including, without limitation, court costs and expert witness fees) incurred in such action. Such amounts shall be included in any judgment rendered in any such action or proceeding. If Landlord employs a collection agency to recover delinquent charges, Tenant agrees to pay all collection agency fees charged to Landlord in addition to rent, late charges, interest and other sums payable under this Lease.

(b) If Landlord is named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its costs and expenses incurred in such suit including, without limitation, its actual professional fees incurred, including, without limitation, appraisers', accountants' and attorneys' fees.

30. EXAMINATION OF LEASE.

Submission of this instrument for examination or signature by Tenant shall not create a binding agreement between Landlord and Tenant nor shall it constitute a reservation or option to lease on the part of Tenant and this instrument shall not be effective as a lease and shall not create any obligations on the part of Landlord or Tenant until this Lease has been validly executed first by Tenant and second by Landlord, and delivered Tenant.

31. ESTOPPEL CERTIFICATE.

(a) Within ten (10) business days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord a statement ("Estoppel Certificate"), in a form substantially

similar to the form of **Exhibit E** attached hereto or in such other form as Landlord's lender or purchaser may require, certifying: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications, stating the nature and date of such modifications), (iii) the date to which the rent and other sums payable under this Lease have been paid; (iv) that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph 31 may be relied upon by any Mortgagee, beneficiary, purchaser or prospective purchaser of the Premises or any interest therein.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one (1) month's rent has been paid in advance. Tenant's failure to deliver said statement to Landlord within ten (10) business days of receipt shall constitute a default under this Lease and Landlord shall have the remedies provided in Paragraph 21.

(c) Tenant hereby irrevocably appoints Landlord as Tenant's attorney in fact, which appointment is coupled with an interest, to act in Tenant's name, place and stead to execute such Estoppel Certificate on Tenant's behalf.

(d) Within ten (10) business days following any written request which Tenant may make from time to time, Landlord shall execute and deliver to Tenant a statement, in a form substantially similar to the form of **Exhibit E** attached hereto (as modified to reflect the fact that Landlord is the party making the statements set forth therein), certifying: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications, stating the nature and date of such modifications), (iii) the date to which the rent and other sums payable under this Lease have been paid; (iv) that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters reasonably requested by Tenant.

32. RULES AND REGULATIONS.

Tenant shall faithfully observe and comply with the "Rules and Regulations", a copy of which is attached hereto and marked **Exhibit F**, and all reasonable and nondiscriminatory modifications thereof and additions thereto from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the violations or nonperformance by any other tenant or occupant of the project of any of said Rules and Regulations.

33. LIENS.

Tenant shall, within ten (10) days after receiving notice of the filing of any mechanic's lien for material or work claimed to have been furnished to the Premises on Tenant's behalf or at Tenant's request, discharge the lien or post a bond equal to the amount of the disputed claim with a bonding company reasonably satisfactory to Landlord. If Tenant posts a bond, it shall contest the validity of the lien with all due diligence. Tenant shall indemnify, defend and hold Landlord harmless from any and all losses and costs incurred by Landlord as a result of any such liens attributable to Tenant. If Tenant does not discharge any lien or post a bond for such lien within such ten (10) day period, Landlord may discharge such lien at Tenant's expense and Tenant shall promptly reimburse Landlord for all costs incurred by Landlord in discharging such lien including, without limitation, attorneys' fees and costs and interest on all sums expended at the Interest Rate. Tenant shall provide Landlord with not less than ten (10) days written notice of its intention to have work performed at or materials furnished to the Premises so that Landlord may post appropriate notices of non-responsibility. Tenant shall pay upon demand Landlord's attorneys' fees and other costs incurred in connection with any request by Tenant for any subordination or clarification of any Landlord lien right arising under this Lease or at law.

34. MISCELLANEOUS PROVISIONS.

(a) Time of Essence. Time is of the essence of each provision of this Lease.

(b) Successors. This Lease shall be binding on and inure to the benefit of the parties and their successors, except as provided in Paragraph 19 herein.

(c) Landlord's Consent. Any consent required by Landlord under this Lease must be granted in writing and may be withheld by Landlord in its sole and absolute discretion, unless otherwise expressly provided herein.

(d) Commissions. Each party represents that it has not had dealings with any real estate broker, finder or other person with respect to this Lease in any manner, except for the broker(s) identified in Subparagraph 1(k) above. If Tenant has dealt with any other person or real estate broker with respect to leasing or renting the Premises, Tenant shall be solely responsible for the payment of any fees due said person or firm and Tenant shall hold Landlord free and harmless and indemnify and defend Landlord from any liabilities, damages or claims with respect thereto, including attorney's fees and costs.

(e) Landlord's Successors. In the event of a sale or conveyance by Landlord of the Premises, the same shall operate to release Landlord from any liability under this Lease, and in such event Landlord's successor-in-interest shall be solely responsible for all obligations of Landlord under this Lease.

(f) Prior Agreement or Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

(g) Recording. Tenant shall not record this Lease or a short form memorandum thereof without the consent of Landlord. Landlord may record a short form memorandum of this Lease and Tenant shall execute and acknowledge such form if requested to do so by Landlord.

(h) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect.

(i) No Partnership or Joint Venture. Nothing in this Lease shall be deemed to constitute Landlord and Tenant as partners or joint venturers. It is the express intent of the parties hereto that their relationship with regard to this Lease and the Premises be and remain that of lessor and lessee.

(j) Interpretation. When required by the context of this Lease, the singular shall include the plural, and the masculine shall include the feminine and/or neuter. "Party" shall mean Landlord or Tenant.

(k) No Light, Air or View Easement. Any diminution or blocking of light, air or view by any structure which may be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

(l) Governing Law. This Lease shall be governed by and construed pursuant to the laws of the State of California.

(m) Mortgagee Protection. In the event of any default on the part of Landlord, Tenant will give simultaneous notice consistent with Paragraph 25 to any beneficiary of a deed of trust, mortgagee, or ground lessor of the Premises ("Mortgagee" or Ground Lessor"), and shall offer such Mortgagee or Ground Lessor, a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure, or in the event of a Ground Lessor, by appropriate judicial action, if such should prove necessary to effect a cure.

(n) WAIVER OF JURY TRIAL; JUDICIAL REFERENCE.

i) Jury Trial Waiver. EACH PARTY HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS SUBPARAGRAPH 34(n)(i) IS SUBJECT IN ITS ENTIRETY TO SUBPARAGRAPH 34(n)(ii) HEREOF.

ii) Reference Provision. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNTIL SUCH TIME (IF AT ALL) AS THE CALIFORNIA LEGISLATURE ENACTS A LAW THAT WOULD RENDER THE JURY TRIAL WAIVER SET FORTH IN SUBPARAGRAPH 34(n)(i) HEREOF VALID AND ENFORCEABLE OR FOR ANY OTHER REASON A COURT OF COMPETENT JURISDICTION DETERMINES THAT THE JURY TRIAL WAIVER SET FORTH IN SUBPARAGRAPH 34(n)(i) HEREOF IS VALID AND ENFORCEABLE, THE REFERENCE PROVISION CONTAINED IN **EXHIBIT J** HERETO SHALL APPLY TO ANY SUIT, ACTION OR PROCEEDING COMMENCED PRIOR TO SUCH TIME IN LIEU OF THE JURY TRIAL WAIVER SET FORTH IN SUBPARAGRAPH 34(n)(i) HEREOF.

(o) Intentionally Deleted.

(p) Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

(q) Financial Statements. Upon ten (10) days prior written request from Landlord (which Landlord may make at any time during the Term including in connection with Tenant's exercise of any option to extend or other option granted to Tenant in this Lease, but no more often that two (2) times in any calendar year, other than in the event of a default by Tenant during such calendar year, the exercise of any option in such calendar year or in connection with Landlord's prospective sale or refinancing of the Building, when such limitation shall not apply), Tenant shall deliver to Landlord (i) a current financial statement of Tenant and any guarantor of this Lease, and (ii) financial statements of Tenant and such guarantor for the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally acceptable accounting principles and certified as true in all material respects by Tenant (if Tenant is an individual) or by an authorized officer, member/manager or general partner of Tenant (if Tenant is a corporation, limited liability company or partnership, respectively).

35. LEASE EXECUTION.

(a) Tenant's Authority. If Tenant executes this Lease as a partnership or corporation, then Tenant and the persons and/or entities executing this Lease on behalf of Tenant represent and warrant that: (a) Tenant is a duly authorized and existing partnership or corporation, as the case may be, and is qualified to do business in the state in which the Building is located; (b) such persons and/or entities executing this Lease are duly authorized to execute and deliver this Lease on Tenant's behalf in accordance with the Tenant's partnership agreement (if Tenant is a partnership), or a duly adopted resolution of Tenant's board of directors and the Tenant's by-laws (if Tenant is a corporation); and (c) this Lease is binding upon Tenant in accordance with its terms.

(b) Joint and Several Liability. If more than one person or entity executes this Lease as Tenant: (a) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (b) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

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

TENANT:

ATARA BIOTHERAPEUTICS, INC.,
a Delaware corporation

By:/s/ Isaac Ciechanover
Name: Issac Ciechanover
Its: CEO

LANDLORD:

THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC,
a Delaware limited liability company

By:SRG Thousand Oaks, L.P.,
a Delaware limited partnership
Its: Managing Member

By:SRG Investors, LLC,
a Delaware limited liability company
Its: General Partner

By:/s/ Steven K. Kedde
Name: Steven K. Kedde
Its: Vice President

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EXHIBIT A

DEPICTION OF PREMISES AND PREMISES LAND
(INCLUDING INITIAL PARKING SPACES)

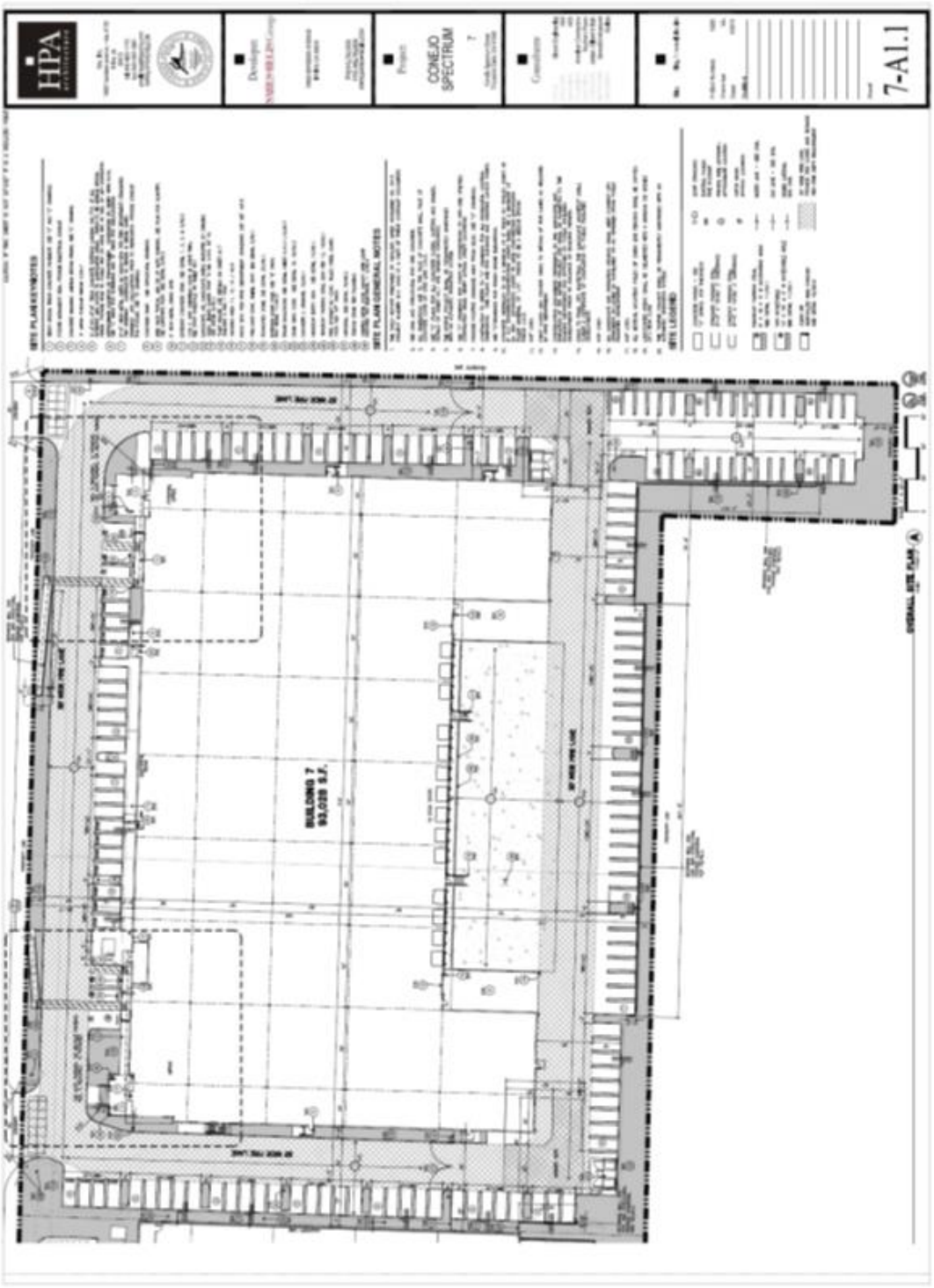

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EXHIBIT B

INTENTIONALLY DELETED

EXHIBIT C

LANDLORD'S WORK LETTER

1. **LANDLORD'S WORK**. Landlord shall construct and, except as provided in this Landlord's Work Letter to the contrary, pay for the entire cost of constructing the tenant improvements described by (i) the plans and specifications identified in Schedule "1" attached hereto (such work being the "Building Improvements"), and (ii) the plans and specifications identified in Schedule "2" attached hereto (such work being the "Shell Modifications"), all using Project-standard materials, finishes and specifications selected by Landlord, except as set forth in Schedule "1" and/or Schedule "2". The plans and specifications identified in Schedule "1" and Schedule "2" attached hereto are collectively referred to herein as the "Plans." The Building Improvements and the Shell Modifications are collectively referred to herein as "Landlord's Work." Tenant may not request changes to the Plans.

2. **PAYMENT FOR SHELL MODIFICATIONS** . Notwithstanding anything in this Landlord's Work Letter to the contrary, Tenant shall be responsible for all costs and expenses related to the design, permitting and construction of the Shell Modifications, including, without limitation, a construction supervision and management fee payable to Landlord in an amount not to exceed four percent (4%) (the "Construction Management Fee") of such total costs and expenses of the Shell Modifications (collectively, the "Shell Modification Costs"). Notwithstanding anything herein to the contrary, the Construction Management Fee shall only be based off of the Shell Modifications being constructed by Landlord and in no event shall Landlord have any right to any construction management or oversight fee for, and in no event shall the Construction Management Fee be calculated from the cost of, any portion of the Tenant's Work or any other work constructed by Tenant. Concurrently with Tenant's execution of the Lease, Tenant shall deliver to Landlord a portion of the Shell Modifications Costs in the amount of fifty percent (50%) of the estimated Shell Modification Costs (the "Initial Shell Modification Payment"). Thereafter, Tenant shall pay the remaining portion(s) of the Shell Modification Costs either to Landlord or directly to Landlord's contractor (at Landlord's election) in six (6) equal installments payable monthly on the first (1st) day of the month, commencing on the first (1st) day of the first (1st) full calendar month after the date of this Lease; provided, however, that in any event, Tenant shall pay to Landlord the entire balance of the Shell Modification Costs in full at the time the sixth (6th) installment is due and payable.

3. **CONSTRUCTION OF LANDLORD'S WORK**. Upon Tenant's payment to Landlord of the Initial Shell Modification Payment and the total amount of the cost of any changes to the Plans for the Building Improvements, if any, as set forth above, Landlord's contractor shall commence and diligently proceed with the construction of Landlord's Work, subject to Tenant Delays and Force Majeure Delays (as defined in Paragraph 5 below). With respect to the Shell Modifications, Landlord shall engage Landlord's contractor pursuant to a guaranteed maximum price contract in a form reasonably and mutually acceptable to Landlord and Tenant. Attached hereto as Schedule "4" is a construction schedule letter setting forth the projected completion dates for Landlord's Work and showing the deadlines for any actions required to be taken by Tenant during such construction, and Landlord may from time to time during construction of Landlord's Work modify such schedule, subject to Tenant's approval (not to be unreasonably withheld), and nothing herein shall limit the modification of such schedule to account for Tenant Delays or Force Majeure Delays.

4. **COMMENCEMENT DATE AND SUBSTANTIAL COMPLETION**.

(a) **Commencement Date**. The Term of the Lease shall commence on the date (the "Commencement Date") which is the date Landlord's Work has been "substantially completed" (as defined below); provided, however, that if substantial completion of Landlord's Work is delayed as a result of any Tenant Delays, then the date of substantial completion as would otherwise have been established pursuant to this sentence shall be accelerated by the number of days of such Tenant Delays. Notwithstanding the foregoing, if Tenant moves into the Premises to commence operation of its business in all or any portion of the Premises prior to the Commencement Date as determined above, the Commencement Date shall be deemed to be the date Tenant moves into the Premises to commence operation of its business in all or any portion of the Premises.

(b) **Substantial Completion; Punch-List**. Landlord's Work shall be deemed to be "substantially completed" when Landlord: (i) is able to provide Tenant reasonable access to the Premises; (ii) has substantially completed Landlord's Work in accordance with the Plans, as evidenced by a written certification by Landlord's architect, other than decoration and minor "punch-list" type items and adjustments which do not materially interfere with Tenant's access to or use of the Premises; and (iii) has obtained a temporary certificate of occupancy or other required equivalent approval from the local governmental authority permitting occupancy of the Premises. Within ten (10) days after such substantial completion, Tenant shall conduct a walk-through inspection of the Premises with Landlord and provide to Landlord a written punch-list specifying those decoration and other punch-list items which require completion, which items Landlord shall thereafter diligently complete; provided, however, that Tenant shall be responsible, at Tenant's sole cost and expense, for the remediation of any items on the punch-list caused by Tenant's acts or omissions. Upon completion of Landlord's Work, Landlord shall use commercially reasonable efforts to assign to Tenant, to the extent assignable and on a non-exclusive basis, all warranties received by Landlord in connection with Landlord's Work.

(c) **Anticipated Substantial Completion Date**. The parties estimate that Landlord's Work will be substantially completed on or around the date that is one hundred seventy (170) days after the date that is the later of (i) the date that Landlord receives the permits necessary to commence Landlord's Work, and (ii) the date that Landlord receives the Initial Shell Modification Payment (such estimated date being the "Anticipated Substantial Completion Date"). Landlord shall use its commercially reasonable efforts to cause Landlord's Work to be substantially completed on or before the Anticipated Substantial Completion Date, subject to Tenant Delays and Force Majeure Delays. Tenant agrees that if Landlord's Work is not substantially completed on or prior to the Anticipated Substantial Completion

Date, the Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, except as expressly set forth in Subparagraph 4(d) below.

(d) **Outside Substantial Completion Date**. Notwithstanding anything in the Lease or this Landlord's Work Letter to the contrary, if Landlord's Work is not substantially completed on or before the date that is eighteen (18) months after the date that is the later of (i) the date that Landlord receives the permits necessary to commence Landlord's Work, and (ii) the date that Landlord receives the Initial Shell Modification Payment (as such outside date shall be extended for any Tenant Delays and Force Majeure Delays, the "Outside Substantial Completion Date"), then as Tenant's sole and exclusive remedy therefor, Tenant shall have the right to terminate the Lease by delivering written notice to Landlord on or before the date that is ten (10) days after the Outside Substantial Completion Date (and such termination shall be effective as of the date that is thirty (30) days after Landlord's receipt of such notice); provided, however, that if Landlord's Work is substantially complete prior to the effective date of such termination, Tenant's election to terminate shall be deemed void and the Lease shall remain in full force and effect. For the avoidance of doubt, nothing herein shall limit the rights of Tenant set forth in Subparagraph 4(c) of the Lease in the event that the Landlord's Early Entry Work is not substantially completed on or before the Outside Early Entry Date.

5. **TENANT DELAYS**. "Tenant Delays" shall mean any delay resulting from any or all of the following: (a) Tenant's failure to timely perform any of its obligations pursuant to this Landlord's Work Letter, including any failure to complete, on or before the due date therefor, any action item which is Tenant's responsibility pursuant to any schedule delivered by Landlord to Tenant pursuant to this Landlord's Work Letter; (b) Tenant's changes to the Plans; (c) Tenant's request for materials, finishes, or installations which are not readily available or which are incompatible with the Standards; (d) any delay of Tenant in making payment to Landlord for the Shell Modifications or for Tenant's share of any costs in excess of the cost of Landlord's Work as described in the Plans; (e) any other act or failure to act by Tenant, Tenant's employees, agents, architects, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant; (f) any early entry by Tenant pursuant to Subparagraph 4(c) of the Lease; or (g) any failure by Tenant to obtain any permits or approvals for Tenant's proposed use and occupancy of the Premises as contemplated in the Plans (excluding any building permits or approvals for Landlord's Work). If Landlord contends that a Tenant Delay has occurred, Landlord shall notify Tenant in writing (the “Tenant Delay Notice”) of the event which constitutes such Tenant Delay. In connection with any Tenant Delay, if such actions, inaction or circumstance described in the Tenant Delay Notice are not cured by Tenant within two (2) business days of Tenant's receipt of the Tenant Delay Notice and if such action, inaction or circumstance otherwise qualify as a Tenant Delay, then a Tenant Delay shall be deemed to have occurred commencing as of the date that is three (3) business days following Tenant's receipt of the Tenant Delay Notice and ending as of the date such Tenant Delay ends.

6. **FORCE MAJEURE DELAYS**. "Force Majeure Delays" shall mean any actual delay beyond the reasonable control of Landlord, which is not a Tenant Delay and which is caused by any of the causes described in Paragraph 28 of the Lease.

7. **CONSTRUCTION REPRESENTATIVES**. Landlord hereby appoints the following person(s) as Landlord's representative ("Landlord's Representative") to act for Landlord in all matters covered by this Landlord's Work Letter: Steve Fedde.

Tenant hereby appoints the following person(s) as Tenant's representative ("Tenant's Representative") to act for Tenant in all matters covered by this Landlord's Work Letter: Jeff Masten.

All communications with respect to the matters covered by this Landlord's Work Letter are to made be to Landlord's Representative or Tenant's Representative, as the case may be, in writing in compliance with the notice provisions of the Lease. Either party may change its representative under this Landlord's Work Letter at any time by written notice to the other party in compliance with the notice provisions of the Lease.

SCHEDULE 1

PLANS AND SPECIFICATIONS FOR BUILDING IMPROVEMENTS

BUILDING 7 SHELL DRAWINGS LIST CONEJO SPECTRUM 2430 CONEJO SPECTRUM STREET THOUSAND OAKS, CA 91320			
Sheet #	**Title**	**Prepared by**	**Date**
ARCHITECTURAL			
7-A0.1	Title Sheet	HPA, Inc.	12/14/2016
A0.2	General Notes	HPA, Inc.	6/23/2016
A0.4.1	Conditions of Approval	HPA, Inc.	6/23/2016
A0.4.2	Conditions of Approval	HPA, Inc.	6/23/2016
A0.4.3	Conditions of Approval	HPA, Inc.	6/23/2016
A0.5.1	Security Provisions	HPA, Inc.	6/23/2016
A0.5.2	Security Provisions	HPA, Inc.	6/23/2016
A0.5.3	Security Provisions	HPA, Inc.	6/23/2016
A0.8.1	Cal Green Check List	HPA, Inc.	6/23/2016
A0.8.2	Cal Green Check List	HPA, Inc.	6/23/2016
A1.0	Master Site Plan	HPA, Inc.	6/23/2016
7-A1.1	Overall Site Plan	HPA, Inc.	6/23/2016
7-A1.2	Enlarged Site Plan	HPA, Inc.	6/23/2016
7-A2.1	Overall Floor Plan	HPA, Inc.	6/23/2016
7-A2.2	Enlarged Floor Plan	HPA, Inc.	6/23/2016
7-A2.10	Overall Roof Plan	HPA, Inc.	6/23/2016
7-A3.1	Elevations	HPA, Inc.	6/23/2016
A4.1	Wall Sections	HPA, Inc.	6/23/2016
A4.2	Wall Sections	HPA, Inc.	6/23/2016
A4.3	Wall Sections	HPA, Inc.	6/23/2016
A4.4	Wall Sections	HPA, Inc.	6/23/2016
A4.5	Wall Sections	HPA, Inc.	6/23/2016
A5.1	Door Schedule	HPA, Inc.	6/23/2016
A5.2	Finishes Schedule	HPA, Inc.	6/23/2016
A6.1	Stair Details	HPA, Inc.	6/23/2016
AD.1	Details	HPA, Inc.	6/23/2016
AD.2	Details	HPA, Inc.	6/23/2016
AD.3	Details	HPA, Inc.	6/23/2016
AD.4	Details	HPA, Inc.	6/23/2016
AD.5	Details	HPA, Inc.	6/23/2016
AD.6	Details	HPA, Inc.	6/23/2016
AD.7	Details	HPA, Inc.	6/23/2016
AD.8	Details	HPA, Inc.	6/23/2016
AD.9	Details	HPA, Inc.	6/23/2016
AD.10	Details	HPA, Inc.	6/23/2016
STRUCTURAL			
7-S1.1	Foundation Plan	HSA & Associates, Inc.	6/6/2016
7-S1.2	Mezzanine Framing Plan	HSA & Associates, Inc.	6/6/2016
7-S2.1	Roof Framing Plan	HSA & Associates, Inc.	6/6/2016
7-S3.1	Roof Nailing Diagram, Girder & Bar Joist Schedule	HSA & Associates, Inc.	6/6/2016
7-S4.1	Panel Elevations	HSA & Associates, Inc.	6/6/2016
7-S4.2	Panel Elevations	HSA & Associates, Inc.	6/6/2016
7-S4.3	Panel Elevations	HSA & Associates, Inc.	6/6/2016
SD-0.0	General Notes	HSA & Associates, Inc.	6/6/2016
SD-0.1	General Notes	HSA & Associates, Inc.	6/6/2016
SD-1	Foundation Details	HSA & Associates, Inc.	6/6/2016
SD-2	Panel to Footing Details	HSA & Associates, Inc.	6/6/2016
SD-3	Panel Details	HSA & Associates, Inc.	6/6/2016
SD-4	Roof Framing Details	HSA & Associates, Inc.	6/6/2016
SD-5	Roof Framing Details	HSA & Associates, Inc.	6/6/2016

SD-6	Roof Framing Details	HSA & Associates, Inc.	6/6/2016
SD-7	Miscellaneous Details	HSA & Associates, Inc.	6/6/2016
SD-8	Miscellaneous Details	HSA & Associates, Inc.	6/6/2016
SD-9	Typical Floor Framing Details	HSA & Associates, Inc.	6/6/2016
SD-10	Wood Framing Details	HSA & Associates, Inc.	6/6/2016
SD-11	Wood Stair Plans and Details	HSA & Associates, Inc.	6/6/2016
SD-12	Steel Stair Plans and Details	HSA & Associates, Inc.	6/6/2016
SD-13	Trash Enclosure Plan and Panel Elevations	HSA & Associates, Inc.	6/6/2016
SD-14	Canopy Plan and Details	HSA & Associates, Inc.	6/6/2016
MECHANICAL			
7-M1	HVAC Notes, Legend, Schedules	Air Control Systems	7/12/2016
7-M2.1	HVAC Floor Plan	Air Control Systems	7/12/2016
7-M2.2	HVAC Enlarged Floor Plans	Air Control Systems	7/12/2016
7-M3	HVAC Details	Air Control Systems	7/12/2016
7-EC1	Energy Compliance Forms	Air Control Systems	7/12/2016
7-EC2	Energy Compliance Forms	Air Control Systems	7/12/2016
PLUMBING			
7-P-1	Plumbing Specifications & Calculations	American Contractors, Inc.	7/18/2016
7-P-2	Site Plan	American Contractors, Inc.	7/18/2016
7-P-3	Roof Plan	American Contractors, Inc.	7/18/2016
7-P-4	Overall Floor Plan	American Contractors, Inc.	7/18/2016
7-P-5	Enlarged 1st Floor Plan	American Contractors, Inc.	7/18/2016
7-P-6	Mezzanine Floor Plans	American Contractors, Inc.	7/18/2016
7-P-7	Sanitary Waste and Vent Isometric	American Contractors, Inc.	7/18/2016
7-P-8	Domestic Hot and Cold Water Isometric	American Contractors, Inc.	7/18/2016
7-P-9	Condensate Plan	American Contractors, Inc.	7/18/2016
ELECTRICAL			
E0.0	Overall Electrical Title Sheet	Southern Power Inc.	7/15/2016
7-E1.1	Electrical Site Plan	Southern Power Inc.	6/23/2016
7-E2.1	Overall Electrical Floor Plan	Southern Power Inc.	6/23/2016
7-E2.1A	Overall Lighting Control Plan	Southern Power Inc.	6/23/2016
7-E2.2	Enlarged Power Plans	Southern Power Inc.	6/23/2016
7-E2.3	Enlarged Lighting Plans	Southern Power Inc.	6/23/2016
7-E3.1	Single Line Diagram and Panel Schedules	Southern Power Inc.	6/23/2016
7-E4.1	Title 24 - Indoor Energy Compliance Forms	Southern Power Inc.	6/23/2016
7-E4.2	Title 24 - Indoor Energy Compliance Forms	Southern Power Inc.	6/23/2016
7-E4.3	Bldg. 7 Title 24 - Outdoor Energy Compliance Forms	Southern Power Inc.	6/23/2016

SCHEDULE 2

PLANS AND SPECIFICATIONS FOR SHELL MODIFICATIONS

ATARA SHELL UPGRADES & MEZZANIINE DRAWINGS LIST CONEJO SPECTRUM - BUILDING 7 2430 CONEJO SPECTRUM STREET THOUSAND OAKS, CA 91320			
Sheet #	**Title**	**Prepared by**	**Date**
ARCHITECTURAL			
7-A0.1	Title Sheet	HPA, Inc.	1/23/2017
A0.2	General Notes	HPA, Inc.	1/23/2017
A0.4.1	Conditions of Approval	HPA, Inc.	1/23/2017
A0.4.2	Conditions of Approval	HPA, Inc.	1/23/2017
A0.4.3	Conditions of Approval	HPA, Inc.	1/23/2017
A0.5.1	Security Provisions	HPA, Inc.	1/23/2017
A0.5.2	Security Provisions	HPA, Inc.	1/23/2017
A0.5.3	Security Provisions	HPA, Inc.	1/23/2017
A0.8.1	Cal Green Check List	HPA, Inc.	1/23/2017
A0.8.2	Cal Green Check List	HPA, Inc.	1/23/2017
7-A1.1	Overall Site Plan	HPA, Inc.	1/23/2017
7-A1.2	Enlarged Site Plan	HPA, Inc.	1/23/2017
7-A2.1	Overall Floor Plan	HPA, Inc.	1/23/2017
7-A2.2	Enlarged Floor Plan	HPA, Inc.	1/23/2017
7-A2.10	Overall Roof Plan	HPA, Inc.	1/23/2017
7-A3.1	Elevations	HPA, Inc.	1/23/2017
7-A4.1	Wall Sections	HPA, Inc.	1/23/2017
7-A4.2	Wall Sections	HPA, Inc.	1/23/2017
7-A4.3	Wall Sections	HPA, Inc.	1/23/2017
A4.4	Wall Sections	HPA, Inc.	1/23/2017
7-A4.5	Section	HPA, Inc.	1/23/2017
A5.1	Floor Plan	HPA, Inc.	1/23/2017
A6.1	Interior Stairs	HPA, Inc.	1/23/2017
AD.1	Details	HPA, Inc.	1/23/2017
AD.2	Details	HPA, Inc.	1/23/2017
AD.3	Details	HPA, Inc.	1/23/2017
AD.4	Details	HPA, Inc.	1/23/2017
AD.5	Details	HPA, Inc.	1/23/2017
AD.6	Details	HPA, Inc.	1/23/2017
AD.7	Details	HPA, Inc.	1/23/2017
AD.8	Details	HPA, Inc.	1/23/2017
AD.9	Details	HPA, Inc.	1/23/2017
AD.10	Details	HPA, Inc.	1/23/2017
STRUCTURAL			
7-S1.1	Foundation Plan	HSA & Associates, Inc.	1/23/2017
7-S1.2	Mezzanine Framing Plan	HSA & Associates, Inc.	1/23/2017
7-S2.1	Roof Framing Plan	HSA & Associates, Inc.	1/23/2017
7-S3.1	Roof Nailing Diagram, Girder & Bar Joist Schedule	HSA & Associates, Inc.	1/23/2017
7-S4.1	Panel Elevations	HSA & Associates, Inc.	1/23/2017
7-S4.2	Panel Elevations	HSA & Associates, Inc.	1/23/2017
7-S4.3	Panel Elevations	HSA & Associates, Inc.	1/23/2017
SD-0.0	General Notes	HSA & Associates, Inc.	1/23/2017
SD-0.1	General Notes	HSA & Associates, Inc.	1/23/2017
SD-1	Foundation Details	HSA & Associates, Inc.	1/23/2017
SD-2	Panel to Footing Details	HSA & Associates, Inc.	1/23/2017
SD-3	Panel Details	HSA & Associates, Inc.	1/23/2017
SD-4	Roof Framing Details	HSA & Associates, Inc.	1/23/2017
SD-5.0	Roof Framing Details	HSA & Associates, Inc.	1/23/2017
SD-5.1	Braced Frame Elevations	HSA & Associates, Inc.	1/23/2017
SD-5.1A	Braced Frame Details	HSA & Associates, Inc.	1/23/2017

SD-5.2A	Braced Frame Details	HSA & Associates, Inc.	1/23/2017
SD-6	Roof Framing Details	HSA & Associates, Inc.	1/23/2017
SD-7	Miscellaneous Details	HSA & Associates, Inc.	1/23/2017
SD-8	Miscellaneous Details	HSA & Associates, Inc.	1/23/2017
SD-9	Typical Floor Framing Details	HSA & Associates, Inc.	1/23/2017
SD-10	Wood Framing Details	HSA & Associates, Inc.	1/23/2017
SD-11	Miscellaneous Details	HSA & Associates, Inc.	1/23/2017
SD-12	Canopy Plan & Details	HSA & Associates, Inc.	1/23/2017
SD-13	Trash Enclosure Plan and Panel Elevations	HSA & Associates, Inc.	1/23/2017
SD-14	Steel Stair Plans and Details	HSA & Associates, Inc.	1/23/2017
MECHANICAL			
7-M1	HVAC Notes, Legend, Schedules	Air Control Systems	12/14/2016
PLUMBING			
7-P-1	Plumbing Specifications & Calculations	American Contractors, Inc.	12/14/2016
7-P-2	Site Plan	American Contractors, Inc.	12/14/2016
7-P-3	Roof Plan	American Contractors, Inc.	12/14/2016
ELECTRICAL			
E0.0	Overall Electrical Title Sheet	Southern Power Inc.	12/14/2016
7-E1.1	Bldg. 7 Electrical Site Plan	Southern Power Inc.	12/14/2016
7-E2.1	Bldg. 7 Overall Electrical Floor Plan	Southern Power Inc.	12/14/2016
7-E3.1	Bldg. 7 Single Line Diagram & Panel Schedules	Southern Power Inc.	12/14/2016
7-E4.3	Bldg. 7 Title 24 - Outdoor Energy Compliance Forms	Southern Power Inc.	12/14/2016
FIRE PROTECTION			
FP1.0	Fire Sprinkler Underground Plan	General Underground Fire Protection, Inc.	12/14/2016
FP2.0	Fire Protection Plan	General Underground Fire Protection, Inc.	12/14/2016
FP3.0	Under Mezzanine Piping Plan	General Underground Fire Protection, Inc.	12/14/2016

SCHEDULE 3

INTENTIONALLY DELETED

SCHEDULE 4

CONSTRUCTION SCHEDULE FOR LANDLORD'S WORK

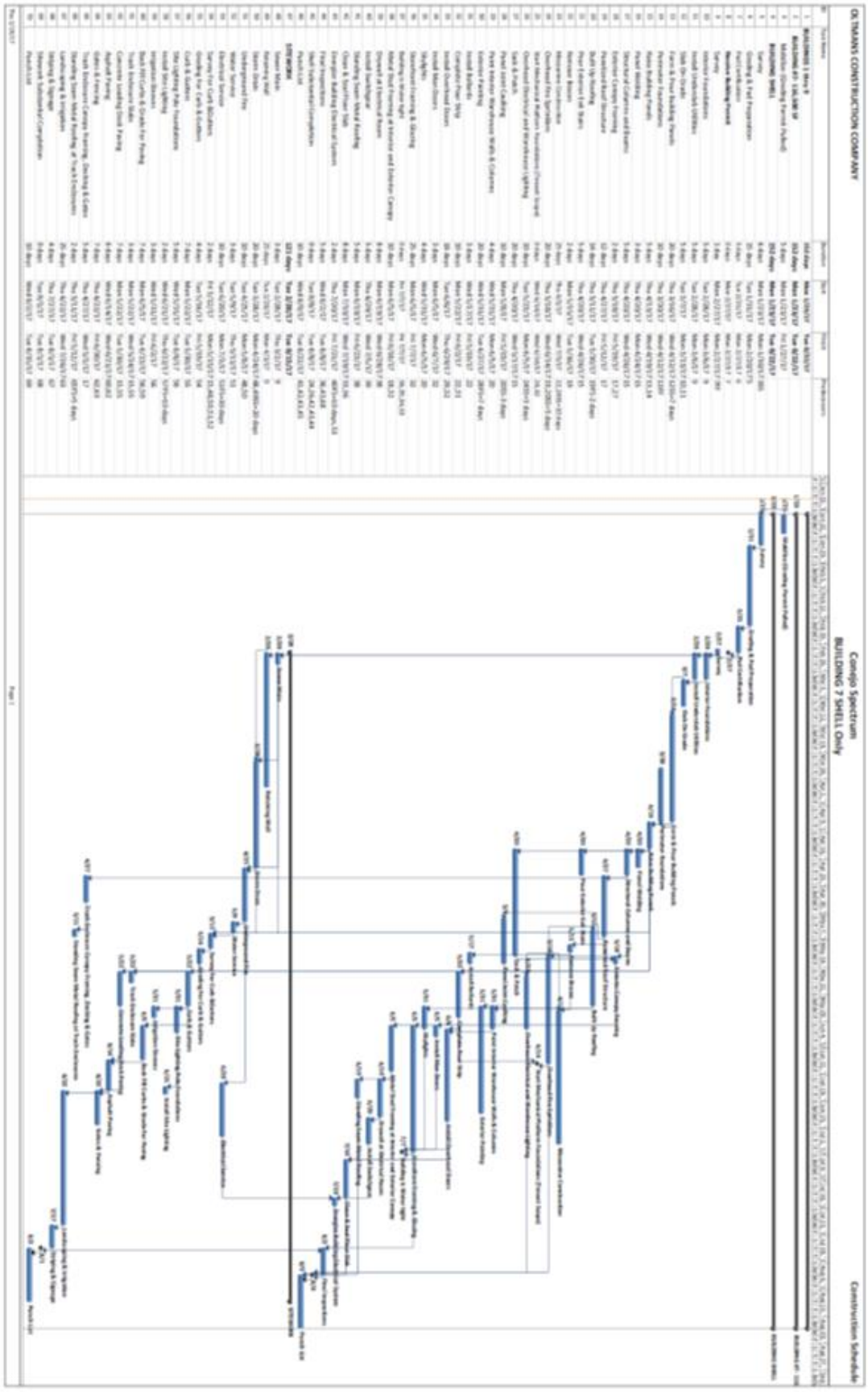

EXHIBIT D

NOTICE OF LEASE TERM DATES

To: Date:

Re: Lease dated _____, 20__, by and between _____, a _____ ("Landlord") and _____ ("Tenant"), concerning the premises known as _____ ("Premises").

Gentlemen:

In accordance with the subject Lease, we wish to advise and/or confirm as follows:

1. That the Premises have been accepted herewith by the Tenant as being substantially complete in accordance with the subject Lease and that there is no deficiency in construction.

2. That the Tenant has possession of the subject Premises and acknowledges that under the provisions of the subject Lease the Term of the Lease shall commence as of _____ for a term of _____, ending on _____.

3. That in accordance with the subject Lease, rent commenced to accrue on _____.

4. If the Rent Commencement Date of the subject Lease is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in said Lease.

5. Rent is due and payable in advance on the first day of each and every month during the term of said Lease. Tenant's rent checks should be made payable to _____ at _____.

AGREED AND ACCEPTED

TENANT: **[TENANT NAME]**,
[type of Tenant business entity]

By:
Print Name:
Its:

LANDLORD: **[LANDLORD NAME]**,
[type of Landlord business entity]

By:
Print Name:
Its:

By:
Print Name:
Its:

SAMPLE ONLY

(Not For Execution)

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EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

The undersigned, i.e., _____, a _____ ("Tenant"), hereby certifies to _____, a _____, and Landlord (defined below), as follows:

1. Attached hereto is a true, correct and complete copy of that certain lease dated _____, 20__, between _____, a _____ ("Landlord") Landlord and Tenant (the "Lease"), which demised premises located _____ (the "Premises").

The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Paragraph 4 below.

2. The Term of the Lease commenced on _____, 20__.

3. The Term of the Lease shall expire on _____, 20__.

4. The Lease has: (initial one)

(_____) not been amended, modified, supplemented, extended, renewed or assigned.

(_____) been amended, modified, supplemented, extended, renewed or assigned by the following described agreements, copies of which are attached hereto: _____
_____.

5. Tenant has accepted and is now in possession of the Premises.

6. Tenant and Landlord acknowledge that the Lease will be assigned to _____ _____ and that no modification, adjustment, revision or cancellation of the Lease or amendments thereto shall be effective unless written consent of _____ is obtained, and that until further notice, payments under the Lease may continue as heretofore.

7. The amount of fixed monthly rent is $_____.

8. The amount of security deposits (if any) is $_____. No other security deposits have been made.

9. Tenant is paying the full lease rental which has been paid in full as of the date hereof. No rent or other charges under the Lease have been paid more than thirty (30) days in advance of its due date, except as follows: _____.

10. All work required to be performed by Landlord under the Lease has been completed, except as follows: _____.

11. To Tenant's current, actual knowledge, there are no defaults on the part of the Landlord or Tenant under the Lease that have not been cured following written notice and the expiration of applicable cure periods, except as follows: _____.

12. Tenant has no defense as to its obligations under the Lease and claims no set-off or counterclaim against Landlord.

13. Tenant has no right to any concession (rental or otherwise) or similar compensation in connection with renting the space it occupies except as provided in the Lease.

14. Except as set forth in the Lease, Tenant has no right or option to purchase the Premises or the Building, to relocate within the project of which the Building is a part, if applicable, or to terminate the Lease.

15. All provisions of the Lease and the amendments thereto (if any) referred to above are hereby ratified.

The foregoing certification is made with the knowledge that _____ is about to fund a loan to Landlord or _____ is about to purchase the project (or part thereof) from Landlord and that _____ is relying upon the representations herein made in funding such loan or in purchasing the project (or part thereof).

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IN WITNESS THEREOF, this certificate has been executed and delivered by the authorized officers of the undersigned as of _____, 20__.

[TENANT NAME],
[type of Tenant business entity]

By:

(Typed Name)
Its:
(Title)

SAMPLE ONLY

(Not for Execution)

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EXHIBIT F

RULES AND REGULATIONS

1. Except as specifically provided in the Lease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside of the Building or Premises without the prior written consent of landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule.

2. If Landlord objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Tenant shall immediately discontinue such use. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.

3. Except to the extent required in order for Tenant to comply with its obligations under this Lease, no tenant and no employee or invitee of any tenant shall go upon the roof(s) of the Building. Tenant agrees that it shall not hold parties or other social events on the roof of the Building.

4. The directory of the Building or project will be provided exclusively for the display of the name and location of tenants only and Landlord reserves the right to exclude any other names there from.

5. Intentionally Deleted.

6. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys to all doors of the Building.

7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with Landlord's reasonable instructions in their installation.

8. Intentionally Deleted.

9. Tenant shall not place a load upon any floor the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense.

10. Intentionally Deleted.

11. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord or installed by Tenant and approved by Landlord in accordance with the terms of the Lease.

12. Intentionally Deleted.

13. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.

14. Intentionally Deleted.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises.

16. Intentionally Deleted.

17. The toilet rooms, toilets, urinals, wash bowls and other apparatus 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 tenant who, or whose employees or invitees, shall have caused it.

18. Tenant shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the project. Tenant shall not use the Premises for any business or activity other than that specifically provided for in this Lease.

19. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the Building or project. Tenant shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.

20. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall repair any damage resulting from noncompliance with this rule.

21. Tenant shall not install, maintain or operate upon the Premises any vending machines without the written consent of Landlord, which shall not be unreasonably conditions, withheld or delayed.

22. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the project are prohibited, and Tenant shall cooperate to prevent such activities.

23. Landlord reserves the right to exclude or expel from the project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

24. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

25. The Premises shall not be used for the storage of merchandise held for sale to the general public, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted on the Premises without Landlord's consent, except the use by Tenant of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, and the use of a microwave oven for employees use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

26. Tenant shall not bring any other vehicles of any kind into the Building.

27. Without the written consent to Landlord, Tenant shall not use the name of the Building or project in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

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

29. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

30. To the extent Landlord reasonably deems it necessary to exercise exclusive control over any portions of any common areas for the mutual benefit of the tenants in the Project, Landlord may do so subject to non-discriminatory additional Rules and Regulations.

31. Tenant's requirements will be attended to only upon appropriate application to the project management office by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

32. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations against any or all of the tenants of the project.

33. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease. In the event there is a conflict between the Lease and these Rules and Regulations, then the terms of the Lease shall prevail and control.

34. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time to be needed for safety and security, for care and cleanliness of the project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

35. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT G

INTENTIONALLY DELETED

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EXHIBIT H

HAZARDOUS MATERIALS ADDENDUM

The following provisions are an integral part of, and are incorporated by reference into, the Lease to which this **Exhibit H** is attached:

1. Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released into the environment or disposed of on, in, under or about the Premises and/or any portion of the Premises Land by Tenant, its agents, employees, contractors, sublessees or invitees (collectively referred to together with Tenant as "Tenant Parties"), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion, except as set forth below. Landlord, in its sole and absolute discretion, may consent to Tenant's generation, storage or use of Hazardous Materials on or in the Premises and/or the Premises Land, except as set forth below. Landlord acknowledges that it has received a copy of Hazardous Materials Questionnaire (as defined below) from Tenant, a copy of which is attached hereto as **Exhibit I-2** (the "Initial Hazardous Materials Questionnaire") setting forth the Hazardous Materials that Tenant initially plans to bring upon, store and/or use at the Premises and/or Premises Land and that Landlord has approved of all such Hazardous Materials listed therein in the quantities set forth therein, provided that such Hazardous Materials are stored and used as set forth therein, and that Tenant maintains and complies with all required permits, licenses and approvals for such Hazardous Materials. Further, subject to Landlord's written consent (not to be unreasonably withheld, conditioned or delayed), Tenant may bring upon, store and/or use at the Premises and/or Premises Land any additional Hazardous Materials that are consistent with the types and quantities of Hazardous Materials identified in the Initial Hazardous Materials Questionnaire provided by Tenant or otherwise reasonably necessary for the research, development or production of EBV-CTL or another drug candidate, in either event to the extent reasonably required to conduct Tenant's business for the permitted use set forth in Subparagraph 1(d) of the Lease, provided that Tenant maintains and complies with all required permits, license and approvals for such Hazardous Materials. Without limiting anything in this **Exhibit H**, in no event shall any radioactive Hazardous Materials be disposed of in any drain. Tenant shall cooperate with Landlord in order to provide such additional information as Landlord may reasonably request with respect to any Hazardous Materials. In the event Landlord withholds its consent with respect to any Hazardous Materials as set forth above, then Landlord shall provide a written explanation outlining its concerns. Thereafter Landlord and Tenant shall meet and confer in good faith in order to resolve any such concerns of Landlord. Notwithstanding any such approval by Landlord, all Hazardous Materials brought upon, stored and/or used at the Premises and/or Premises Land shall be subject to the terms and conditions of this **Exhibit H**.

2. Upon the expiration or sooner termination of this Lease, Tenant covenants to remove from the Premises and/or the Premises Land, at its sole cost and expense, any and all Hazardous Materials, and/or equipment, fixtures, systems and other tenant improvements used in connection with storing, handling, treating and/or dispensing of such Hazardous Materials, which are brought upon, stored, used, generated or released into the environment or disposed of on, in, under or about the Premises and/or any other portion of the Premises Land by Tenant or any Tenant Parties and to restore such portions of the Premises and/or the Premises Land to substantially the same condition it was in prior thereto (e.g., restore asphalt or concrete surfaces, including, without limitation, cleaning such surfaces and if required to restore the same to an acceptable warehouse and industrial use standard, removing and replacing any stained or contaminated asphalt or concrete surfaces). Upon the expiration or sooner termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with Applicable Laws and to obtain closure letters or appropriate governmental sign-offs from the issuing agency with respect to all such permits if such closure letters or sign-offs are required or customarily obtained and available. Tenant's failure to satisfy the obligations set forth in this **Exhibit H** prior to the expiration or earlier termination of this Lease shall constitute a failure to timely surrender the Premises to Landlord, and at Landlord's election, Tenant shall not be deemed to have vacated the Premises until such obligations are satisfied. Notwithstanding anything herein to the contrary, in no event shall Tenant have any responsibility to remove or remediate any Hazardous Materials that (i) existed prior to the date of this Lease, (ii) migrated from any neighboring property (and such migration was not caused or exacerbated by Tenant or any Tenant Parties), or (ii) which otherwise were stored, discharged, introduced, generated or released by Landlord or any of its agents, employees or contractors (such Hazardous Materials in (i) – (iii) being "Non-Tenant Caused Hazardous Materials"). If remediation is required by any applicable governmental authority, Landlord, at its sole cost and expense, shall be required to remediate the applicable Non-Tenant Caused Hazardous Materials to the extent required by such governmental authority and Applicable Laws.

3. Notwithstanding anything to the contrary in Paragraph 15 of the Lease, to the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend and hold harmless Landlord and its agents, directors, officers, partners, members, employees, shareholders, representatives and any of their agents, directors, officers, partners, members, employees, shareholders, representatives, Landlord's lender(s) and any owners and operators of the Premises and/or the Premises Land (the "Landlord Indemnities") from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in the value of the Premises or the Premises Land, damages for the loss or restriction on use of rentable space or of any amenity of the Premises or any other portion of the Premises Land, and sums paid in settlement of claims, attorneys' fees consultant fees and expert fees) (collectively, "Claims") which arise during or after the Term of this Lease directly or indirectly from the presence of Hazardous Materials on, in, under or about the Premises or any other portion of the Premises Land which is caused or permitted by Tenant or any Tenant Parties. This indemnification by Tenant of Landlord and Landlord's Indemnities includes, without limitation, any and all costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision because of the presence of such Hazardous Material in, on, under or about the Premises or any other portion of the Premises Land. Notwithstanding anything to the contrary contained in this Lease, the indemnification and hold harmless obligation set forth in this paragraph

shall not apply to any Non-Tenant Caused Hazardous Materials. Tenant shall immediately notify Landlord of any release of Hazardous Materials at the Premises or any other portion of the Premises Land which Tenant becomes aware of during the Term of this Lease, whether caused by Tenant or any other persons or entities. As used in this Lease, the term "Hazardous Materials" includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (A) any material defined, classified, designated, listed or otherwise considered under any environmental law as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "biohazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (B) any material, substance or waste which is toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local, state or federal governmental authority, any agency of the State of California or any agency of the United States Government, (C) any oil, petroleum, petroleum based products, petroleum additives, and/or derived substances of breakdown product, (D) asbestos, (E) petroleum and petroleum based products, (F) urea formaldehyde foam insulation, (G) polychlorinated biphenyls ("PCBs"), and (H) freon and other chlorofluorocarbons, (I) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (J) lead-based paint and (K) solvents.

4. Tenant shall promptly notify Landlord of, and shall promptly provide Landlord with true, correct, complete and legible copies of, all of the following environmental items relating to the Premises and/or the Premises Land which may be filed or prepared by or on behalf of, or delivered to or served upon, Tenant: reports filed pursuant to any self-reporting requirements, all permit applications, permits, monitoring reports, workplace exposure and community exposure warnings or notices and all other reports, disclosures, plans or documents (even those which may be characterized as confidential) relating to water discharges, air pollution, waste generation or disposal, underground storage tanks or Hazardous Materials.

5. In addition to Tenant's routine reporting obligations described above, Tenant shall promptly notify Landlord of, and shall promptly provide Landlord with true, correct, complete and legible copies of, all of the following environmental items relating to the Premises and/or the Premises Land which may be filed or prepared by or on behalf of, or delivered to or served upon, Tenant: all orders, reports, notices, listings and correspondence (even those which may be considered confidential) pertaining to or concerning the release, investigation of, compliance, clean up, remedial and corrective actions, and abatement and/or monitoring of Hazardous Materials whether or not required by any Applicable Laws, including, but not limited to, reports and notices required by or given pursuant to any Applicable Laws, and all orders, decrees, notices of non-compliance, complaints, pleadings and other legal documents issued to or filed against Tenant related to Tenant's generation, use, handling, storage, release or disposal of Hazardous Materials. In the event of a release of any Hazardous Materials in, on, under or about the Premises or the Premises Land, Tenant shall promptly provide Landlord with copies of all reports and correspondence with or from all governmental agencies, authorities or any other persons relating to such release.

6. Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord a Hazardous Materials Questionnaire (the "Hazardous Materials Questionnaire") in the form of **Exhibit I-1** attached hereto, and Tenant shall certify to Landlord all information contained in the Hazardous Materials Questionnaire as true and correct to the best of Tenant's knowledge and belief. The Initial Hazardous Materials Questionnaire is attached hereto as **Exhibit I-2**. The completed Hazardous Materials Questionnaire shall be deemed incorporated into this Lease for all purposes, and Landlord shall be entitled to rely fully on the information contained therein. On each anniversary of the Commencement Date (each such date is hereinafter referred to as a "Disclosure Date"), until and including the Disclosure Date first occurring after the expiration or sooner termination of this Lease, Tenant shall disclose to Landlord in writing the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, generated or used or disposed of on, in, under or about the Premises and/or the Premises Land for the twelve-month period prior to each Disclosure Date (all of which use shall be subject to Landlord's Consent pursuant to the other provisions of this Lease and Addendum), or after each Disclosure Date with respect to any Hazardous Materials which Tenant intends to store, generate, use or dispose of, on, under or about the Premises and/or the Premises Land. At Landlord's option, Tenant's disclosure obligations under this Paragraph 6 shall include a requirement that Tenant update, execute and deliver to Landlord the Hazardous Materials Questionnaire, as the same may be reasonably modified by Landlord from time to time.

7. Landlord and Landlord's agents and employees shall have the right, but not the obligation, to inspect, investigate, sample and/or monitor the Premises and the Premises Land, including any soil, water, groundwater or other sampling, and any other testing, digging, drilling or analyses, at any time to determine whether Tenant is complying with the terms of this **Exhibit H**, and in connection therewith, Tenant shall provide Landlord with full access to all relevant facilities, records and personnel. If Tenant is not in compliance with any of the provisions of this **Exhibit H**, Landlord and Landlord's agents and employees shall have the right, but not the obligation, without limitation upon any of Landlord's other rights and remedies under this Lease, to immediately enter upon the Premises and/or the Premises Land and to discharge Tenant's obligations under this **Exhibit H** at Tenant's expense, notwithstanding any other provision of this Lease. Landlord and Landlord's agents and employees shall endeavor to minimize interference with Tenant's business but shall not be liable for any such interference. All sums reasonably disbursed, deposited or incurred by Landlord in connection therewith, including, but not limited to, all costs, expenses and actual attorneys' fees, shall be due and payable by Tenant to Landlord, as an item of additional rent, on demand by Landlord, together with interest thereon at the Interest Rate from the date of such demand until paid by Tenant.

8. Landlord, at Tenant's sole cost and expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims or causes of action arising out of the storage, generation, use, treatment, release or disposal by Tenant or any Tenant Parties of Hazardous

Materials in, on, under, from or about the Premises or any other portion of the Premises Land. If the presence of any Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land caused or permitted by Tenant or any Tenant Parties, results in (i) injury to any person, (ii) injury to or any contamination of the Premises and/or the Premises Land or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its sole cost and expense, shall promptly take all actions necessary to return the Premises or such other portion of the Premises Land, to the condition existing prior to the introduction of such Hazardous Materials to the Premises and/or the Premises Land and to remedy or repair any such injury or contamination. Notwithstanding the foregoing, Tenant shall not, without Landlord's prior written consent, take any remedial action in response to the presence of any Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land, or enter into any settlement agreement, consent decree or other compromise with any governmental agency with respect to any Hazardous Materials claims; provided, however, Landlord's prior written consent shall not be necessary in the event that the presence of Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land (i) poses an immediate threat to the health, safety or welfare of any individual or (ii) is of such a nature that an immediate remedial response is necessary and (iii) it is not possible to obtain Landlord's consent before taking such action.

9. Promptly upon the expiration or sooner termination of this Lease, Tenant shall represent to Landlord in writing that (i) Tenant has made a diligent effort to determine whether any Hazardous Materials are in, on, under or about the Premises or any other portion of the Premises Land, and (ii) no Hazardous Materials exist in, on, under or about the Premises or any other portion of the Premises Land other than as specifically identified to Landlord by Tenant in writing. To ensure performance of Tenant's obligations under this Paragraph 9, Landlord may, at any time within one (1) year of the expiration of the Term, or upon the occurrence of an event of default, by notice to Tenant, require that Tenant promptly commence and diligently prosecute to completion an environmental evaluation of the Premises or any other portion of the Premises Land. In connection therewith, Landlord may require Tenant, at Tenant's sole cost and expense, to immediately hire an outside consultant satisfactory to Landlord to perform a complete environmental audit of the Premises or any other portion of the Premises Land, an executed copy of which shall be delivered to Landlord within thirty (30) days after Landlord's request therefor. Notwithstanding anything in this Exhibit H or in the Lease to the contrary, under no circumstances shall Tenant perform or conduct, or allow to be performed or conducted, any invasive testing (e.g., Phase II testing) of the Premises or the Premises Land without Landlord's written consent, which may be withheld by Landlord in its sole and absolute discretion. If Tenant or the environmental audit discloses the existence of Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord within thirty (30) days after such request a comprehensive plan, subject to Landlord's approval, specifying the actions to be taken by Tenant to return the Premises or any other portion of the Premises Land to the condition existing prior to the introduction of such Hazardous Materials. Upon Landlord's approval of such clean up plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan and proceed to clean up Hazardous Materials in accordance with all Applicable Laws and as required by such plan and this Lease.

10. The provisions of this **Exhibit H** shall survive any termination of this Lease.

Landlord's Initials Tenant's Initials

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EXHIBIT I-1

HAZARDOUS MATERIALS QUESTIONNAIRE

This questionnaire is designed to solicit information regarding your proposed use of hazardous or toxic materials. Please complete the questionnaire and return it to SARES•REGIS Group® for evaluation. If your use of materials or generation of wastes is considered to be significant, further information may be requested regarding your plans for hazardous and toxic materials management.

Your cooperation in this matter is appreciated. If you have any questions do not hesitate to call us for assistance.

I. PROPOSED LESSEE OR TENANT

D.B.A.:

Name (Corporation, Individual, Corporate or Individual D.B.A., or Public Agency)

Standard Industrial Classification Code (SIC)

Street Address

City, State, Zip Code

Contact Person &
Title:

Telephone Number: (____) _____ Facsimile Number: (_____)

II. LOCATION AND ADDRESS OF PROPOSED LEASE

Street Address

City, State, Zip Code

III. DESCRIPTION OF PROPOSED FACILITY USE

Describe proposed use and operation of Premises including principal products or service to be conducted at facility:

Does the operation of your business involve the use, generation, treatment, storage, transfer or disposal of hazardous wastes or materials? Yes _____ No _____. If yes, or if your SIC code number is between 2000 to 4000, please complete Section IV.

IV. PERMIT DISCLOSURE

Does the operation of your business require permits, license or plan approval from any of the following agencies?

U.S. Environmental Protection Agency

City or County Sanitation District

State Department of Health Services

U.S. Nuclear Regulatory Commission

Air Quality Management District

Bureau of Alcohol, Firearms and Tobacco

City or County Fire Department

Regional Water Quality Control Board

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Indicate permit or license numbers, issuing agency and expiration date or renewal date, if applicable.

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If your answer is yes to any of the above questions please complete Sections V and VI.

V. HAZARDOUS MATERIALS DISCLOSURE

Will any hazardous or toxic materials or substances be stored onsite? Yes _____ No _____. If yes, please describe the materials or substances to be stored, quantities and proposed method of storage (i.e., drums, aboveground or underground storage tanks, cylinders, other), and whether the material is a Solid (S), Liquid (L) or Gas (G):

Material	Storage Method	Quantity On A Monthly Basis

Attach additional sheets if necessary.

Is any facility modification required or planned to mitigate the release of toxic or hazardous substance or wastes into the environment? Yes _____ No _____. If yes, please describe the proposed facility modifications:

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VI. HAZARDOUS WASTE DISCLOSURE

Will any hazardous waste, including recyclable waste, be generated by the operation of your business?

Yes _____ No _____. If yes, please list the hazardous waste which will be generated at the facility, its hazard class and volume/frequency of generation on a monthly basis.

Waste Name	Hazard Class	Volume/Month

Attach additional sheets if necessary.

If yes, please also indicate if any such wastes are to be stored within the Premises and the proposed method of storage (i.e., drums, aboveground or underground storage tanks, cylinders, other).

Waste Name	Storage Method

If yes, please also describe the method(s) of disposal for each waste. Indicate where disposal will take place and method of transportation to be used:

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Is any treatment or processing of hazardous wastes to be conducted onsite? Yes _____ No _____. If yes, please describe proposed treatment/processing methods:

_

Which agencies are responsible for monitoring and evaluating compliance with respect to the storage and disposal of hazardous materials or wastes at or from the Premises?

(Please list all agencies)

_

Have there been any agency enforcement actions regarding the company facilities, or any existing company facilities, or any past, pending or outstanding administrative orders or consent decrees? Yes _____ No _____. If yes, have there been any continuing compliance obligations imposed on your company as a result of decrees or orders? Yes _____ No _____. If yes, please describe:

_

Has the company been the recipient of requests for information, notice and demand letters, cleanup and abatement orders, or cease and desist orders or other administrative inquiries? Yes _____ No _____. If yes, please describe:

_

Are there any pending citizen lawsuits, or have any notices of violations been provided to the company or any existing facilities pursuant to the citizens suit provisions of any statute? Yes _____ No _____. If yes, please describe:

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Have there been any previous lawsuits against the company regarding environmental concerns?

Yes _____ No _____. If yes, please describe how these lawsuits were resolved?

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Has an environmental audit ever been conducted at any of your company's existing facilities? Yes _____ No _____. If yes, please describe:

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Does your company carry environmental impairment insurance? Yes _____ No _____. If yes, what is the name of the carrier and what are the effective periods and monetary limits of such coverage?

This Hazardous Materials Questionnaire is certified as being true and accurate and has been completed by the party whose signature appears below on behalf of Tenant as of the date set forth below.

Dated

Signature

Print Name

Title

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EXHIBIT I-2

INITIAL HAZARDOUS MATERIALS QUESTIONNAIRE

[See Attached]

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EXHIBIT J

REFERENCE PROVISION

The following reference provision (this "Reference Provision") is an integral part of, and is incorporated by reference into, the Lease to which this **Exhibit J** is attached:

a. The parties prefer that any dispute between them be resolved in litigation subject to a jury trial waiver as set forth in Subparagraph 34(n)(i) of the Lease, but that method of dispute resolution is not currently available as a result of the decision of the California Supreme Court in Grafton Partners v. Superior Court, 36 Cal. 4th 944 (2005). Accordingly, until such time (if at all) as the California legislature enacts a law that would render the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease valid and enforceable or for any other reason a court of competent jurisdiction determines that the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease is valid and enforceable, this Reference Provision shall apply to any "Claim" (defined below), suit, action or proceeding commenced prior to such time in lieu of the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease.

b. Other than a controversy, dispute or claim involving (i) the nonjudicial foreclosure of a lien upon or security interest in real or personal property, (ii) the appointment of a receiver, (iii) the exercise of other provisional remedies (including, without limitation, attachment) prior to the appointment or pending the unavailability of the referee, or (iv) an action for unlawful detainer or forcible detainer (each, an "Excepted Claim") (any of which may be initiated pursuant to applicable law), any controversy, dispute or claim (each, a "Claim") among the parties arising out of or relating to the Lease will be resolved by a general reference proceeding in the State of California in accordance with the provisions of Sections 638 to 645.2, inclusive, of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Lease, venue for the reference proceeding will be in the Superior Court or Federal District Court in the Counties or District where venue is otherwise appropriate under applicable law (the "Court").

c. The referee shall be a retired judge or justice selected by mutual written agreement of the parties within thirty (30) days after any party to the Lease gives written notice to the other parties that it wishes to resolve a Claim (other than an Excepted Claim) by a reference proceeding as contemplated by this **Exhibit J**. If the parties do not timely agree, the referee shall be selected by the presiding judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief were not granted. The referee shall be appointed to sit with all of the powers provided by law. Each party shall have one peremptory challenge pursuant to CCP § 170.6. Pending appointment of the referee, the Court has power to issue temporary or provisional remedies.

d. The parties agree that time is of the essence in conducting any reference proceeding. Accordingly, the referee shall be requested to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within ninety (90) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision. Any decision rendered by the referee will be final, binding and conclusive, and judgment shall be entered pursuant to CCP § 644.

e. The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days' written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee, whose decision shall be final and binding.

f. Except as expressly set forth in this **Exhibit J**, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

g. The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including motions for summary judgment or summary adjudication. At the close of the reference proceeding, the referee shall issue a decision which disposes of all claims of the parties that are the subject of the reference. The referee's decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties also reserve the right to obtain findings of fact, conclusions of law and a written statement of decision as well as the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

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h. If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by binding arbitration. The arbitration will be conducted by a retired judge or justice in accordance with the California Arbitration Act, CCP §§ 1280-1294.2 (as amended from time to time). The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

i. EACH PARTY RECOGNIZES AND AGREES THAT ALL DISPUTES RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY, AND THAT IT IS IN EFFECT WAIVING ITS RIGHT TO TRIAL BY JURY IN AGREEING TO THIS REFERENCE PROVISION. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY AND FOR THE MUTUAL BENEFIT OF ALL PARTIES AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY DISPUTE AMONG THE PARTIES WHICH IN ANY WAY ARISES OUT OF OR IS RELATED TO THE AGREEMENT.

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EXHIBIT K

LANDLORD'S EARLY ENTRY WORK

1. Building slab and utilities
2. Building walls
3. Exterior windows and doors
4. Roof
5. Insulation
6. Tenant mezzanine
7. Fire sprinklers
8. Site paving

EXHIBIT L

LOCATION(S) OF TENANT IDENTIFICATION SIGN(S)

EXHIBIT M

INTENTIONALLY DELETED

EXHIBIT N

PLANS FOR TENANT'S WORK

Atara Tenant Improvement Plan Drawing Summary
Phase 1 Drawing Set

SHEET NO.	SHEET NAME	01/23/2017 - ISSUED FOR PERMIT
00 GENERAL		
G1-0000	COVER SHEET, BUILDING ANALYSIS, SHEET INDEX, PROJECT INFORMATION	C
G1-0001	ABBREVIATIONS, ADDITIONAL NOTES IF NEEDED	B
G1-0002	SITE PLAN, FUTURE PARKING (ALL WORK PROVIDED UNDER SEPARATE PERMIT)	B
01 ARCHITECTURE		
A1-2100	FLOOR PLAN - FIRST FLOOR - PHASE 1	C
A1-2200	FLOOR PLAN - SECOND FLOOR - PHASE 1	A
02 STRUCTURE		
S1-0001	STRUCTURAL NOTES & SPECIFICATIONS	C
S1-2001	FOUNDATION PLANS, DETAILS	C
S1-2002	STRUCTURAL FRAMING PLANS, DETAILS	C
S1-6001	BRACE-FRAME ELEVATIONS, DETAILS	C
S1-6002	BRACE-FRAME ELEVATIONS, DETAILS	C
S1-6003	STRUCTURAL DETAILS	C
S1-6004	COMPOSITE DECK DETAILS	C

Phase 2 Drawing Set

#	Sheet Name	12/15/2016 - PLAN CHECK SUBMITTAL	02/06/2017 - ISSUED FOR PERMIT/BID
00 GENERAL			
G2-0000	COVER SHEET	A	B
G2-0001	DRAWING LIST	A	B
G2-0002	CODE ANALYSIS & PHASING PLANS	A	B
G2-0003	MOUNTING HEIGHTS AND ACCESSIBILITY SCHEDULE	A	B
G2-2100x	GENERAL FIRST FLOOR TRAVEL DISTANCE DIAGRAM - PHASE 2	A	B
G2-2101x	GENERAL FIRST FLOOR EGRESS PLAN - PHASE 2	A	B
G2-2200x	GENERAL SECOND FLOOR TRAVEL DISTANCE DIAGRAM - PHASE 2	A	B
G2-2201x	GENERAL SECOND FLOOR EGRESS PLAN - PHASE 2	A	B
01 ARCHITECTURE			
A-0001	ARCHITECTURAL SYMBOLS & ABBREVIATIONS	A	B
A-0002	ARCHITECTURAL WALL TYPE LEGEND	A	B
A2-0003	ARCHITECTURAL GENERAL NOTES	A	B
A2-1000	ARCHITECTURAL SITE PLAN - PHASE 2	A	B
A2-2100	ARCHITECTURAL FIRST FLOOR PLAN - PHASE 2	A	B
A2-2101	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 1 - PHASE 2	A	B
A2-2102	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 2 - PHASE 2	A	B
A2-2104	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 4 - PHASE 2	A	B
A2-2200	ARCHITECTURAL SECOND FLOOR PLAN - PHASE 2	A	B
A2-2201	ARCHITECTURAL SECOND FLOOR ENLARGED PLAN - AREA 1 - PHASE 2	A	B
A2-2202	ARCHITECTURAL SECOND FLOOR ENLARGED PLAN - AREA 2 - PHASE 2	A	B
A2-2R00	ARCHITECTURAL ROOF PLAN - PHASE 2		A
A2-2100f	ARCHITECTURAL FIRST FLOOR FINISH PLAN - PHASE 2	A	B
A2-2200f	ARCHITECTURAL SECOND FLOOR FINISH PLAN - PHASE 2	A	B
A2-2101m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 1 - PHASE 2	A	B
A2-2102m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 2 - PHASE 2	A	B
A2-2104m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 4 - PHASE 2	A	B
A2-2201m	ARCHITECTURAL SECOND FLOOR ENLARGED DIMENSIONED PLAN - AREA 1 - PHASE 2	A	B
A2-2202m	ARCHITECTURAL SECOND FLOOR ENLARGED DIMENSIONED PLAN - AREA 2 - PHASE 2	A	B
A2-2100n	ARCHITECTURAL FIRST FLOOR FURNITURE PLAN - PHASE 2	A	B
A2-2200n	ARCHITECTURAL SECOND FLOOR FURNITURE PLAN - PHASE 2	A	B
A2-2101r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 1 - PHASE 2	A	B
A2-2102r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 2 - PHASE 2	A	B
A2-2103r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 3 - PHASE 2	A	B
A2-2104r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 4 - PHASE 2	A	B
A2-2200r	ARCHITECTURAL SECOND FLOOR REFLECTED CEILING PLAN - PHASE 2	A	B
A2-2201r	ARCHITECTURAL SECOND FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 1 - PHASE 2	A	B
A2-2202r	ARCHITECTURAL SECOND FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 2 - PHASE 2	A	B
A2-3001	ARCHITECTURAL DOOR SCHEDULE	A	B
A2-3002	ARCHITECTURAL DOOR HARDWARE SCHEDULE	A	B
A2-3003	ARCHITECTURAL WINDOW SCHEDULES & STOREFRONT ELEVATIONS	A	B
A2-3004	ARCHITECTURAL FINISH NOTES	A	B
A2-3005	ARCHITECTURAL FINISH SCHEDULE	A	B
A2-4001	ARCHITECTURAL BUILDING SECTIONS - PHASE 2	A	B
A2-4002	ARCHITECTURAL BUILDING SECTIONS - PHASE 2	A	B
A2-4003	ARCHITECTURAL ELEVATOR & LIFT PLANS & SECTIONS	A	B
A2-4004	ARCHITECTURAL STAIR PLANS & SECTIONS	A	B
A2-4005	ARCHITECTURAL WALL SECTIONS	A	B

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A2-4006	ARCHITECTURAL WALL SECTIONS	A	B
A2-5001	ARCHITECTURAL BUILDING ELEVATIONS - PHASE 2	A	
A2-6001	ARCHITECTURAL CANOPY DETAILS	A	B
A2-6002	ARCHITECTURAL SITE & FENCE DETAILS	A	B
A2-6003	ARCHITECTURAL PLAN DETAILS	A	B
A2-6004	ARCHITECTURAL PLAN DETAILS	A	
A2-6005	ARCHITECTURAL ROOF DETAILS	A	B
A2-6006	ARCHITECTURAL BREAK ROOM CASEWORK DETAILS		A
A2-7001	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - RESTROOMS	A	B
A2-7002	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - RESTROOMS	A	B
A2-7003	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - RESTROOMS	A	B
A2-7004	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - RESTROOMS	A	B
A2-7005	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - BREAKROOMS	A	B
A2-7006	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - BREAKROOMS	A	B
A2-7007	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - TRAINING ROOM	A	B
A2-7008	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - CONFERENCE ROOMS	A	B
A2-7009	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - CONFERENCE ROOMS	A	B
A2-7010	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - CONFERENCE ROOMS	A	B
A2-7011	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - CONFERENCE ROOMS	A	B
A2-7012	ARCHITECTURAL INTERIOR ELEVATIONS - STOREFRONTS		A
A2-7013	ARCHITECTURAL INTERIOR ELEVATIONS & ENLARGED PLANS - RECEPTION DESK		A
A2-8001	ARCHITECTURAL INTERIOR WALL DETAILS	A	B
A2-8002	ARCHITECTURAL INTERIOR WALL DETAILS	A	B
A2-8003	ARCHITECTURAL INTERIOR WALL DETAILS	A	B
A2-8004	ARCHITECTURAL DOOR DETAILS	A	B
A2-8005	ARCHITECTURAL CEILING DETAILS	A	B
A2-8006	ARCHITECTURAL FOLDING PARTITION DETAILS	A	B
A2-8007	ARCHITECTURAL STOREFRONT DETAILS	A	B
A2-8008	ARCHITECTURAL RAILING GUARD RAIL DETAILS	A	B
04 P&ID			
PID-0001	PROCESS & INSTRUMENTATION DIAGRAM SYMBOLS & ABBREVIATIONS	A	B
PID-0002	PROCESS & INSTRUMENTATION DIAGRAM SYMBOLS & ABBREVIATIONS	A	B
PID-8001	PROCESS & INSTRUMENTATION DIAGRAM CHILLED WATER GENERATION	A	B
PID-8002	PROCESS & INSTRUMENTATION DIAGRAM CHILLED WATER DISTRIBUTION-01	A	B
PID-8005	PROCESS & INSTRUMENTATION DIAGRAM HEATING HOT WATER GENERATION	A	B
PID-8006	PROCESS & INSTRUMENTATION DIAGRAM HEATING HOT WATER DISTRIBUTION-01	A	B
PID-8007	PROCESS & INSTRUMENTATION DIAGRAM HEATING HOT WATER DISTRIBUTION-02	A	B
PID-8009	PROCESS & INSTRUMENTATION DIAGRAM CONDENSER WATER GENERATION	A	B
PID-8010	PROCESS & INSTRUMENTATION DIAGRAM AHU-11 GENERATION	A	B
PID-8011	PROCESS & INSTRUMENTATION DIAGRAM AHU-12 GENERATION		A
PID-8012	PROCESS & INSTRUMENTATION DIAGRAM AHU-13 GENERATION		A
PID-8013	PROCESS & INSTRUMENTATION DIAGRAM AHU-14 GENERATION		A
PID-8014	PROCESS & INSTRUMENTATION DIAGRAM TYPICAL OFFICE DISTRIBUTION		A
PID-8015	PROCESS & INSTRUMENTATION DIAGRAM FCU-01 & 02 GENERATION		A
06 MECHANICAL			
M-0001	MECHANICAL SYMBOLS & ABBREVIATIONS	A	B
M2-0002	MECHANICAL TITLE 24 COMPLIANCE	A	B
M2-0003	MECHANICAL TITLE 24 COMPLIANCE	A	B
M2-0100	GENERAL ARRANGEMENT FIRST FLOOR PLAN - PHASE 2	A	B
M2-0200	GENERAL ARRANGEMENT SECOND FLOOR PLAN - PHASE 2	A	B

M2-0R00	GENERAL ARRANGEMENT ROOF PLAN - PHASE 2	A	B
M2-1101	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 1 - PHASE 2	A	B
M2-1102	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 2 - PHASE 2	A	B
M2-1104	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 4 - PHASE 2	A	B
M2-1201	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 1 - PHASE 2	A	B
M2-1202	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 2 - PHASE 2	A	B
M2-1203	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 3 - PHASE 2	A	B
M2-1204	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 4 - PHASE 2	A	B
M2-1R00	MECHANICAL ROOF DUCTWORK PLAN - PHASE 2	A	B
M2-2101	MECHANICAL FIRST FLOOR ENLARGED PIPING PLAN - AREA 1 - PHASE 2	A	B
M2-2102	MECHANICAL FIRST FLOOR ENLARGED PIPING PLAN - AREA 2 - PHASE 2	A	B
M2-2103	MECHANICAL FIRST FLOOR ENLARGED PIPING PLAN - AREA 3 - PHASE 2		A
M2-2104	MECHANICAL FIRST FLOOR ENLARGED PIPING PLAN - AREA 4 - PHASE 2		
M2-2201	MECHANICAL SECOND FLOOR ENLARGED PIPING PLAN - AREA 1 - PHASE 2	A	B
M2-2202	MECHANICAL SECOND FLOOR ENLARGED PIPING PLAN - AREA 2 - PHASE 2	A	B
M2-2204	MECHANICAL SECOND FLOOR ENLARGED PIPING PLAN - AREA 4 - PHASE 2		A
M2-3101	MECHANICAL FIRST FLOOR AHU ZONING PLAN - PHASE 2	A	B
M2-3102	MECHANICAL FIRST FLOOR SPACE ZONING PLAN - PHASE 2	A	B
M2-3201	MECHANICAL SECOND FLOOR AHU ZONING PLAN - PHASE 2	A	B
M2-3202	MECHANICAL SECOND FLOOR SPACE ZONING PLAN - PHASE 2	A	B
M2-4001	MECHANICAL PIPING SECTIONS & 3D VIEWS		A
M2-4002	MECHANICAL PIPING SECTIONS & 3D VIEWS		A
M2-4003	MECHANICAL PIPING SECTIONS & 3D VIEWS		A
M2-4004	MECHANICAL PIPING SECTIONS & 3D VIEWS		A
M2-6001	MECHANICAL YARD ENLARGED MECHANICAL PIPING PLAN		A
M2-6002	MECHANICAL BOILER ROOM ENLARGED MECHANICAL PIPING PLAN		A
M2-6003	MECHANICAL DETAILS	A	B
M2-6004	MECHANICAL DETAILS	A	B
M2-7001	MECHANICAL SCHEDULES	A	B
M2-7002	MECHANICAL SCHEDULES	A	B
M2-7003	MECHANICAL SCHEDULES		A
07 PLUMBING			
P-0001	PLUMBING SYMBOLS & ABBREVIATIONS	A	B
P2-0002	PLUMBING TITLE 24 COMPLIANCE	A	B
P2-0003	PLUMBING TITLE 24 COMPLIANCE	A	B
P2-1000	PLUMBING SITE PLAN	A	B
P2-1001	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 2	A	B
P2-1002	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 2	A	B
P2-1003	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 2	A	B
P2-1004	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 2	A	B
P2-1101	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 2	A	B
P2-1102	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 2	A	B
P2-1103	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 2	A	B
P2-1104	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 2	A	B
P2-1201	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 2	A	B
P2-1202	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 2	A	B
P2-1203	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 2	A	B
P2-1204	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 2	A	B
P2-1R00	PLUMBING ROOF WASTE & VENT PLAN - PHASE 2		A

P2-2101	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 1 - PHASE 2	A	B
P2-2102	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 2 - PHASE 2	A	B
P2-2103	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 3 - PHASE 2	A	B
P2-2104	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 4 - PHASE 2	A	B
P2-2201	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 1 - PHASE 2	A	B
P2-2202	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 2 - PHASE 2	A	B
P2-2203	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 3 - PHASE 2	A	B
P2-2204	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 4 - PHASE 2	A	B
P2-5001	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P2-5002	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P2-5003	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P2-5004	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P2-5005	PLUMBING WATER RISER DIAGRAM - AREA 1	A	B
P2-5006	PLUMBING WATER RISER DIAGRAM - AREA 2	A	B
P2-5007	PLUMBING WATER RISER DIAGRAM - AREA 3	A	B
P2-5008	PLUMBING WATER RISER DIAGRAM - AREA 4	A	B
P2-5009	PLUMBING NATURAL GAS RISER DIAGRAM	A	B
P2-6001	PLUMBING TOILET ROOM ENLARGED PLAN & DETAILS	A	B
P2-6002	PLUMBING TOILET ROOM ENLARGED PLAN & DETAILS	A	B
P2-6003	PLUMBING TOILET ROOM ENLARGED PLAN & DETAILS		A
P2-6004	PLUMBING TOILET ROOM ENLARGED PLAN & DETAILS		A
P2-6006	PLUMBING DETAILS		A
P2-6007	PLUMBING DETAILS		A
P2-7001	PLUMBING SCHEDULES	A	B
08 INSTRUMENTATION			
I2-5000	NETWORK ARCHITECTURE	A	B
09 FIRE PROTECTION			
FP2-1100	FIRE PROTECTION FIRST FLOOR PLAN - PHASE 2	A	B
FP2-1200	FIRE PROTECTION SECOND FLOOR PLAN - PHASE 2	A	B
10 ELECTRICAL			
E-0001	ELECTRICAL SYMBOLS & ABBREVIATIONS	A	B
E2-0003	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E2-0004	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E2-0005	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E2-0006	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E2-0007	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E2-1101	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 1 - PHASE 2	A	B
E2-1102	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 2 - PHASE 2	A	B
E2-1103	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 3 - PHASE 2	A	B
E2-1104	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 4 - PHASE 2	A	B
E2-1201	ELECTRICAL SECOND FLOOR ENLARGED LIGHTING PLAN - AREA 1 - PHASE 2	A	B
E2-1202	ELECTRICAL SECOND FLOOR ENLARGED LIGHTING PLAN - AREA 2 - PHASE 2	A	B
E2-2101	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 1 - PHASE 2	A	B
E2-2102	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 2 - PHASE 2	A	B
E2-2103	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 3 - PHASE 2	A	B
E2-2104	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 4 - PHASE 2	A	B
E2-2201	ELECTRICAL SECOND FLOOR ENLARGED POWER PLAN - AREA 1 - PHASE 2	A	B
E2-2202	ELECTRICAL SECOND FLOOR ENLARGED POWER PLAN - AREA 2 - PHASE 2	A	B
E-0002	ELECTRICAL GENERAL NOTES	A	B
E2-2R00	ELECTRICAL ROOF POWER PLAN - PHASE 2		A

E2-3101	ELECTRICAL FIRST FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 1 - PHASE 2	A	B
E2-3102	ELECTRICAL FIRST FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 2 - PHASE 2	A	B
E2-3103	ELECTRICAL FIRST FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 3 - PHASE 2	A	B
E2-3104	ELECTRICAL FIRST FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 4 - PHASE 2	A	B
E2-3201	ELECTRICAL SECOND FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 1 - PHASE 2	A	B
E2-3202	ELECTRICAL SECOND FLOOR ENLARGED SPECIAL SYSTEMS PLAN - AREA 2 - PHASE 2	A	B
E-5001	ELECTRICAL SINGLE LINE DIAGRAM - NORMAL	A	B
E-5002	ELECTRICAL SINGLE LINE DIAGRAM - STANDBY	A	B
E-6001	ELECTRICAL DETAILS	A	B
E-6002	ELECTRICAL DETAILS	A	B
E2-7001	ELECTRICAL LUMINAIRE SCHEDULE	A	B
E-7002	ELECTRICAL SCHEDULES	A	B
E-7003	ELECTRICAL PANEL SCHEDULES	A	B
E-7004	ELECTRICAL PANEL SCHEDULES	A	B
E-7005	ELECTRICAL PANEL SCHEDULES	A	B
E-7006	ELECTRICAL PANEL SCHEDULES	A	B
E-7007	ELECTRICAL PANEL SCHEDULES	A	B
E-7008	ELECTRICAL PANEL SCHEDULES	A	B

Phase 3 Drawing Set

#	Sheet Name	12/15/2016 - PLAN CHECK SUBMITTAL	02/06/2017 - ISSUED FOR PERMIT/BID
00 GENERAL			
G3-0000	COVER SHEET	A	B
G3-0001	DRAWING LIST	A	B
G3-0002	CODE ANALYSIS & PHASING PLAN		A
G3-2100x	GENERAL FIRST FLOOR TRAVEL DISTANCE DIAGRAM - PHASE 3	A	B
G3-2101x	GENERAL FIRST FLOOR EGRESS PLAN - PHASE 3	A	B
G3-2200x	GENERAL SECOND FLOOR TRAVEL DISTANCE DIAGRAM - PHASE 3	A	
G3-2201x	GENERAL SECOND FLOOR EGRESS PLAN - PHASE 3	A	
01 ARCHITECTURE			
A-0001	ARCHITECTURAL SYMBOLS & ABBREVIATIONS	A	B
A-0002	ARCHITECTURAL WALL TYPE LEGEND	A	B
A3-1000	ARCHITECTURAL SITE PLAN - PHASE 3		A
A3-1001	ARCHITECTURAL SITE ENLARGED PLAN - PHASE 3		A
A3-2100	ARCHITECTURAL FIRST FLOOR PLAN - PHASE 3		A
A3-2101	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 1 - PHASE 3		A
A3-2102	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 2 - PHASE 3		A
A3-2103	ALCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 3 - PHASE 3		A
A3-2104	ARCHITECTURAL FIRST FLOOR ENLARGED PLAN - AREA 4 - PHASE 3		A
A3-2R00	ARCHITECTURAL ROOF PLAN - PHASE 3		A
A3-2100f	ARCHITECTURAL FIRST FLOOR FINISH PLAN - PHASE 3		A
A3-2101m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 1 - PHASE 3		A
A3-2102m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 2 - PHASE 3		A
A3-2103m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 3 - PHASE 3		A
A3-2104m	ARCHITECTURAL FIRST FLOOR ENLARGED DIMENSIONED PLAN - AREA 4 - PHASE 3		A
A3-2101r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 1 - PHASE 3		A
A3-2102r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 2 - PHASE 3		A
A3-2103r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 3 - PHASE 3		A
A3-2104r	ARCHITECTURAL FIRST FLOOR ENLARGED REFLECTED CEILING PLAN - AREA 4 - PHASE 3		A
A3-3001	ARCHITECTURAL DOOR SCHEDULE		A
A3-3002	ARCHITECTURAL DOOR SCHEDULE		A
A3-3003	ARCHITECTURAL WINDOW SCHEDULE & STOREFRONT ELEVATIONS		A
A3-3004	ARCHITECTURAL FINISH SCHEDULE		A
A3-3005	ARCHITECTURAL FINISH SCHEDULE		A
A3-4001	ARCHITECTURAL BUILDING SECTIONS	A	B
A3-4002	ARCHITECTURAL SIGHTLINE SECTIONS	A	B
A3-4003	ARCHITECTURAL WALL SECTIONS	A	B
A3-7001	ARCHITECTURAL INTERIOR ELEVATIONS AND ENLARGED PLANS - RESTROOMS & JANITORS CLOSET	A	B
A3-8001	ARCHITECTURAL ROOF DETAILS	A	B
A3-8002	ARCHITECTURAL INTERIOR WALL DETAILS		A
A3-8003	ARCHITECTURAL INTERIOR WALL DETAILS		A
A3-8004	ARCHITECTURAL INTERIOR WALL DETAILS		A
A3-8005	ARCHITECTURAL INTERIOR WALL DETAILS		A
A3-8006	ARCHITECTURAL DETAILS		A
A3-8007	ARCHITECTURAL CEILING DETAILS		A
A3-8008	ARCHITECTURAL CASEWORK DETAILS		A
02-AES DRAWINGS			
AES-001	AES TEST SHEET		
03 LAB FURNISHINGS			
LF3-0000	LAB SCHEDULES AND ABBREVIATIONS		A
LF3-0001	LAB CASEWORK SCHEDULE	A	B
LF3-2101	ENLARGED LAB PLAN - FIRST FLOOR - AREA 1 - PHASE 3		A
LF3-2102	ENLARGED LAB PLAN - FIRST FLOOR - AREA 2 - PHASE 3		A
LF3-3001	LAB INTERIOR ELEVATIONS		A
LF3-3002	LAB INTERIOR ELEVATIONS		A
LF3-3003	LAB INTERIOR ELEVATIONS		A
LF3-3004	LAB INTERIOR ELEVATIONS		A
LF3-3005	LAB INTERIOR ELEVATIONS		A
LF3-8001	LAB DETAILS	A	B
LF3-8002	LAB DETAILS		A
LF3-8003	LAB DETAILS		A
04 P&ID			
PID-0001	PROCESS & INSTRUMENTATION DIAGRAM SYMBOLS & ABBREVIATIONS	A	B
PID-0002	PROCESS & INSTRUMENTATION DIAGRAM SYMBOLS & ABBREVIATIONS	A	B

PID-7001	PROCESS & IINSTRUMENTATION DIAGRAM PURIFIED WATER GENERATION & DISTRIBUTION	A	B
PID-7003	PROCESS & INSTRUMENTATION DIAGRAM CLEAN COMPRESSED AIR GENERATION & DISTRIBUTION	A	B
PID-8001	PROCESS & INSTRUMENTATION DIAGRAM CHILLED WATER GENERATION	A	B
PID-8003	PROCESS & INSTRUMENTATION DIAGRAM CHILLED WATER DISTRIBUTION-02	A	B
PID-8005	PROCESS & INSTRUMENTATION DIAGRAM HEATING HOT WATER GENERATION	A	B
PID-8008	PROCESS & INSTRUMENTATION DIAGRAM HEATING HOT WATER DISTRIBUTION-03	A	B
PID-8009	PROCESS & INSTRUMENTATION DIAGRAM CONDENSER WATER GENERATION	A	B
PID-8016	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 GENERATION		A
PID-8017	PROCESS & INSTRUMENTATION DIAGRAM EF GENERATION		A
PID-8018	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 DISTRIBUTION-01		A
PID-8019	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 DISTRIBUTION-02		A
PID-8020	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 DISTRIBUTION-03		A
PID-8021	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 DISTRIBUTION-04		A
PID-8022	PROCESS & INSTRUMENTATION DIAGRAM AHU-10 DISTRIBUTION-05		A
PID-8023	PROCESS & INSTRUMENTATION DIAGRAM FCU-01 & 02 GENERATION		A
PID-8024	PROCESS & INSTRUMENTATION DIAGRAM FCU-03, 04 & 05 GENERATION		A
PID-8025	PROCESS & INSTRUMENTATION DIAGRAM FCU-06, 07 & 08 GENERATION		A
PID-8026	PROCESS & INSTRUMENTATION DIAGRAM FCU-09 GENERATION		A
PID-9001	PROCESS & INSTRUMENTATION DIAGRAM VACUUM GENERATION	A	B
PID-9002	PROCESS & INSTRUMENTATION DIAGRAM VACUUM DISTRIBUTION LABS	A	B
PID-9003	PROCESS & INSTRUMENTATION DIAGRAM VACUUM DISTRIBUTION MANUFACTURING	A	B
PID-9005	PROCESS & INSTRUMENTATION DIAGRAM CO2 BULK STORAGE	A	B
PID-9006	PROCESS & INSTRUMENTATION DIAGRAM CO2 DISTRIBUTION LABS		A
PID-9007	PROCESS & INSTRUMENTATION DIAGRAM CO2 DISTRIBUTION MANUFACTURING		A
PID-9010	PROCESS & INSTRUMENTATION DIAGRAM LN2 BULK STORAGE	A	B
PID-9011	PROCESS & INSTRUMENTATION DIAGRAM LN2 DISTRIBUTION	A	B
06 MECHANICAL			
M-0001	MECHANICAL SYMBOLS & ABBREVIATIONS	A	B
M3-0002	MECHANICAL TITLE 24 COMPLIANCE	A	B
M3-0003	MECHANICAL TITLE 24 COMPLIANCE	A	B
M3-0100	GENERAL ARRANGEMENT FIRST FLOOR PLAN - PHASE 3	A	B
M3-0200	GENERAL ARRANGEMENT SECOND FLOOR PLAN - PHASE 3	A	B
M3-0R00	GENERAL ARRANGEMENT ROOF PLAN - PHASE 3	A	B
M3-1100	MECHANICAL FIRST FLOOR DUCTWORK PLAN - PHASE 3	A	B
M3-1101	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 1 - PHASE 3	A	B
M3-1102	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 2 - PHASE 3	A	B
M3-1103	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 3 - PHASE 3	A	B
M3-1104	MECHANICAL FIRST FLOOR ENLARGED DUCTWORK PLAN - AREA 4 - PHASE 3	A	B
M3-1200	MECHANICAL SECOND FLOOR OVERALL PLAN - PHASE 3	A	B
M3-1201	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 1 - PHASE 3	A	B
M3-1202	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 2 - PHASE 3	A	B
M3-1203	MECHANICAL SECOND FLOOR ENLARGED DUCTWORK PLAN - AREA 3 - PHASE 3	A	B
M3-1R00	MECHANICAL ROOF DUCTWORK PLAN - PHASE 3	A	B
M3-2101	MECHANICAL & PROCESS FIRST FLOOR ENLARGED PIPING PLAN - AREA 1 - PHASE 3	A	B
M3-2102	MECHANICAL & PROCESS FIRST FLOOR ENLARGED PIPING PLAN - AREA 2 - PHASE 3	A	B
M3-2103	MECHANICAL & PROCESS FIRST FLOOR ENLARGED PIPING PLAN - AREA 3 - PHASE 3	A	B
M3-2104	MECHANICAL & PROCESS FIRST FLOOR ENLARGED PIPING PLAN - AREA 4 - PHASE 3	A	B
M3-2201	MECHANICAL & PROCESS SECOND FLOOR ENLARGED PIPING PLAN - AREA 1 - PHASE 3	A	B
M3-2202	MECHANICAL & PROCESS SECOND FLOOR ENLARGED PIPING PLAN - AREA 2 - PHASE 3	A	B
M3-2203	MECHANICAL & PROCESS SECOND FLOOR ENLARGED PIPING PLAN - AREA 3 - PHASE 3	A	B
M3-2204	MECHANICAL & PROCESS SECOND FLOOR ENLARGED PIPING PLAN - AREA 4 - PHASE 3	A	B
M3-3101	MECHANICAL FIRST FLOOR AHU ZONING PLAN - PHASE 3	A	B
M3-3102	MECHANICAL FIRST FLOOR SPACE ZONING PLAN - PHASE 3	A	B
M3-3103	MECHANICAL FIRST FLOOR PRESSURIZATION PLAN - PHASE 3	A	B
M3-6001	MECHANICAL LAB AREA ENLARGED DUCTWORK PLAN		A
M3-6002	MECHANICAL YARD ENLARGED PIPING PLAN		A
M3-6003	MECHANICAL BOILER ROOM ENLARGED PIPING PLAN		A
M3-6004	MECHANICAL DETAILS		A
M3-6005	MECHANICAL DETAILS		A
M3-7001	MECHANICAL SCHEDULES	A	B
M3-7002	MECHANICAL SCHEDULES	A	B
M3-7003	MECHANICAL SCHEDULES		A
07 PLUMBING			
P-0001	PLUMBING SYMBOLS & ABBREVIATIONS	A	B
P3-0002	PLUMBING TITLE 24 COMPLIANCE	A	B
P3-0003	PLUMBING TITLE 24 COMPLIANCE	A	B
P3-1000	PLUMBING SITE PLAN - PHASE 3	A	B
P3-1001	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 3	A	B

P3-1002	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 3	A	B
P3-1003	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 3	A	B
P3-1004	PLUMBING UNDERGROUND ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 3	A	
P3-1101	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 3	A	B
P3-1102	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 3	A	B
P3-1103	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 3	A	B
P3-1104	PLUMBING FIRST FLOOR ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 3	A	B
P3-1201	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 1 - PHASE 3	A	
P3-1202	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 2 - PHASE 3	A	B
P3-1203	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 3 - PHASE 3	A	
P3-1204	PLUMBING SECOND FLOOR ENLARGED WASTE & VENT PLAN - AREA 4 - PHASE 3	A	
P3-1R00	PLUMBING ROOF WASTE & VENT PLAN - PHASE 3		A
P3-2101	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 1 - PHASE 3	A	B
P3-2102	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 2 - PHASE 3	A	B
P3-2103	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 3 - PHASE 3	A	B
P3-2104	PLUMBING FIRST FLOOR ENLARGED WATER & GASES PLAN - AREA 4 - PHASE 3	A	
P3-2201	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 1 - PHASE 3	A	
P3-2202	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 2 - PHASE 3	A	
P3-2203	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 3 - PHASE 3	A	
P3-2204	PLUMBING SECOND FLOOR ENLARGED WATER & GASES PLAN - AREA 4 - PHASE 3	A	
P3-5001	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P3-5002	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P3-5003	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P3-5004	PLUMBING SANITARY & LAB WASTE RISER DIAGRAM (SAN/LW)	A	B
P3-5005	PLUMBING WATER RISER DIAGRAM - AREA 1	A	B
P3-5006	PLUMBING WATER RISER DIAGRAM - AREA 2	A	B
P3-5007	PLUMBING WATER RISER DIAGRAM - AREA 3	A	B
P3-5008	PLUMBING WATER RISER DIAGRAM - AREA 4	A	B
P3-5009	PLUMBING NATURAL GAS RISER DIAGRAM	A	B
P3-6001	PLUMBING TOILET ROOM ENLARGED PLAN & DETAILS		A
P3-6002	PLUMBING DETAILS		A
P3-6003	PLUMBING DETAILS		A
P3-7001	PLUMBING SCHEDULES		A
09 FIRE PROTECTION			
FP3-1100	FIRE PROTECTION FIRST FLOOR PLAN - PHASE 3	A	B
FP3-1200	FIRE PROTECTION SECOND FLOOR PLAN - PHASE 3	A	B

10 ELECTRICAL			
E-0001	ELECTRICAL SYMBOLS & ABBREVIATIONS	A	B
E3-0003	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E3-0004	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E3-0005	ELECTRICAL TITLE 24 COMPLIANCE	A	B
E3-1101	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 1 - PHASE 3	A	B
E3-1102	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 2 - PHASE 3	A	B
E3-1103	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 3 - PHASE 3	A	B
E3-1104	ELECTRICAL FIRST FLOOR ENLARGED LIGHTING PLAN - AREA 4 - PHASE 3	A	B
E3-1201	ELECTRICAL SECOND FLOOR ENLARGED LIGHTING PLAN - AREA 1 - PHASE 3	A	
E3-1202	ELECTRICAL SECOND FLOOR ENLARGED LIGHTING PLAN - AREA 2 - PHASE 3	A	
E-0002	ELECTRICAL GENERAL NOTES	A	B
E3-2101	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 1 - PHASE 3	A	B
E3-2102	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 2 - PHASE 3	A	B
E3-2103	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 3 - PHASE 3	A	B
E3-2104	ELECTRICAL FIRST FLOOR ENLARGED POWER PLAN - AREA 4 - PHASE 3	A	B
E3-2201	ELECTRICAL SECOND FLOOR ENLARGED POWER PLAN - AREA 1 - PHASE 3	A	B
E3-2202	ELECTRICAL SECOND FLOOR ENLARGED POWER PLAN - AREA 2 - PHASE 3	A	B
E3-2R00	ELECTRICAL ROOF POWER PLAN - PHASE 3		A
E3-3101	ELECTRICAL FIRST FLOOR SPECIAL SYSTEMS PLAN - AREA 1 - PHASE 3	A	B
E3-3102	ELECTRICAL FIRST FLOOR SPECIAL SYSTEMS PLAN - AREA 2 - PHASE 3	A	B
E3-3103	ELECTRICAL FIRST FLOOR SPECIAL SYSTEMS PLAN - AREA 3 - PHASE 3	A	B
E3-3104	ELECTRICAL FIRST FLOOR SPECIAL SYSTEMS PLAN - AREA 4 - PHASE 3	A	B
E-5001	ELECTRICAL SINGLE LINE DIAGRAM - NORMAL	A	B
E-5002	ELECTRICAL SINGLE LINE DIAGRAM - STANDBY	A	B
E-6001	ELECTRICAL DETAILS	A	B
E-6002	ELECTRICAL DETAILS	A	B
E3-7001	ELECTRICAL LUMINAIRE SCHEDULE	A	B
E-7002	ELECTRICAL SCHEDULES	A	B
E-7003	ELECTRICAL PANEL SCHEDULES	A	B
E-7004	ELECTRICAL PANEL SCHEDULES	A	B
E-7005	ELECTRICAL PANEL SCHEDULES	A	B
E-7006	ELECTRICAL PANEL SCHEDULES	A	B
E-7007	ELECTRICAL PANEL SCHEDULES	A	B
E-7008	ELECTRICAL PANEL SCHEDULES	A	B

EXHIBIT O

LIST OF PREAPPROVED CONTRACTORS

Trade/Company

General Contractor

DPR Construction

HVAC
ACCO
Control Air
Pacific Rim Mechanical
Limbach

PLUMBING
Pacific Rim Mechanical
Pan Pacific Mechanical
Murray Company
Control Air

ELECTRICAL
CSI Electrical Contractors
Morrow Meadows Corporation
Berg Electric
Taft Electric

FIRE PROTECTION
Cosco Fire Protection
Daart Engineering, Inc
Southwest Fire
Western States Fire Protection

STEEL
Orange County Erectors
Muhlhauser Steel
Washington Iron

LAB CASEWORK
Recycled Labs

CLEAN ROOMS
AES Clean Technologies

RIDER 1

OPTIONS TO EXTEND

This **Rider 1** is attached to, made a part of, incorporated into, and amends and supplements, that certain Standard Industrial Lease dated February ____, 2017 (the "Lease"), by and between THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC, a Delaware limited liability company ("Landlord"), and ATARA BIOTHERAPEUTICS, INC., a Delaware corporation ("Tenant"). Landlord and Tenant agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth in this **Rider 1** will be deemed to be a part of the Lease and will supersede any contrary provisions in the Lease and shall prevail and control for all purposes. All references in the Lease and in this **Rider 1** to the defined term "Lease" are to be construed to mean the Lease as amended and supplemented by this **Rider 1**. Capitalized terms which are not defined in this **Rider 1** have the meanings given to them in the Lease.

1. OPTIONS TO EXTEND.

(a) Subject to the terms of this Paragraph 1 and Paragraph 2, entitled "Option," Landlord hereby grants to Tenant two (2) options (each, an "Extension Option") to extend the Term of the Lease with respect to the entire Premises, the first (1st) such option being for a period of ten (10) years and the second (2nd) such option being for a period of nine (9) years (each, an "Option Term"), on the same terms, covenants and conditions as provided for in the Lease during the then-current Term, except that (i) upon exercise of any Extension Option, the total number of Extension Options set forth in this **Rider 1** shall be reduced by one (1), and (ii) all economic terms such as, without limitation, Basic Rent, parking charges, if any, etc., shall be established based on the "fair market rental rate" for the Premises for the applicable Option Term as defined and determined in accordance with the provisions of this Paragraph 1 below.

(b) An Extension Option must be exercised, if at all, by written notice ("Extension Notice") delivered by Tenant to Landlord no earlier than the date which is three hundred sixty (360) days, and no later than the date which is two hundred seventy (270) days, prior to the expiration of the then-current Term of the Lease.

(c) The term "fair market rental rate" as used in this **Rider 1** shall mean the annual amount per square foot, projected during the relevant period, that a willing, comparable, non-equity, renewal tenant (excluding sublease and assignment transactions) would pay, and a willing, comparable, institutional landlord of a comparable Class "A" quality industrial building located in the North Los Angeles County area (including the Conejo Valley) ("Comparison Area") would accept, at arm's length (what Landlord is accepting in current transactions for the Building may be considered), for an industrial building containing approximately 90,580 square feet of floor area with a five percent (5%) office build-out (with the remaining ninety-five percent (95%) being in cold, shell condition), comparable in quality and floor height as the leased area at issue taking into account the age, quality and layout of the existing improvements in the leased area at issue (i.e., assuming an industrial building containing approximately 90,580 square feet of floor area with a five percent (5%) office build-out with the remaining ninety-five percent (95%) being in cold, shell condition) and taking into account items that professional real estate brokers customarily consider, including, but not limited to, rental rates, industrial space availability, tenant size, tenant improvement allowances, operating expenses and allowance, parking charges, and any other economic matters then being charged by Landlord or the lessors of such similar industrial buildings.

(d) Landlord's determination of fair market rental rate shall be delivered to Tenant in writing not later than thirty (30) days following Landlord's receipt of the applicable Extension Notice. Tenant will have thirty (30) days ("Tenant's Review Period") after receipt of Landlord's notice of the fair market rental rate within which to accept such fair market rental rate or to object thereto in writing. Tenant's failure to object to the fair market rental rate submitted by Landlord in writing within Tenant's Review Period will conclusively be deemed Tenant's approval and acceptance thereof. If Tenant objects to the fair market rental rate submitted by Landlord within Tenant's Review Period, then Landlord and Tenant will attempt in good faith to agree upon such fair market rental rate using their best good faith efforts. If Landlord and Tenant fail to reach agreement on such fair market rental rate within fifteen (15) days following the expiration of Tenant's Review Period (the "Outside Agreement Date"), then each party's determination will be submitted to appraisal in accordance with the provisions below.

(e) (i)Landlord and Tenant shall each appoint one independent, unaffiliated real estate broker (referred to herein as an "appraiser" even though only a broker) who has been active over the five (5) year period ending on the date of such appointment in the leasing of comparable industrial properties in the Comparison Area. Each such appraiser will be appointed within thirty (30) days after the Outside Agreement Date.

(ii) The two (2) appraisers so appointed will within fifteen (15) days of the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth herein above for qualification of the initial two (2) appraisers.

(iii) The determination of the appraisers shall be limited solely to the issue of whether Landlord's or Tenant's last proposed (as of the Outside Agreement Date) new Basic Rent for the Premises is the closest to the actual new Basic Rent for the Premises as determined by the appraisers, taking into account the requirements of Subparagraph 1(c) and this Subparagraph 1(e) regarding same.

(iv) The three (3) appraisers shall within thirty (30) days of the appointment of the third appraiser reach a decision as to whether the parties shall use Landlord's or Tenant's submitted new Basic Rent, and shall notify Landlord and Tenant thereof.

(v) The decision of the majority of the three (3) appraisers shall be binding upon Landlord and Tenant and neither party will have the right to reject the determination or undo the exercise of the Extension Option. The cost of each party's appraiser shall be the responsibility of the party selecting such appraiser, and the cost of the third appraiser (or arbitration, if necessary) shall be shared equally by Landlord and Tenant.

(vi) If either Landlord or Tenant fails to appoint an appraiser within the time period in Subparagraph 1(e)(i) herein above, the appraiser appointed by one of them shall reach a decision, notify Landlord and Tenant thereof and such appraiser's decision shall be binding upon Landlord and Tenant and neither party will have the right to reject the determination or undo the exercise of the Extension Option.

(vii) If the two (2) appraisers fail to agree upon and appoint a third appraiser, both appraisers shall be dismissed and the matter to be decided shall be forthwith submitted to binding arbitration under the provisions of the American Arbitration Association.

(viii) In the event that the new Basic Rent is not established prior to end of the then-current Term of the Lease, the Basic Rent immediately payable at the commencement of the applicable Option Term shall be the Basic Rent determined by Landlord. Notwithstanding the above, once the fair market rental is determined in accordance with this Subparagraph 1(e), the parties shall settle any overpayment on the next Basic Rent payment date falling not less than thirty (30) days after such determination.

2. OPTION.

(a) As used in this Paragraph, the word "Option" means each Extension Option pursuant to Paragraph 1 herein.

(b) The Option is personal to the original Tenant executing the Lease and any Permitted Assignee and may be exercised only by the original Tenant executing the Lease or a Permitted Assignee while occupying the entire Premises and without the intent of thereafter assigning the Lease or subletting the Premises and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing the Lease or a Permitted Assignee. The Option is not assignable separate and apart from the Lease, nor may the Option be separated from the Lease in any manner, either by reservation or otherwise.

(c) Tenant shall have no right to exercise the Option, notwithstanding any provision of the grant of Option to the contrary, and Tenant's exercise of the Option may be nullified by Landlord and deemed of no further force or effect, if (i) Tenant shall be in default of any monetary obligation or material non-monetary obligation under the terms of the Lease as of Tenant's exercise of the Option or at any time after the exercise of such Option and prior to the commencement of the Option event, or (ii) Landlord has given Tenant two (2) or more notices of default, whether or not such defaults are subsequently cured, during any twelve (12) consecutive month period.

RIDER 2

LETTER OF CREDIT

This **Rider 2** is attached to, made a part of, incorporated into, and amends and supplements, that certain Standard Industrial Lease dated February ____, 2017 (the "Lease"), by and between THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC, a Delaware limited liability company ("Landlord"), and ATARA BIOTHERAPEUTICS, INC., a Delaware corporation ("Tenant"). Landlord and Tenant agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth in this **Rider 2** will be deemed to be a part of the Lease and will supersede any contrary provisions in the Lease and shall prevail and control for all purposes. All references in the Lease and in this **Rider 2** to the defined term "Lease" are to be construed to mean the Lease as amended and supplemented by this **Rider 2**. Capitalized terms which are not defined in this **Rider 2** have the meanings given to them in the Lease.

1. Delivery of Letter of Credit. Tenant shall deliver to Landlord, concurrently with Tenant's execution of the Lease, an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount set forth in Paragraph 3 below (the "L-C Amount"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local Los Angeles County office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "Bank"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A" (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be in the form of Schedule "1" attached hereto. Landlord hereby approves Silicon Valley Bank as an approved Bank as of the date of this Lease. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of the Lease and continuing until the date (the "L-C Expiration Date") that is no less than one hundred twenty (120) days after the expiration of the Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of the Lease, or (B) Tenant has filed a voluntary petition under the U.S. Bankruptcy Code or any state bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors, or (G) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this **Rider 2** (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Paragraph 1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in the Lease to the contrary) (each of the foregoing being an "L-C Draw Event"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this **Rider 2**, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this **Rider 2**. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Paragraph 1, then, notwithstanding anything in the Lease to the contrary, Landlord shall have the right to declare Tenant in default of the Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Paragraph or is otherwise requested by Tenant.

2. Application of L-C. Tenant hereby acknowledges and agrees that Landlord is entering into the Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of the Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by the Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-

C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of the Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U.S. Bankruptcy Code or otherwise.

3. L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages.

3.1 L-C Amount. The L-C Amount shall initially be equal to $1,200,000.00, which shall be subject to increase pursuant to Paragraph 14 of the Lease and this Paragraph 3.1, and subject to reduction pursuant to this Paragraph 3.1. On the first (1st) anniversary of the Rent Commencement Date or as soon thereafter as all of the Initial L-C Reduction Conditions (as defined below) are satisfied (the later of such dates being the "Initial L-C Reduction Date"), the L-C Amount shall be reduced by $100,000.00. Thereafter, on each anniversary of the Initial L-C Reduction Date (each, an "Ongoing L-C Reduction Date"), provided that all of the Ongoing L-C Reduction Conditions (as defined below) are satisfied on such date, the L-C Amount shall be reduced by an additional $100,000.00 on each such anniversary; provided, however, that in no event shall the L-C Amount be reduced to a total amount that is less than $500,000.00. Moreover, if on any Ongoing L-C Reduction Date Tenant fails to meet any of the Ongoing L-C Reduction Conditions, then the L-C Amount shall be automatically and immediately increased to the original L-C Amount (i.e., $1,200,000.00), plus any increases pursuant to Paragraph 14 of the Lease, without the right to any further reductions in the L-C Amount pursuant to this Paragraph 3.1.

(a) The "Initial L-C Reduction Conditions" shall mean, collectively: (1) Tenant is not in default under the Lease (beyond the applicable notice and cure periods set forth in the Lease); (2) Tenant has provided Landlord with a copy of an approval letter from the FDA authorizing commercial marketing of EBV-CTL, or another drug candidate; (3) Tenant has generated product sales of $100 million or more within the immediately preceding twelve (12) consecutive month period; and (4) Tenant has achieved at least break-even earnings before interest, tax, depreciation and amortization ("EBITDA") for the immediately preceding twelve (12) consecutive month period.

(b) The "Ongoing L-C Reduction Conditions" shall mean, collectively: (1) Tenant is not in default under the Lease (beyond the applicable notice and cure periods set forth in the Lease); (2) Tenant has generated product sales of $100 million or more within the immediately preceding twelve (12) consecutive month period; and (3) Tenant has achieved at least break-even EBITDA for the immediately preceding twelve (12) consecutive month period.

3.2In General. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this **Rider 2**, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Paragraph 3.3 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than sixty (60) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises any option to extend the Term pursuant to the Lease then, not later than one hundred twenty (120) days prior to the commencement of the applicable option term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as one hundred twenty (120) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this **Rider 2**, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this **Rider 2**, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under the Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under the Lease, or (y) pursue its remedy under Paragraph 3.3 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under the Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under the Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under the Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

3.3 FAILURE TO MAINTAIN; REPLACE AND/OR REINSTATE L-C; LIQUIDATED DAMAGES. IN THE EVENT THAT TENANT FAILS, WITHIN (I) THAT PERIOD SET FORTH IN PARAGRAPH 3.2 ABOVE, OR (II) THAT PERIOD SET FORTH IN THE L-C FDIC REPLACEMENT NOTICE, TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANT'S MONTHLY INSTALLMENT OF BASIC RENT SHALL BE INCREASED BY ONE HUNDRED FIFTY PERCENT (150%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS THE LAST DAY OF THE PERIOD IDENTIFIED IN PARAGRAPH 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND ENDING ON THE EARLIER TO OCCUR OF (X) THE DATE TENANT PROVIDES LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS CONTEMPLATED BY THE TERMS OF PARAGRAPH 3.2 ABOVE, OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), OR (Y) THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN PARAGRAPH 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). IN THE EVENT THAT TENANT FAILS, DURING SUCH NINETY (90) DAY PERIOD FOLLOWING THE LAST DAY OF THE PERIOD IDENTIFIED IN PARAGRAPH 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANT'S MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY TWO HUNDRED PERCENT (200%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN PARAGRAPH 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE) AND ENDING ON THE DATE SUCH ADDITIONAL L-C(S) ARE ISSUED IN AN AMOUNT EQUAL TO THE DEFICIENCY OR SUCH A REPLACEMENT L-C IS ISSUED (AS APPLICABLE) PURSUANT TO THE TERMS OF PARAGRAPH 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY LANDLORD AS A RESULT OF TENANT'S FAILURE TO TIMELY PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS REQUIRED IN PARAGRAPH 3.2, OR A REPLACEMENT L-C AS CONTEMPLATED BY THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THE LEASE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS PARAGRAPH 3.3 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH LANDLORD WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT LANDLORD'S RIGHTS AND TENANT'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THE LEASE (EXCEPT THAT THE PARTIES SPECIFICALLY AGREE THAT THE FOREGOING PROVISION WAS AGREED TO IN LIEU OF MAKING FAILURE TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE) A DEFAULT UNDER THE LEASE). THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL-CODE SECTION 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO LANDLORD PURSUANT TO CALIFORNIA CIVIL-CODE SECTION 1671. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS PARAGRAPH 3.3.

_____ _____

LANDLORD'S INITIALS TENANT'S INITIALS

4. Transfer and Encumbrance. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to the Lease. In the event of a transfer of Landlord's interest in under the Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith.

5. L-C Not a Security Deposit. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "Security Deposit Laws"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statue, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a 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 a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this **Rider 2** and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of the Lease, including any damages Landlord suffers following

termination of the Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of the Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

6. Non-Interference By Tenant. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of the Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

7. Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

8. Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of the Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

SCHEDULE 1

FORM OF L-C

[See Attached]

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RIDER 3

RIGHT OF FIRST OFFER TO PURCHASE

This **Rider 3** is attached to, made a part of, incorporated into, and amends and supplements, that certain Standard Industrial Lease dated February ____, 2017 (the "Lease"), by and between THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC, a Delaware limited liability company ("Landlord"), and ATARA BIOTHERAPEUTICS, INC., a Delaware corporation ("Tenant"). Landlord and Tenant agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth in this **Rider 3** will be deemed to be a part of the Lease and will supersede any contrary provisions in the Lease and shall prevail and control for all purposes. All references in the Lease and in this **Rider 3** to the defined term "Lease" are to be construed to mean the Lease as amended and supplemented by this **Rider 3**. Capitalized terms which are not defined in this **Rider 3** have the meanings given to them in the Lease.

1. Right of First Offer to Purchase. Landlord hereby grants to the original Tenant executing the Lease (the "Original Tenant"), throughout the initial Term and the Option Terms, a continuing (subject to the terms hereof) right of first offer to purchase (i) the Building, and (ii) the Premises Land (collectively, the "Property"), which right of first offer shall be on the terms and conditions set forth in this **Rider 3**.

a. Procedure. Landlord shall notify Tenant (the "First Offer Notice") when Landlord desires to sell the Property; provided, however, Landlord shall not be required to deliver the First Offer Notice and Tenant shall not have a right of first offer to the extent Landlord desires to sell the Property as part of the sale of any other properties then owned by Landlord or any existing or future affiliate of Landlord (which shall mean any entity which controls, is controlled by, or is under common control with Landlord or any entity resulting from a recapitalization or organization of or a merger or consolidation with Landlord or any entity which acquires, or will acquire (prior to the closing date of the sale of the Property) all or substantially all of the assets of Landlord's business), it being acknowledged and agreed by Landlord and Tenant that Tenant's right of first offer shall only apply to the extent the original Landlord hereunder desires to sell the Property only. In addition, Tenant's right of first offer shall only apply during original Landlord's ownership of the Property (and shall not apply to any successor-in-interest of original Landlord's interest in the Lease and the Property if Tenant fails to exercise, or is otherwise not entitled to exercise, its right to purchase set forth in this **Rider 3**). The First Offer Notice shall describe Landlord's proposed economic and non-economic terms and conditions applicable to Tenant's purchase of the Property, along with the escrow agent/company ("Escrow Holder") Landlord desires to use in connection with the sale of the Property (collectively, the "First Offer Terms"). The purchase of the Property shall be forty-five (45) days after the effective date of the Purchase and Sale Agreement (as defined below) or such later date as may be set forth in the First Offer Notice. Notwithstanding the foregoing, Tenant's right of first offer shall also not apply in the event Landlord desires to sell the Property to any existing or future affiliate of Landlord or in connection with a foreclosure sale or a sale in lieu of foreclosure (which foreclosure sale or sale in lieu of foreclosure shall not extinguish Tenant's rights hereunder to the extent otherwise provided in any non-disturbance agreement then in effect).

b. Procedure for Acceptance. If Tenant wishes to purchase the Property pursuant to the First Offer Terms described in the First Offer Notice, then within ten (10) business days after delivery of the First Offer Notice to Tenant (the "Offer Election Date"), Tenant shall deliver written notice to Landlord ("Tenant's Offer Election Notice") pursuant to which Tenant shall elect either to (i) purchase the Property subject to the parties negotiating and entering into a commercially reasonable purchase and sale agreement on Landlord's standard form incorporating the terms of this **Rider 3**, except as otherwise provided in the First Offer Notice (the "Purchase and Sale Agreement"), subject to the terms and conditions set forth below; or (ii) refuse to purchase the Property, in which event Tenant's right of first offer set forth herein shall thereupon terminate and be of no further force or effect. If Tenant does not so respond in writing to Landlord's First Offer Notice by the Offer Election Date, Tenant shall be irrevocably deemed to have elected the option described in clause (ii) above. In such event, Landlord may, during the eighteen (18) month period following Tenant's refusal or deemed refusal to purchase the Property on the First Offer Terms, enter into a purchase and sale agreement to sell the Property (or any portion thereof) to any party at economic terms which are not less than ninety-five percent (95%) of the economic terms offered to Tenant in Landlord's First Offer Notice, and upon such non-economic terms as are acceptable to Landlord and such third party purchaser. If Landlord does not enter into a purchase and sale agreement to sell the Property and close escrow within eighteen (18) months after that date Landlord originally delivered such First Offer Notice to Tenant, then Landlord shall, subject to the limitations set forth above, submit to Tenant a new First Offer Notice with respect to the Property prior to selling the Property pursuant to this **Rider 3**, in which event the foregoing procedures shall again apply following Tenant's receipt of such new First Offer Notice. Notwithstanding anything above to the contrary contained herein, Tenant must elect to exercise its right of first offer herein within said ten (10) business day period with respect to the entire Property identified in the First Offer Notice and may not elect to purchase only a portion thereof. If Tenant elects to purchase the Property, then the parties shall negotiate in good faith the terms of the Purchase and Sale Agreement, the terms of which shall be subject to the sole and absolute discretion of each party. In the event the parties agree upon the final form of the Purchase and Sale Agreement, as acceptable in each party's sole and absolute discretion, then the parties shall thereafter mutually execute the same. In the event the parties are unable to agree upon the final form of the Purchase and Sale Agreement (in each party's sole and absolute discretion) within thirty (30) days after Tenant delivers the Tenant's Offer Election Notice, then Tenant shall be deemed to have refused to purchase the Property pursuant to clause (ii) of the first sentence of this Subparagraph 1(b). Tenant hereby expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies Tenant may now or hereafter have

against Landlord, and the affiliates, directors, officers, attorneys, employees, partners, shareholders and agents of Landlord, whether known or unknown, with respect to Landlord's disapproval of the Purchase and Sale Agreement, which Tenant acknowledges and agrees may be disapproved in Landlord's sole and absolute discretion.

TENANT HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS/HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, TENANT HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVER AND RELEASE:

_____
Tenant's Initials

c. Conditions Precedent to Effectiveness of Right of First Offer. Notwithstanding anything to the contrary contained in this **Rider 3**, Tenant's exercise of Tenant's right of first offer (and Tenant's right to thereafter purchase the Property) shall be effective only if all of the conditions precedent set forth hereinbelow are true and correct during the period commencing upon the date Tenant delivers Tenant's Offer Election Notice and continuing until the closing date of such sale of the Property to Tenant, unless Landlord, in Landlord's sole discretion, elects to waive any such condition(s) precedent in writing:

i) The Lease is in full force and effect and Tenant shall not be in default thereunder and shall not have been in default thereunder previously more than once; and

ii) Tenant shall not have assigned its interest in the Lease or in the right of first offer other than in connection with an assignment of the Lease to a Permitted Assignee, it being acknowledged and agreed that the right of first offer is personal to the Original Tenant and/or any Permitted Assignee and may not be voluntarily or involuntarily assigned to, or exercised by, any other person or entity other than the Original Tenant and/or a Permitted Assignee and only so long as the Original Tenant or a Permitted Assignee is in physical possession of ninety percent (90%) or more of the Premises (i.e., such Original Tenant or a Permitted Assignee has not sublet or ceased to operate in more than ten percent (10%) of the Premises).

STANDARD INDUSTRIAL LEASE

(NET)

LANDLORD:	**THOUSAND OAKS INDUSTRIAL PORTFOLIO, LLC**
TENANT:	**ATARA BIOTHERAPEUTICS, INC.**
PROJECT:	**CONEJO SPECTRUM**
CITY, STATE:	**THOUSAND OAKS, CALIFORNIA**
DATE:	**FEBRUARY ____, 2017**

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Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

PURSUANT TO

SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)

I, Isaac Ciechanover, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atara Biotherapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2017

/s/ Isaac Ciechanover
Isaac Ciechanover
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

PURSUANT TO

SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)

I, John F. McGrath, Jr. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atara Biotherapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2017

/s/ John F. McGrath, Jr.
John F. McGrath, Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Atara Biotherapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission (the "Report"), Isaac Ciechanover, Chief Executive Officer of the Company, and John McGrath, Chief Financial Officer of the Company, respectively, do each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2017

/s/ Isaac Ciechanover
Isaac Ciechanover
Chief Executive Officer
(Principal Executive Officer)

/s/ John F. McGrath, Jr.
John F. McGrath, Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer)